

**PLUMMER/WORLEY JOINT SCHOOL
DISTRICT NO. 44**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2016

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS (M D & A)	6
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Activities	14
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
NOTES TO FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Schedule of Pension Funding	35
Budgetary Comparison Schedule – General Fund	36
Budgetary Comparison Schedule – Food Service Fund	37
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report – Government Auditing Standards	39
Single Audit Act	41
Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44-45
Governmental Funds	46
Combining Balance Sheet – All Governmental Funds	50-53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds	54-57



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Plummer/Worley Joint School District No. 44
Plummer, Idaho

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 the Plummer/Worley Joint School District No. 44, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

Management has recorded a liability for the implicit rate subsidy of the retiree healthcare. However, the District did not obtain a current actuarial report to determine the current amount of the liability. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, which would increase the liabilities, decrease the net position in the statement of net position, and increase expenses in the statement of activities. Since the District did not obtain a current actuarial report, the amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

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 above present fairly, in all material respects, the respective financial position of the governmental activities of the Plummer/Worley Joint School District No. 44, as of June 30, 2016, and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Plummer/Worley Joint School District No. 44, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of pension funding, and budgetary comparison information on pages 6 through 12 and 35 through 37, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plummer/Worley Joint School District No. 44's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, is 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 25, 2016, on our consideration of the Plummer/Worley Joint School District No. 44's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and 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* and in considering the Plummer/Worley Joint School District No. 44's internal control over financial reporting and compliance.

PRESNELL GAGE PLLC

October 25, 2016

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Plummer/Worley Joint School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$116,599 as a result of this year's operations.
- The total cost of District operations amounted to \$5,397,144 of which \$1,035,772 was generated from program revenues. General revenues amounted to \$4,477,971.
- The District recognized a net pension liability of \$1,119,000 at June 30, 2016. PERSI reflects that the pensions are 92 percent funded.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of four components: 1) District-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other supplementary information.

- The statement of net position and the statement of activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.
- The Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.
- The remaining statements and schedules provide information about individual funds within the District and the results of their operations compared to budget.

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that may help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

These two statements report the District's net position and changes in them. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and student enrollment to assess the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements. The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

Governmental Funds. Most of the District's day-to-day operations are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation on pages 16 and 18.

Fiduciary Funds. The District is the fiduciary for its student activity funds and scholarship funds established through the District. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position on page 19. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 21-33.

THE DISTRICT AS A WHOLE

Net position of the District's governmental activities increased by \$116,599 to a total of \$11,281,045 in fiscal year 2016 as a result of current operations. This is compared to \$11,428,198 in 2015 and \$12,543,008 in 2014. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased from a modified deficit of \$888,412 at June 30, 2015, to a deficit of \$700,870 at the end of this year.

Total assets increased slightly to \$13,332,806 in 2016 compared to \$13,230,210 in 2015.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

Payables relating to payroll and taxes increased from \$439,759 to \$508,077.

Table 1 presents the revenues and expenses for the District's programs.

Table 1		
Changes in Net Position		
	<u>2016</u>	<u>2015</u>
Revenues		
Program revenues:		
Charges for services	\$ 12,991	\$ 13,515
Operating grants and contributions	1,022,781	972,938
General revenues		
Property taxes, levied for general purposes	587,625	586,865
State base support	2,247,573	2,243,363
State and federal funding not restricted to specific programs	41,207	7,122
P.L. 874 Impact Aid	1,079,415	882,760
Coeur d'Alene Tribe contributions	225,000	
Interest and investment earnings	5,447	2,105
Other general revenues	<u>291,704</u>	<u>32,904</u>
Total revenues	<u>5,513,743</u>	<u>4,741,572</u>
Program Expenses		
Instruction		
Regular programs	1,940,927	1,683,261
Special programs	477,170	453,857
Interscholastic and school activity	111,361	104,217
Support services		
Pupil support	194,482	169,740
Staff support	537,476	368,914
General administration	192,478	185,884
School administration	274,793	269,232
Business services	545,564	522,845
Maintenance and operations	421,805	356,737
Transportation	344,303	340,066
Other support services	48,659	55,347
Food services	280,139	301,648
Community services	112,410	125,890
PERSI retirement actuarial charges	<u>(84,423)</u>	<u>(462,504)</u>
Total expenses	<u>5,397,144</u>	<u>4,475,134</u>
Change in net position	<u>\$ 116,599</u>	<u>\$ 266,438</u>

The District experienced a revenue increase during the year ended June 30, 2016. The most notable increases were from State and Federal grants, Impact Aid revenues, and Coeur d'Alene Tribe contributions. The increase in Coeur d'Alene Tribe donations is due to District receiving both the prior year pledged donation of \$100,000 and the current year pledged donation of \$125,000 in the current fiscal year.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	Program Expense	Net Revenue (Expense)
Instruction		
Regular programs	\$1,940,927	\$(1,721,551)
Special programs	477,170	(375,216)
Interscholastic and school activity	111,361	(111,361)
Support services		
Pupil support	194,482	(148,544)
Staff support	537,476	(249,619)
General administration	192,478	(192,478)
School administration	274,793	(274,793)
Business services	545,564	(545,564)
Maintenance and operations	421,805	(393,325)
Transportation	344,303	(344,190)
Other support services	48,659	(113)
Food services	280,139	(90,041)
Community service	112,410	
PERSI retirement actuarial charges	(84,423)	84,423

Net Pension Liability. The District recognized a net pension liability of \$1,119,000 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 95 percent of the pension obligation. The District recognized deferred outflow of \$742,927 for payments made towards the net pension liability and deferred inflow of \$722,000 for the District's share of earnings in excess of the minimum expectation by PERSI.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$1,468,879, which increased from last year's total of \$1,136,703.

General Fund Budgetary Highlights

During the fiscal year, the District amended their operating budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had \$15,060,272 in capital assets, including buildings, computer equipment, and major school equipment. This year's major additions included:

The District installed fencing for \$6,000 and a new heat pump for \$7,000.

The District purchased server upgrades for \$6,631 and a new tractor for \$21,550.

The District purchased a new bus for \$84,477 and a new truck for \$22,000.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

The District does not have any long-term debt outstanding at June 30, 2016.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2016-2017 school year will see changes in the salary based apportionment funding. Due to the Career Ladder funding that legislation put into effect with the 2015-2016 school year, they are increasing beginning teacher salaries from \$32,700 to \$33,400. They are also increasing funding from \$400 to \$800 for instructional staff who hold a professional endorsement, a baccalaureate degree, and have attained twenty-four (24) or more credits as well as funding from \$700 to \$1,400 for instructional staff who hold a professional endorsement and a master's degree. All three of these areas will gradually increase each year over the next few years as set by legislation through the 2019-2020 school year at which time the beginning teacher salary will be at \$37,000.

We will see an increase in funding from the State as the unit funding went from \$23,868 to \$25,696 per unit. The unit funding is based on average daily attendance. We are estimating our units to be less than the 2015-2016 school year. Last year, our final units were 20.20, which gave us \$482,134 in funding. We are estimating our 2016-2017 units to be at 19.65, which will give us funding of \$504,926. If our estimates are correct, we will see an increase of \$22,792. Our health insurance monthly rates did increase for the 2016-2017 school year by \$40 a month per employee. For an estimated 80 employees for the year this will be an additional \$38,400 we will pay out. The increase in funding by the State will not cover the estimated health insurance increase.

We do have a 2-year supplemental levy of \$550,000 per year with the 2016-2017 being the last year. We anticipate asking voters for another 2-year supplemental levy in the spring of 2017.

The District is anticipating a decrease in Impact Aid funds for 2016-2017 as the United States Government only released 75 percent of the estimated revenue for LOT funding during 2015-2016. They were releasing 100 percent but when sequestration hit, they reduced it down to 75 percent. The District has only budgeted 75 percent for 2016-2017, which would be a reduction in revenue of approximately \$83,000.

The District is in the final year of a 3-year federal School Improvement Turnaround Grant (SIG) grant. This has been a total of \$556,389 over the 3 years, which has funded 3.5 Certificated Staff. The District was also awarded a \$50,000 federal grant that started the end of the 2015-2016 school year and will end mid-year 2016-2017. This was used to purchase technology equipment for the classrooms, supplies and curriculum, and professional development for the elementary staff for 5 days in August prior to the school year beginning. The District was awarded a \$20,000 federal grant under Title I School Improvement for the Junior High. This is funding a part time intervention teacher at the Junior High level for the 2016-2017 school year. The District was awarded two \$3,550 grants from the Idaho Dairy Commission to install refrigerators at the elementary and secondary kitchens.

During the 2015-2016 school year, we estimated that we may need to transfer \$96,226 from Fund 420, which is our School Plant Fund. We ended up not transferring any funds from that fund. For the 2016-2017 school year, in order to balance our budget we have estimated that we may need to transfer \$107,212. We will only do that depending on actual revenues and expenditures throughout the school year.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

MANAGEMENT'S DISCUSSION AND ANALYSIS

The School District is looking to do several maintenance projects during the 2016-2017 school year, which is part of the schools 10-year plan. One of those projects will be tucking the mortar and sealing the outside of the high school, which is estimated to cost right at \$25,000. Another area is at the Middle School building where we will be installing a canopy over the entry into the building as a safety issue during the winter. This project is estimated at \$25,000. Also, in the Middle School building, the kitchen floor will be repaired and replaced. This project is also estimated at \$25,000. A new entry door will be installed in the Middle School on the west end of the building with an estimated cost of \$8,000. The Elementary School will have the blacktop sealed around the outside of the building with an estimate of \$8,000. Some of these projects will be funded with lottery dollars from the State, which is estimated to be around \$28,000. Other funding sources will be from the Worley property insurance fund that is in the District's Plant Facility Fund.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 1255 E. Street, Plummer, Idaho.

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PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 30,802
Investments	1,563,535
Property taxes receivable	244,674
Accounts receivable	213,654
Total current assets	<u>2,052,665</u>
Noncurrent assets	
Capital assets	15,060,272
Less accumulated depreciation	(3,780,131)
Total noncurrent assets	<u>11,280,141</u>
Total assets	<u>13,332,806</u>
DEFERRED OUTFLOWS OF RESOURCES	
Defined benefit pension	<u>742,927</u>
LIABILITIES	
Current liabilities	
Payroll and taxes payable	508,077
Unearned revenue	17,199
Total current liabilities	<u>525,276</u>
Noncurrent liabilities	
Accrued post-employment benefits	428,412
Net pension liability	1,119,000
Total noncurrent liabilities	<u>1,547,412</u>
Total liabilities	<u>2,072,688</u>
DEFERRED INFLOWS OF RESOURCES	
Defined benefit pension	<u>722,000</u>
NET POSITION	
Invested in capital assets, net of related debt	11,280,141
Restricted for:	
Capital projects	682,272
Grant programs	20,263
Unrestricted	<u>(701,631)</u>
Total net position	<u>\$ 11,281,045</u>

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Functions/Programs				
Instruction				
Regular programs	\$ 1,940,927	\$ 4,275	\$ 216,101	\$ (1,720,551)
Special programs	477,170		101,954	(375,216)
Interscholastic and school activity	111,361			(111,361)
Support services				
Pupil support	194,482		45,938	(148,544)
Staff support	537,476		287,857	(249,619)
General administration	192,478			(192,478)
School administration	274,793			(274,793)
Business services	545,564			(545,564)
Maintenance and operations	421,805		28,480	(393,325)
Transportation	344,303		113	(344,190)
Other support services	48,659		48,546	(113)
Food services	280,139	8,716	181,382	(90,041)
Community services	112,410		112,410	
PERSI retirement actuarial charges	(84,423)			84,423
 Total governmental activities	<u>\$ 5,397,144</u>	<u>\$ 12,991</u>	<u>\$ 1,022,781</u>	<u>(4,361,372)</u>
 General revenues:				
Property taxes, levied for general purposes				587,625
State base support				2,247,573
State and federal funding not restricted to specific programs				41,207
P.L. 874 Impact Aid				1,079,415
Coeur d'Alene Tribe contributions				225,000
Interest and investment earnings				5,447
Other general revenues				291,704
				<u>4,477,971</u>
 Change in net position				116,599
 Net position, beginning				11,428,198
Prior period adjustment				<u>(263,752)</u>
 Net position, ending				<u>\$ 11,281,045</u>

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	General	Food Service	School Plant Facilities Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 30,802				\$ 30,802
Investments	935,496		\$ 628,039		1,563,535
Property taxes receivable	244,674				244,674
Accounts receivable	31,867			\$ 181,787	213,654
Interfund balances		\$ 26,055		252,437	278,492
Total assets	\$ 1,242,839	\$ 26,055	\$ 628,039	\$ 434,224	\$ 2,331,157
LIABILITIES					
Payroll and taxes payable	\$ 368,724	\$ 23,500		\$ 115,853	\$ 508,077
Interfund balances	203,579			74,913	278,492
Unearned revenue	6,049			11,150	17,199
Total liabilities	578,352	23,500	\$ 0	201,916	803,768
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	58,510				58,510
Total deferred inflows of resources	58,510	0	0	0	58,510
FUND BALANCES					
Restricted for capital projects			628,039	54,233	682,272
Restricted for grant programs				20,263	20,263
Assigned for sick leave	26,524				26,524
Assigned, reported in:					
Special revenue funds		2,555		157,812	160,367
General fund	23,793				23,793
Unassigned, reported in:					
General fund	555,660				555,660
Total fund balances	605,977	2,555	628,039	232,308	1,468,879
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,242,839	\$ 26,055	\$ 628,039	\$ 434,224	\$ 2,331,157

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

**RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2016

Total fund balances - Governmental Funds		\$ 1,468,879
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds		
Cost of capital assets	\$ 15,060,272	
Accumulated depreciation	<u>(3,780,131)</u>	11,280,141
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows		742,927
Deferred inflows		<u>(722,000)</u>
Property taxes receivable to be collected this year, but not available soon enough to pay for the current period's expenditures are, therefore, deferred in the funds.		
		58,510
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Long-term debt		(428,412)
Net pension liability		<u>(1,119,000)</u>
Total net position - Governmental Activities		<u>\$ 11,281,045</u>

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

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

	<u>General</u>	<u>Food Service</u>	<u>School Plant Facilities Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
General property taxes	\$ 586,858				\$ 586,858
State foundation program	2,243,696			\$ 3,877	2,247,573
Other state revenue	4,774			83,492	88,266
Federal revenue	1,079,415	\$ 195,899		798,617	2,073,931
Charges for services		8,716		4,275	12,991
Earnings on investments	5,447				5,447
Other revenues	40,932	1,571	\$ 291,987	225,000	559,490
Total revenues	<u>3,961,122</u>	<u>206,186</u>	<u>291,987</u>	<u>1,115,261</u>	<u>5,574,556</u>
EXPENDITURES					
Instruction					
Regular programs	1,334,378			260,377	1,594,755
Special programs	375,216			101,954	477,170
Interscholastic and school activity	111,361				111,361
Support services					
Pupil support	145,786			48,696	194,482
Staff support	225,127			312,343	537,470
General administration	192,484				192,484
School administration	274,793				274,793
Business services	515,474			30,090	545,564
Maintenance and operations	374,575		10,281	36,949	421,805
Transportation	282,471			2,978	285,449
Other support services				48,659	48,659
Food services		293,973		4,277	298,250
Community services				112,410	112,410
Capital outlay	27,620			120,108	147,728
Total expenditures	<u>3,859,285</u>	<u>293,973</u>	<u>10,281</u>	<u>1,078,841</u>	<u>5,242,380</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>101,837</u>	<u>(87,787)</u>	<u>281,706</u>	<u>36,420</u>	<u>332,176</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	25,436	82,000		51,969	159,405
Transfers to other funds	(133,969)			(25,436)	(159,405)
Total other financing sources (uses)	<u>(108,533)</u>	<u>82,000</u>	<u>0</u>	<u>26,533</u>	<u>0</u>
NET CHANGES IN FUND BALANCES	(6,696)	(5,787)	281,706	62,953	332,176
FUND BALANCES AT BEGINNING OF YEAR	<u>612,673</u>	<u>8,342</u>	<u>346,333</u>	<u>169,355</u>	<u>1,136,703</u>
FUND BALANCES AT END OF YEAR	<u>\$ 605,977</u>	<u>\$ 2,555</u>	<u>\$ 628,039</u>	<u>\$ 232,308</u>	<u>\$ 1,468,879</u>

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

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

Net changes in fund balances - Total Governmental Funds	\$ 332,176
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:	
Current year capital outlay	147,728
Current year depreciation	(405,709)
Loss on sale of capital assets	(42,786)
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.	
Current year net pension liability, deferred outflows and deferred inflows	84,423
Some property taxes will not be collected for several months after the fiscal year-ends and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues on the statement of activities:	
Current year taxes receivable	58,510
Prior year taxes receivable	(57,743)
Change in net position - Governmental Activities	\$ 116,599

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2016

	Private-Purpose Trusts	Agency Funds
	Lloyd Selder Scholarship Fund	Student Body Funds
ASSETS		
Current assets		
Cash	\$ 8,208	\$ 16,532
Investments		125,147
Total current assets	<u>8,208</u>	<u>141,679</u>
LIABILITIES		
Current liabilities		
Due to student groups		141,679
Total current liabilities	<u>0</u>	<u>\$ 141,679</u>
NET POSITION		
Held for benefit of others	<u>8,208</u>	
Total net position	<u>\$ 8,208</u>	

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For the Year Ended June 30, 2016**

	<u>Private-Purpose Trusts</u>
	<u>Lloyd Selder Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 1,200
Earnings on investments	<u>3</u>
Total additions	<u>1,203</u>
DEDUCTIONS	
Scholarships	<u>1,200</u>
Total deductions	<u>1,200</u>
Change in net position	3
NET POSITION AT BEGINNING OF YEAR	<u>8,205</u>
NET POSITION AT END OF YEAR	<u><u>\$ 8,208</u></u>

See accompanying notes

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Plummer/Worley Joint School District No. 44 conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

Reporting Entity. Plummer/Worley Joint School District No. 44 is based in Plummer, Idaho, and is located in Kootenai and Benewah Counties. The District operates two school facilities: an elementary school for grades kindergarten through 6th grade and a junior/senior high school for grades 7 through 12.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria; therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight, resulting in the District being considered a component unit of that entity.

The District's reporting entity includes the District government and all the student activity funds for which the District exercises oversight responsibility. The District does not exercise oversight responsibilities for any booster organizations or related groups such as Parent-Teacher Organizations.

Measurement Focus and Basis of Accounting. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered to be susceptible to accrual.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

The District reports unearned revenue in its Fund Financial Statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable

Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted

Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed

Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned

Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Resources (Continued).

Unassigned

Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

District-Wide Statements. The statement of net position and the statement of activities display information about the overall District except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no “business-type activities” within the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity, direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Program Revenue. The statement of activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. In addition, a substantial portion of the State Foundation Program is restricted based upon salaries paid and related payroll benefits and has been treated as program revenue. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net positions are available

Fund Financial Statements. The fund financial statements provide information about the District's fund categories. Separate statements for each fund category--governmental and fiduciary--are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds. The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.
- School Plant Facility Reserve. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons.

Fiduciary Funds. The District reports two types of fiduciary funds: private purpose trusts and agency funds. Private purpose trusts are reported using the economic resources measurement focus and the accrual basis of accounting. The District's sole private purpose trust is the Lloyd Selder Scholarship Fund. The agency fund is used to account for monies held on behalf of Student Activity Funds. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Budgets. Annual non-appropriated budgets are adopted for the governmental funds. Expenditures may not exceed the budget at the individual fund level.

Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Investments. The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool.

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. The State Treasurer combines deposits from all governmental entities in the State, which participate in the pool and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities

The entities participating in the pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and FSLIC limits of \$250,000.

Investments are authorized by Board policy as permitted by *Idaho Code*, Section 67-1210.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Supplies. The District does not capitalize its supplies inventory at year end. All supplies are recorded as expenditures in the period in which they were purchased. Supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid expenses at June 30.

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Assets acquired prior to 2003 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

The District capitalizes equipment with an original unit cost of \$5,000 or more and an expected life of more than five years. The District capitalizes property improvements with an original cost of \$10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between \$100 and \$5,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 40 years; vehicles - 5 years; buses - 10 years; machinery and equipment - 7 years; computer equipment - 5 years.

Property Taxes. The District's property tax is levied by Benewah and Kootenai counties in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

Pensions. For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. The liability is measured as of July 01, 2015, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

Compensated Absences. District employees are granted vacation and sick leave days in varying amounts under the terms of the *Plummer/Worley School District Personnel Manual*. Employees are not compensated for unused sick leave. The estimated amount of compensation for future absences is believed to be immaterial to these financial statements and, accordingly, no liability has been recorded.

Use of Estimates. Management of the District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates management uses.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE - BUDGETS

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

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers' comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption. The Board did not amend the budget during the current fiscal year.

Expenditures may not exceed the budget at the individual fund level. The District incurred expenditures in excess of budget in the following funds:

	<u>Budget</u>	<u>Expenditures</u>
Driver's Education	\$ 4,500	\$ 6,550
Title VII Indian Education	48,490	48,546
Title II-A Improving Teacher Quality	39,800	42,478
Food Service	293,927	293,973

Deficit Fund Balance in Individual Funds. At fiscal year-end, no funds had a deficit fund balance.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2016, the District's carrying amount of deposits was \$30,802 for government activities. The District's carrying amount of deposits was \$24,740 for fiduciary funds. The bank balance was \$91,893 for governmental activities and \$25,381 for fiduciary funds. All of the bank balances were covered by Federal Depository Insurance.

Investments. At June 30, 2016, all District investments were held in the Idaho State Treasurer's Local Government Investment Pool. The carrying value of investments approximates market value.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and all investments are held in the name of the pool.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued).

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. The District's investment in the Idaho State Treasurer's Local Government Investment Pool has not been issued an external credit quality rating.

Concentration of Credit Risk. The District has no policy on the amount they may invest in any one issuer.

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2016, are as follows:

State of Idaho -- Foundation program	\$ 31,867
State of Idaho -- State grant funds	7,472
State of Idaho -- Federal grant funds	159,923
U.S. Government -- Federal grant funds	14,392
	<u>\$ 213,654</u>

5. PROPERTY TAXES

Details of property taxes receivable at June 30, 2016, are as follows:

	Governmental Funds
Benewah County, taxes, penalties and interest	\$ 80,299
Kootenai County, taxes, penalties and interest	164,375
	<u>\$ 244,674</u>

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets				
Land	\$ 280,751			\$ 280,751
Structures and improvements	13,352,046	\$ 13,070	\$ (74,410)	13,290,706
Equipment	411,102	28,181		439,283
Buses and vehicles	943,055	106,477		1,049,532
	<u>\$ 14,986,954</u>	<u>\$ 147,728</u>	<u>\$ (74,410)</u>	<u>15,060,272</u>
Accumulated depreciation				
Structures and improvements	\$ 2,361,649	\$ 309,478	\$ (31,624)	2,639,503
Equipment	265,957	37,377		303,334
Buses and vehicles	778,440	58,854		837,294
	<u>\$ 3,406,046</u>	<u>\$ 405,709</u>	<u>\$ (31,624)</u>	<u>3,780,131</u>
Capital assets, net				<u>\$ 11,280,141</u>

Depreciation of \$405,709 was charged to the following programs in the statement of activities:

Instruction, regular program	\$ 346,172
Support services, transportation	58,854
Food services	683
	<u>\$ 405,709</u>

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category in the current year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. NET POSITION FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. DEFINED BENEFIT PENSION PLAN

All employees of the District who work over 20 hours a week for at least 5 months of the year participate in the Public Employees Retirement System of Idaho (PERSI). PERSI is a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state and school district employees, the legislature provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the Plan are available from PERSI upon request.

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 1.917 percent of the average salary for the highest consecutive 42 months.

For the year ended June 30, 2016, the required contribution rates as determined by PERSI were 11.32 percent (11.32 percent in 2015 and 11.32 percent in 2014) for the District and 6.91 percent (6.79 percent in 2015 and 6.79 percent in 2014) for employees. The District also pays 1.16 percent of eligible wages to the fund for future medical benefits to be provided. The District contributions required and paid were \$289,927, \$297,121, and \$290,961 for the 3 years ended June 30, 2016, 2015, and 2014, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$1,119,000 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2015, the District's proportion was .000849982 percent.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2016, the District recognized a net gain on pension expense of \$84,423. At June 30, 2016, the District 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
Employer contributions made subsequent to the measurement date of June 30, 2015	\$ 289,927	
Differences between expected and actual experience		\$ 134,000
Changes in assumptions or other inputs	\$ 41,000	
Net difference between projected and actual earnings on pension plan investments	\$ 412,000	\$ 588,000

The employer contribution will be recognized in pension expense in the following fiscal year. Other deferred outflows and inflows are being amortized over 5.6 years. The projected amounts to be included in pension expense (benefit) are as follows:

2017	\$ (114,702)
2018	(114,702)
2019	(114,702)
2020	83,254
2021	(8,148)

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

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

Mortality Table - RP - 2000 combined table for healthy males and females with appropriate offsets.			
Inflation	3.25%		
Salary inflation	3.75%	Salary increases	4.5%-10.25%
Investment return	7.1%	Discount rate	7.1%

Sensitivity – a 1% change in the discount rate would affect the District's net pension liability as follows:			
	1% Decrease	7.1% rate used	1% Increase
District Net Pension Liability	\$ 2,725,000 liability	\$ 1,119,000 liability	\$ 217,000 asset

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

11. RISK MANAGEMENT

The District has the following insurance coverage:

- Property coverage - Replacement cost coverage with a \$2,500 deductible.
- Boiler and Machinery - \$50,000,000 limit per occurrence with a \$2,500 deductible.
- Crime - \$125,000 limit for school officials and employees with a \$1,000 deductible.
- General Liability - \$1,000,000 limit per occurrence and \$2,000,000 in aggregate. There is no deductible.
- Automobiles
 - Liability - \$1,000,000 per occurrence; \$250,000 uninsured motorist; and \$5,000 medical payment. There is no deductible.
 - Comprehensive and Collision - Coverage on 1996 passenger vehicles and newer; 1996 drivers training vehicles and newer. Owned buses are not covered.
- Educators Legal Liability - \$1,000,000 limit per occurrence and \$2,000,000 in aggregate. There is a \$1,000 deductible.
- Abuse and Molestation Coverage - \$3,000,000 limit per occurrence no deductible.

12. TRANSFERS TO/FROM OTHER FUNDS

The State Department of Education requires that the District pay for the costs of school lunch personnel Social Security and retirement expense from general fund revenues as a condition of participation in the National School Lunch Program. The amount transferred from the general fund to the food service fund for the year ended June 30, 2016, amounted to \$82,000.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities funds. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of \$50,986 to the school bus reserve fund.

13. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Position. Restricted net position on the District-wide statements represents amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position restricted for capital projects are restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. Net position restricted for building maintenance is restricted by *Idaho Code* for maintenance on student occupied buildings. Net position restricted for debt service is restricted by *Idaho Code* for debt service on outstanding bonds. Net position restricted for federal grant programs are restricted by the granting agency for specific educational programs. These net positions are reflected as restricted since they are not available for general education expenditures.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

13. FUND BALANCE RESERVES AND DESIGNATIONS (CONTINUED)

Restricted Fund Balances. The fund balances of certain individual funds are restricted for particular purposes by the *Idaho Code* or by the granting agency. These fund balances are reflected as a restricted portion of fund balance in the fund financial statements since the funds are not available for general education expenditures.

Assigned Fund Balances. The forest reserve fund balance is restricted by *State Code* for capital improvements. However, if the Board of Trustees decides that these funds are not currently needed for capital improvements, then the funds may be expended for general educational purposes. This fund balance is reflected as an assigned portion of fund balance in the fund financial statements since the Board of Trustees has some discretion in using the funds for general educational expenditures. Additionally, multiple other funds have had their fund balances restricted where specific purposes are assigned, such as with sick leave, special revenue, and some state programs in the general fund.

14. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2016, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General		\$ 203,579
Federal Forest Reserve	\$ 761	
Whole Kids	1,000	
CDA Bingo Donation	156,960	
Block Fest	500	
Culturally Responsive	1,661	
Showcase Award	478	
Driver Education		875
Vocational Education		5,097
Public School Technology Grant	19,502	
Safe & Drug Free	6,192	
Title I-A Improving Basic Programs		41,801
Title VI-B School Age		8,191
Title VI-B Preschool		538
Perkins IV Professional Technical Act		628
School Health Project	4,486	
Title VII Indian Education		1,136
Johnson O'Malley	6,664	
Title II-A Improving Teacher Quality		3,724
Twenty-First Century		11,905
Gear Up		1,018
Confluence Project		
Food Service	26,055	
School Bus Reserve	54,233	

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

NOTES TO FINANCIAL STATEMENTS

14. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

The District uses a pooled cash arrangement whereby all receipts are deposited to the general fund on the behalf of all District funds. Expenditures are paid out of this pooled account and charged to all District funds. The excess (deficiency) of receipts over expenditures is recorded as a short-term interfund receivable (payable).

15. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Impact Aid, Title I, Title VI-B, and the National School Lunch Program. These programs can be subject to financial and compliance audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

16. OTHER POST-EMPLOYMENT BENEFITS

Description. The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, retired employees can remain on the District insurance policy after retirement if the retired employee pays the monthly cost. This arrangement is referred to as an “implicit rate subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. Governmental Accounting Standards require the cost of such benefits to be recognized (accrued as an expense and liability) in the accounting period in which it is earned, rather than when paid. The cost that is calculated is referred to as the Annual Required Contribution (ARC). The District is required to calculate the ARC at least once every three years.

Actuarial Valuation. The District did not obtain an actuarial valuation for this year. Due to this fact, the information necessary to provide complete and accurate disclosure is not available.

17. PRIOR PERIOD ADJUSTMENT

Net position as of June 30, 2015, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71. The net pension liability was adjusted by \$263,752 to correct a misstatement in the prior year’s issued financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

SCHEDULE OF PENSION FUNDING
For the Year Ended June 30, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability		Net Pension Liability as % of Covered Payroll
						%	Amount	
2006	\$ 311,720	\$ 311,720	\$ 0	\$ 2,999,926	10.39%	(1)	(1)	
2007	327,174	327,174	0	3,148,931	10.39%	(1)	(1)	
2008	313,037	313,037	0	3,012,861	10.39%	(1)	(1)	
2009	313,777	313,777	0	3,019,992	10.39%	(1)	(1)	
2010	292,732	292,732	0	2,817,441	10.39%	(1)	(1)	
2011	271,113	271,113	0	2,609,366	10.39%	(1)	(1)	
2012	268,840	268,840	0	2,587,486	10.39%	(1)	(1)	
2013	247,163	247,163	0	2,378,854	10.39%	(1)	(1)	
2014	263,752	263,752	0	2,345,636	11.24%	(1)	\$ 1,645,000	70%
2015	269,504	269,504	0	2,380,777	11.32%	0.000860%	633,000	27%
2016	289,927	289,927	0	2,561,196	11.32%	0.000850%	1,119,000	44%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 584,500	\$ 566,885	\$ 586,858	\$ 19,973
State foundation program	2,203,742	2,237,675	2,243,696	6,021
Other state revenue	3,133	3,133	4,774	1,641
Federal revenue	937,577	937,577	1,079,415	141,838
Earnings on investments	1,600	1,600	5,447	3,847
Other revenues	5,700	3,700	40,932	37,232
Total revenues	<u>3,736,252</u>	<u>3,750,570</u>	<u>3,961,122</u>	<u>210,552</u>
EXPENDITURES				
Instruction				
Payroll	1,260,257	1,286,119	1,230,927	55,192
Payroll burden and employee benefits	551,630	555,052	523,661	31,391
Purchased services	54,050	54,050	36,473	17,577
Supplies and materials	28,000	48,641	29,894	18,747
Support services				
Payroll	826,998	826,464	804,359	22,105
Payroll burden and employee benefits	332,541	330,295	315,571	14,724
Purchased services	464,122	509,592	382,907	126,685
Supplies and materials	173,831	175,196	129,948	45,248
Capital outlay	3,000	83,160	54,989	28,171
Insurance	48,000	48,000	40,954	7,046
Pupil transportation	319,719	313,304	281,982	31,322
Capital outlay			27,620	(27,620)
Contingency budget	937	23,410		23,410
Total expenditures	<u>4,063,085</u>	<u>4,253,283</u>	<u>3,859,285</u>	<u>393,998</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(326,833)</u>	<u>(502,713)</u>	<u>101,837</u>	<u>604,550</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	146,688	121,662	25,436	(96,226)
Transfers to other funds	(173,462)	(188,942)	(133,969)	54,973
Total other financing sources (uses)	<u>(26,774)</u>	<u>(67,280)</u>	<u>(108,533)</u>	<u>(41,253)</u>
NET CHANGES IN FUND BALANCE	<u>(353,607)</u>	<u>(569,993)</u>	<u>(6,696)</u>	<u>563,297</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>353,607</u>	<u>569,993</u>	<u>612,673</u>	<u>42,680</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 605,977</u>	<u>\$ 605,977</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

FOOD SERVICE FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue	\$ 137,000	\$ 145,000	\$ 195,899	\$ 50,899
Charges for services	8,100	9,400	8,716	(684)
Other revenues		1,571	1,571	
Total revenues	145,100	155,971	206,186	50,215
Transfers from other funds	148,003	137,956	82,000	(55,956)
Total revenues and transfers	293,103	293,927	288,186	(5,741)
EXPENDITURES				
Food services				
Payroll	97,554	96,973	96,134	839
Payroll burden and employee benefits	56,449	56,333	55,339	994
Purchased services	4,600	4,600	1,114	3,486
Supplies and materials	131,500	133,021	141,386	(8,365)
Capital outlay	3,000	3,000		3,000
Total expenditures	293,103	293,927	293,973	(46)
NET CHANGES IN FUND BALANCE	0	0	(5,787)	(5,787)
FUND BALANCE AT BEGINNING OF YEAR			8,342	8,342
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 2,555	\$ 2,555

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Board of Trustees
Plummer/Worley Joint School District No. 44
Plummer, Idaho

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 Plummer/Worley Joint School District No. 44, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Plummer/Worley Joint School District No. 44's internal control over financial reporting.

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

Our consideration of internal control 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (see finding #2016-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plummer/Worley Joint School District No. 44'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 the 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*.

Plummer/Worley Joint School District No. 44's Response to Findings

Plummer/Worley Joint School District No. 44's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Plummer/Worley Joint School District No. 44's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

PRESNELL GAGE PLLC

October 25, 2016



INDEPENDENT AUDITOR'S REPORT – SINGLE AUDIT ACT

Board of Trustees
Plummer/Worley Joint School District No. 44
Plummer, Idaho

Report on Compliance for Each Major Federal Program

We have audited the Plummer/Worley Joint School District No. 44'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 District's major federal programs for the year ended June 30, 2016. The Plummer/Worley Joint School District No. 44's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Plummer/Worley Joint School District No. 44'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 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 Plummer/Worley Joint School District No. 44'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 Plummer/Worley Joint School District No. 44's compliance.

Opinion on Each Major Federal Program

In our opinion, Plummer/Worley Joint School District No. 44 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with *Uniform Guidance*.

Report on Internal Control Over Compliance

Management of the Plummer/Worley Joint School District No. 44, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Plummer/Worley Joint School District No. 44's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 the *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 Plummer/Worley Joint School District No. 44'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 on 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.

PRESNELL GAGE PLLC

October 25, 2016

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through To Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Idaho - Department of Education				
National School Breakfast Program	10.553	201616N109947	None	\$ 44,948
National School Lunch Program	10.555	201616N109947	None	122,352
Subtotal School Lunch Cluster				<u>167,300</u>
Child and Adult Care Food Program	10.558	201616N202047	None	12,628
Team Nutrition Grants	10.574	20141N351130	None	950
Child Nutrition Discretionary Grants	10.579	201515N810347	None	5,001
Fresh Fruit and Vegetable Program	10.582	201616L160347	None	10,970
Passed through Benewah and Kootenai County Federal Forest	10.665		None	15,935
Total Department of Agriculture				<u>212,784</u>
DEPARTMENT OF INTERIOR				
Direct Programs				
Indian Education Assistance to School	15.130	CTP00X90401	None	113
ENVIRONMENTAL PROTECTION AGENCY				
Passed through the University of Idaho Environmental Education Grant				
	66.951	ETK515-SB-004	None	1,256
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the State of Idaho - Department of Education Nutrition and Physical Activity Programs				
	93.649		None	3,327
DEPARTMENT OF EDUCATION				
Direct Programs				
Impact Aid, P.L. 81-874	84.041	SO41B-2016-1419	None	1,079,415
Indian Education - Grants to Local Educational Agencies	84.060A		None	48,546
Rural Education Achievement Program	84.358		None	708
Passed through St. Maries School District Career and Technical Education - Basic Grants to States				
	84.048		None	10,577
Passed through the State of Idaho - Department of Education Title I-A				
	84.010	S010A150012	None	182,599
Title VI-B	84.027	H027A150088	None	96,444
Title VI-B Preschool	84.173	H173A150030	None	6,506
Subtotal Title VI-B Cluster				<u>102,950</u>
Twenty-First Century Community Learning Centers	84.287	S287C140012	None	112,012
Gear Up	84.334	P334S110016	None	43,686
Improving Teacher Quality	84.367	S367A150011	None	42,478
School Improvement Grants	84.377	S377A120013	None	243,879
Total Department of Education				<u>1,866,850</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 2,084,330</u>

NOTE 1: BASIS OF PRESENTATION

The schedule includes federal award activity of the District under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in compliance with the 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)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2: 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.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis cost rate.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

* Material weakness(es) identified yes no

* Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified yes no

* Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.041	Impact Aid P.L. 81-874

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

Auditee qualified as low-risk auditee? yes no

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2016-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: The Plummer/Worley Joint School District No. 44 has concentrated many accounting duties to a limited number of individuals such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired “segregation of duties.”

Effect: Many accounting duties are performed by a limited number of personnel with limited oversight available within the Plummer/Worley Joint School District No. 44.

Response: The District’s management and Board of Trustees believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the District’s response.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is also often referred to as the M&O (Maintenance and Operations) Fund. The District uses this fund to account for the basic educational programs of the District. In general, these programs are operated with a great deal of local input and control.

The general fund primarily receives funding from the State of Idaho through the Educational Foundation Program and through local general property taxes. The District is authorized to levy a tax upon property within the District boundaries for liability insurance. The District is authorized to levy an additional amount if approved by a majority of voters in a supplemental levy election.

Other sources of funds that are restricted are accounted for in the special revenue, capital projects, and trust funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources, or to finance specific activities as required by law or administrative regulations. Although there is local input and control over the use of these proceeds, the party who provides the proceeds also has some type of external restriction on the use of the proceeds.

LOCAL SPECIAL PROJECTS

Federal Forest Reserve - The U.S. Forest Service pays a percentage of timber sales from federal forests to the County where the federal forest is located. In the State of Idaho, 30 percent of this amount is allocated to the public schools based upon their average daily attendance. These proceeds are restricted for the purchase of school sites, construction, or remodeling of school buildings. When, within the discretion of the trustees of the District, the proceeds are not needed for the foregoing items, they may be expended for current expenses. These proceeds may be accumulated for future projects.

Whole Kids – This is a grant to be used toward the success of your school garden. It is a one-time grant. Funds are very flexible allowing schools to start new gardens or expand existing ones and use funds for supplies, structure, curriculum, training, or educational events.

CDA Bingo Donation – The Coeur d’Alene Tribe contributes funds to the District from time-to-time. While the funds are not restricted by the donor, they are used primarily for the purchase or renovation of capital assets.

Culturally Responsive Grant – This is Re-Awakening Culture Within Our School. This grant was written by one of our elementary teachers last year. She wanted to achieve a kiosk near the front of our school that would allow students, staff, and community members to access parts of the Coeur d’Alene language and history. She wrote in the grant that we have a brand new building but new buildings do not come with the details that make a school feel like home in the community and we would like to request funds to help us change our building from being one “IN” the community to a building “OF” the community. They want to do several murals on a wall and stairway telling about two important legends of the Coeur d’Alene people.

Driver Education - The State of Idaho will reimburse the District for expenses up to \$125 per student who completes the driver education class at the District. In addition, the District charges students a \$225 fee to enroll in the class. The general fund of the District pays expenses in excess of the above proceeds; however, the goal of the District is to make it a self-sufficient fund.

Vocational Education - The State of Idaho will reimburse the District for expenses incurred in operating certain vocational education programs. The State establishes a maximum reimbursement at the beginning of each school year based upon courses offered and numbers of students involved. The general fund of the District pays expenses in excess of the above proceeds.

Public School Technology Grant - The State of Idaho awards technology grants on a noncompetitive basis to schools based upon average daily attendance. The grants provide equipment and resources to integrate information age technology into the classroom and to connect the classrooms with external telecommunications services. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Safe & Drug Free – The State of Idaho taxes the sale of tobacco products and uses a portion of the proceeds to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis upon average daily attendance. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Schools Health Project - This program is to prevent, reduce, or eliminate dependency; to achieve or maintain self sufficiency; and to prevent neglect, abuse, or exploitation of children and adults.

Showcase Award - The Plummer/Worley Middle School received an award from the State of Idaho for creating innovative programs and raising student achievement over the past year.

Block Fest – This program is designed to help parents support the development of pre-math and science skills through block play for children ages eight months to eight years.

FEDERALLY FUNDED PROJECTS

Title I-A Improving Basic Programs - The federal government provides Title I grants to improve the education of children who are at risk of not meeting academic standards and who reside in areas with high concentrations of children from low income families. The program is administered by the State and funds are allocated to the District based upon average daily attendance. Funds are modified based upon student counts from low income families. The District uses the grant primarily to provide additional classroom aides. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B School Age - The federal government provides Title VI-B IDEA grants for special education to school-age children with disabilities. The program is administered by the State and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet nonsupplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B Preschool - The federal government provides Title VI-B IDEA Preschool grants for special education to children with disabilities between the ages of three and five. The program is administered by the State and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet nonsupplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-A Rural Education - The federal government provides grants under the Rural Education Achievement Program to schools with an average daily attendance of less than 600 students to provide activities allowed under Title I; Eisenhower Professional Development State Grants; and Technology Literacy Challenge Fund Grants. The District has used the grant to pay teachers' salaries and benefits during the current year.

Perkins IV Professional Technical Act - The District is part of a consortium along with the St. Maries and Kootenai School Districts for this grant. Funds are used to give students opportunities and provide vocational training.

Title VII Indian Education - The grant funds are used to hire one staff person at each school facility to tutor Native American students.

Title II-A Improving Teacher Quality - The federal government provides Title II-A ESEA grants to provide assistance to classroom teachers. The District uses the funds generally for two purposes:

The District provides additional professional education for teachers in the core academic subjects by paying the costs for teachers to attend specific workshops designed to enhance their skills in teaching math and science classes. The program is administered through the State, and funds are allocated based upon student enrollment. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

The District can also use the grant to pay for an additional teaching position in the elementary grades. The goal of the program is to reduce the student-to-teacher ratio to 18 students per class. The program is administered through the State and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Twenty-First Century - This five-year grant began in fiscal year 2005 and is used to fund after-school programs designed to meet unique needs of students performing below grade level. By providing exciting cultural and academic opportunities, students will have assistance to overcome difficult challenges and experience academic and personal success.

Gear Up – This program supports entities in providing or maintaining a guarantee to eligible low-income students who obtain a secondary diploma of the financial assistance necessary to permit the students to attend an institution of higher education; and supports eligible entities in providing additional counseling, mentoring, academic support, outreach, and supportive services to elementary and middle school, and secondary school students who are at risk of dropping out of school.

Food Service - The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges adults for lunch and breakfast. Lunch and breakfast are served free to all students. Meals must meet certain dietary and nutrition requirements. The general fund pays Social Security taxes and retirement benefits as a "matching contribution" to the program. The general fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year.

Johnson O'Malley – The federal government provides grants in order to provide supplementary financial assistance to meet the unique and specialized educational needs of Indian children.

Confluence Project – The Confluence Project is a grant cooperative with the University of Idaho and several other local schools to provide graduate level students and other resources to study the drainage system of Lake Coeur d'Alene.

CAPITAL PROJECTS FUND

School Plant Facilities Reserve Funds - The District has established School Plant Facility Reserve Funds. The funds may be used to acquire, purchase, and improve school sites, and build school buildings.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized general Fund tax levies.

- The Plant Facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The Plant Facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The Plant Facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

School Bus Reserve Fund – The District has established this fund to accumulate funds for the future purchase of school buses.

School Building Maintenance Reserve - The District has established this fund in order to track the revenue and expenses related to the repair and maintenance of school buildings.

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General Fund	Federal Forest Reserve	Whole Kids	CDA Bingo Donation	Culturally Responsive	Driver Education	Vocational Education
ASSETS							
Cash	\$ 30,802						
Investments	935,496						
Property taxes receivable	244,674						
Accounts receivable	31,867						
Interfund balances		\$ 761	\$ 1,000	\$ 156,960	\$ 1,661	\$ 2,375	\$ 5,097
Total assets	\$ 1,242,839	\$ 761	\$ 1,000	\$ 156,960	\$ 1,661	\$ 2,375	\$ 5,097
LIABILITIES							
Payroll and taxes payable	\$ 368,724			\$ 9,645		\$ 875	\$ 5,097
Interfund balances	203,579						
Unearned revenue	6,049						
Total liabilities	\$ 578,352	\$ 0	\$ 0	\$ 9,645	\$ 0	\$ 875	\$ 5,097
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	58,510						
Total deferred inflows of resources	\$ 58,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES							
Restricted for capital projects		761					
Restricted for grant programs	26,524						
Assigned for sick leave			1,000	147,315	1,661	1,500	
Assigned for special revenue	23,793						
Assigned for general fund	555,660						
Unassigned	605,977	761	1,000	147,315	1,661	1,500	0
Total fund balances	\$ 1,242,839	\$ 761	\$ 1,000	\$ 156,960	\$ 1,661	\$ 2,375	\$ 5,097
Total liabilities, deferred inflows of resources, and fund balances							

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Public School Technology Grant	Safe & Drug Free	Title I-A Improving Basic Programs	Title VI-B School Age	Title VI-B Preschool	Title VI-A Rural Education	Perkins IV Professional Technical Act
ASSETS							
Cash							
Investments							
Property taxes receivable			\$ 95,199	\$ 23,128	\$ 1,618		\$ 2,349
Accounts receivable	\$ 19,502	\$ 6,192					
Interfund balances							
Total assets	\$ 19,502	\$ 6,192	\$ 95,199	\$ 23,128	\$ 1,618	\$ 0	\$ 2,349
LIABILITIES							
Payroll and taxes payable		\$ 834	\$ 53,398	\$ 14,937	\$ 1,080		\$ 1,721
Interfund balances			41,801	8,191	538		628
Unearned revenue							
Total liabilities	\$ 0	834	95,199	23,128	1,618	0	2,349
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	0	0	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0	0	0
FUND BALANCES							
Restricted for capital projects	19,502						
Restricted for grant programs							
Assigned for sick leave		5,358					
Assigned for special revenue							
Assigned for general fund							
Unassigned							
Total fund balances	19,502	5,358	0	0	0	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,502	\$ 6,192	\$ 95,199	\$ 23,128	\$ 1,618	\$ 0	\$ 2,349

PLUMMERWORLEY JOINT SCHOOL DISTRICT NO. 44

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	School Health Project	Title VII Indian Education	Title II-A Improving Teacher Quality	Twenty-First Century	Gear Up	Food Service	School Plant Facilities Reserve
ASSETS							
Cash							\$ 628,039
Investments							
Property taxes receivable							
Accounts receivable	\$ 4,486	\$ 8,698	\$ 11,932	\$ 25,697	\$ 5,694	\$ 26,055	
Interfund balances							
Total assets	<u>\$ 4,486</u>	<u>\$ 8,698</u>	<u>\$ 11,932</u>	<u>\$ 25,697</u>	<u>\$ 5,694</u>	<u>\$ 26,055</u>	<u>\$ 628,039</u>
LIABILITIES							
Payroll and taxes payable							
Interfund balances		\$ 7,562	\$ 8,208	\$ 13,792	\$ 4,676	\$ 23,500	
Unearned revenue	\$ 4,486	1,136	3,724	11,905	1,018		
Total liabilities	<u>4,486</u>	<u>8,698</u>	<u>11,932</u>	<u>25,697</u>	<u>5,694</u>	<u>23,500</u>	<u>\$ 0</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes							
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES							
Restricted for capital projects							628,039
Restricted for grant programs							
Assigned for sick leave						2,555	
Assigned for special revenue							
Assigned for general fund							
Unassigned							
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,555</u>	<u>628,039</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,486</u>	<u>\$ 8,698</u>	<u>\$ 11,932</u>	<u>\$ 25,697</u>	<u>\$ 5,694</u>	<u>\$ 26,055</u>	<u>\$ 628,039</u>

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	School Bus Reserve	Showcase Award	Block Fest	School Building Maintenance Reserve	Johnson O'Malley	Confluence Project	Combined
ASSETS							
Cash							\$ 30,802
Investments							1,563,535
Property taxes receivable							244,674
Accounts receivable							213,654
Interfund balances	\$ 54,233	\$ 478	\$ 500		\$ 6,664		278,492
Total assets	\$ 54,233	\$ 478	\$ 500	\$ 0	\$ 6,664	\$ 0	\$ 2,331,157
LIABILITIES							
Payroll and taxes payable							\$ 508,077
Interfund balances							278,492
Unearned revenue							17,199
Total liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,664	\$ 0	803,768
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes							58,510
Total deferred inflows of resources	0	0	0	0	0	0	58,510
FUND BALANCES							
Restricted for capital projects	54,233						682,272
Restricted for grant programs							20,263
Assigned for sick leave		478					26,524
Assigned for special revenue			500				160,367
Assigned for general fund							23,793
Unassigned							555,660
Total fund balances	54,233	478	500	0	0	0	1,468,879
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,233	\$ 478	\$ 500	\$ 0	\$ 6,664	\$ 0	\$ 2,331,157

PLUMMERWORLEY JOINT SCHOOL DISTRICT NO. 44

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

	General Fund	Federal Forest Reserve	Whole Kids	CDA Bingo Donation	Culturally Responsive	Driver Education	Vocational Education
REVENUES							
General property taxes	\$ 586,858						
State revenue	2,248,470					\$ 2,375	\$ 21,740
Federal revenue	1,079,415	\$ 5,536				4,275	
Charges for services							
Earnings on investments	5,447						
Other revenues	40,932			\$ 225,000			
Total revenues	<u>3,961,122</u>	<u>5,536</u>	<u>\$ 0</u>	<u>\$ 225,000</u>	<u>\$ 0</u>	<u>6,650</u>	<u>21,740</u>
EXPENDITURES							
Instruction							
Regular programs	1,334,378						
Special programs	375,216			58,836	967	6,550	21,740
Interscholastic and school activity	111,361						
Support services							
Pupil support	145,786				934		
Staff support	225,127			15,707			
General administration	192,484						
School administration	274,793						
Business services	515,474	1,359		10,160			
Maintenance and operations	374,575	7,576					
Transportation	282,471			2,978			
Other support services							
Food services							
Community services							
Capital outlay	27,620	7,000		25,040			
Total expenditures	<u>3,859,285</u>	<u>15,935</u>		<u>112,721</u>	<u>1,901</u>	<u>6,550</u>	<u>21,740</u>
EXCESS OF REVENUES OVER EXPENDITURES	101,837	(10,399)	0	112,279	(1,901)	100	0
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	25,436						
Transfers to other funds	(133,969)						
Total other financing sources (uses)	<u>(108,533)</u>						
NET CHANGES IN FUND BALANCES	(6,696)	(10,399)	0	112,279	(1,901)	100	0
FUND BALANCES AT BEGINNING OF YEAR	612,673	11,160	1,000	35,036	3,562	1,400	0
FUND BALANCES AT END OF YEAR	<u>\$ 605,977</u>	<u>\$ 761</u>	<u>\$ 1,000</u>	<u>\$ 147,315</u>	<u>\$ 1,661</u>	<u>\$ 1,500</u>	<u>\$ 0</u>

PLUMMER/WORLEY JOINT SCHOOL DISTRICT NO. 44

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

	Public School Technology Grant	Safe & Drug Free	Title I-A Improving Basic Programs	Title VI-B School Age	Title VI-B Preschool	Title VI-A Rural Education	Perkins IV - Professional Technical Act
REVENUES							
General property taxes							
State revenue	\$ 28,461	\$ 6,313	\$ 426,478	\$ 96,444	\$ 6,506	\$ 708	\$ 10,577
Federal revenue							
Charges for services							
Earnings on investments							
Other revenues							
Total revenues	<u>28,461</u>	<u>6,313</u>	<u>426,478</u>	<u>96,444</u>	<u>6,506</u>	<u>708</u>	<u>10,577</u>
EXPENDITURES							
Instruction							
Regular programs		1,667	159,831	95,448	6,506		10,577
Special programs							
Interscholastic and school activity							
Support services							
Pupil support		841		996		708	
Staff support	12,637		244,671				
General administration							
School administration							
Business services	18,571						
Maintenance and operations							
Transportation							
Other support services							
Food services							
Community services							
Capital outlay	3,591		398				
Total expenditures	<u>34,799</u>	<u>2,508</u>	<u>404,900</u>	<u>96,444</u>	<u>6,506</u>	<u>708</u>	<u>10,577</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(6,338)</u>	<u>3,805</u>	<u>21,578</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds							
Transfers to other funds	0	0	(21,578)	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(21,578)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGES IN FUND BALANCES	<u>(6,338)</u>	<u>3,805</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>25,840</u>	<u>1,553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 19,502</u>	<u>\$ 5,358</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PLUMMERWORLEY JOINT SCHOOL DISTRICT NO. 44

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

	School Health Project	Title VII Indian Education	Title II-A Improving Teacher Quality	Twenty-First Century	Gear Up	Food Service	School Plant Facilities Reserve
REVENUES							
General property taxes							
State revenue							
Federal revenue	\$ 4,277	\$ 48,546	\$ 42,478	\$ 112,012	\$ 43,686	\$ 195,899	
Charges for services						8,716	
Earnings on investments							
Other revenues						1,571	\$ 291,987
Total revenues	<u>4,277</u>	<u>48,546</u>	<u>42,478</u>	<u>112,012</u>	<u>43,686</u>	<u>206,186</u>	<u>291,987</u>
EXPENDITURES							
Instruction							
Regular programs							
Special programs							
Interscholastic and school activity							
Support services							
Pupil support					43,686		
Staff support			38,620				
General administration							
School administration							
Business services							
Maintenance and operations							
Transportation							10,281
Other support services		48,546					
Food services	4,277			112,012		293,973	
Community services							
Capital outlay						(87,787)	
Total expenditures	<u>4,277</u>	<u>48,546</u>	<u>38,620</u>	<u>112,012</u>	<u>43,686</u>	<u>293,973</u>	<u>10,281</u>
EXCESS OF REVENUES OVER EXPENDITURES	0	0	3,858	0	0	(87,787)	281,706
OTHER FINANCING SOURCES (USES)							
Transfers from other funds						82,000	
Transfers to other funds			(3,858)				
Total other financing sources (uses)	0	0	(3,858)	0	0	82,000	0
NET CHANGES IN FUND BALANCES	0	0	0	0	0	(5,787)	281,706
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	0	8,342	346,333
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,555</u>	<u>\$ 628,039</u>

PLUMMERWORLEY JOINT SCHOOL DISTRICT NO. 44

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -

ALL GOVERNMENTAL FUNDS

For the Year Ended June 30, 2016

	School Bus Reserve	Showcase Award	Block Fest	School Building Maintenance Reserve	Johnson O'Malley	Confluence Project	Combined
REVENUES							
General property taxes							\$ 586,858
State revenue				\$ 28,480			2,335,839
Federal revenue					\$ 113	\$ 1,256	2,073,931
Charges for services							12,991
Earnings on investments							5,447
Other revenues							559,490
Total revenues	\$ 0	\$ 0	\$ 0	28,480	113	1,256	5,574,556
EXPENDITURES							
Instruction							
Regular programs							1,594,755
Special programs		209					477,170
Interscholastic and school activity							111,361
Support services							
Pupil support						2,239	194,482
Staff support							537,470
General administration							192,484
School administration							274,793
Business services				29,373			545,564
Maintenance and operations							421,805
Transportation							285,449
Other support services					113		48,659
Food services							298,250
Community services							112,410
Capital outlay	84,477						147,728
Total expenditures	84,477	209	0	29,373	113	2,239	5,242,380
EXCESS OF REVENUES OVER EXPENDITURES	(84,477)	(209)	0	(893)	0	(983)	332,176
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	50,986					983	159,405
Transfers to other funds	50,986	0	0	0	0	983	(159,405)
Total other financing sources (uses)							0
NET CHANGES IN FUND BALANCES	(33,491)	(209)	0	(893)	0	0	332,176
FUND BALANCES AT BEGINNING OF YEAR	87,724	687	500	893	0	0	1,136,703
FUND BALANCES AT END OF YEAR	\$ 54,233	\$ 478	\$ 500	\$ 0	\$ 0	\$ 0	\$ 1,468,879