

BASIC FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

YEAR ENDED JUNE 30, 2019

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

BASIC FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
YEAR ENDED JUNE 30, 2018

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SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

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Board of Trustees,
School District No. 58
Aberdeen, Idaho

Independent Auditor's Report

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Aberdeen School District #58 (the District), as of and for the year ended June 30, 2019, 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

My responsibility is to express opinions on these financial statements based on my audit. I have conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 District'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 District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of the basic financial statements.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of Net Pension Liability & Employer's Contributions, and the major fund budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated September 13, 2019, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Morgan J Hatt CPA PC

Pocatello, Idaho
September 13, 2019

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

STATEMENT OF NET POSITION
 AT JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Pooled cash and cash equivalents	\$1,734,509
Cash restricted for debt service	610,258
Receivables:	
Property taxes	510,957
State	414,207
Non-current Assets:	
Capital assets:	
Land	36,474
Property and equipment, net of accumulated depreciation	18,836,524
Net pension asset - OPEB	<u>229,848</u>
Total Assets:	<u>22,372,777</u>
DEFERRED OUTFLOWS:	
Deferred PERSI outflow of resources - Base Plan	287,902
Deferred PERSI outflow of resources - OPEB	<u>35,531</u>
Total Deferred Outflows:	<u>323,433</u>
Total Assets and Deferred Outflows of Resources:	<u><u>\$22,696,210</u></u>
LIABILITIES:	
Current Liabilities:	
Accounts payable	\$196,096
Accrued salaries	512,291
Interest payable	93,732
Due within one year - series 2016 bonds	460,000
Long-term Liabilities:	
Due in more than one year - series 2016 bonds	11,198,679
Net PERSI unfunded pension liability	<u>1,573,968</u>
Total Liabilities:	<u>14,034,766</u>
DEFERRED INFLOWS:	
Deferred PERSI inflow of resources - Base Plan	404,880
Deferred PERSI inflow of resources - OPEB	<u>13,653</u>
Total Deferred Inflows:	<u>418,533</u>
NET POSITION:	
Net investment in capital assets	7,214,319
Restricted	842,051
Unrestricted	<u>186,541</u>
Total Net Position:	<u>8,242,911</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position:	<u><u>\$22,696,210</u></u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for Services	Operating Grants and Contributions	Changes in Net Assets
				Governmental Activities
Governmental Activities:				
Instructional services:				
Regular instruction	\$3,741,704	\$35,230	\$487,378	(\$3,219,096)
Special education	313,849		195,648	(118,201)
Support services:				
Pupil support	281,319	9,505	22,582	(249,232)
Staff support	264,781		161,630	(103,151)
Tech services	191,660		130,476	(61,184)
Board of Education	17,214			(17,214)
District administration	261,202			(261,202)
School administration	377,108			(377,108)
Business operation	56,935			(56,935)
Operation and maintenance	722,032		121,032	(601,000)
Transportation	432,063	17,831	19,128	(395,104)
Capital outlay	374,827			(374,827)
Non-instructional	36,348	8,076	360,531	332,259
Interest on long-term debt	329,079			(329,079)
Total Governmental Activities:	<u>\$7,400,121</u>	<u>\$70,642</u>	<u>\$1,498,405</u>	<u>(5,831,074)</u>
General Revenues:				
Taxes:				
Property taxes levied for general purposes				682,101
Property taxes levied for debt services				773,725
Property taxes levied for plant facilities				185
Federal and State aid:				
State foundation program				4,560,818
State other				241,766
Interest and investment earnings:				
				88,022
Total General Revenues:				<u>6,346,617</u>
Excess revenues before special items				
				515,543
Sale of assets				
				0
Change in Net Position:				515,543
Net position - June 30, 2018				7,727,368
Net position - June 30, 2019				<u>\$8,242,911</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

BALANCE SHEET
GOVERNMENTAL FUNDS

AT JUNE 30, 2019

	Major Funds			Totals (Memorandum Only)
	General	School Lunch Fund	Debt Service Fund	
ASSETS:				
Cash	\$1,365,434	\$92,219		\$1,734,509
Cash restricted for debt service			\$610,258	610,258
Receivables:				
Property taxes	243,468		262,681	510,957
State of Idaho	174,294	12,261		414,207
Due from other funds	100,466			100,466
Total Assets:	<u>\$1,883,662</u>	<u>\$104,480</u>	<u>\$872,939</u>	<u>\$509,316</u> <u>\$3,370,397</u>
LIABILITIES:				
Accounts payable	\$159,560	\$9,296		\$196,096
Salaries payable	432,264	15,939		512,291
Due to other funds				100,466
Total Liabilities:	<u>591,824</u>	<u>25,235</u>	<u>\$0</u>	<u>191,794</u> <u>808,853</u>
DEFERRED RESOURCES:				
Unavailable property taxes	29,943		30,888	65,087
FUND BALANCE:				
Restricted			842,051	842,051
Committed		79,245		395,977
Unassigned	1,261,895		(3,466)	1,258,429
Total Fund Balance:	<u>1,261,895</u>	<u>79,245</u>	<u>842,051</u>	<u>313,266</u> <u>2,496,457</u>
Total Liabilities and Fund Balance:	<u>\$1,883,662</u>	<u>\$104,480</u>	<u>\$872,939</u>	<u>\$509,316</u> <u>\$3,370,397</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AT JUNE 30, 2019

Total fund balances - governmental funds		\$2,496,457
<p>Total net position reported for governmental activities in the Statement of Net Position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
District's share of PERSI OPEB asset	\$229,848	
Cost of capital assets	24,898,898	
Depreciation expense to date	<u>(6,025,900)</u>	
		19,102,846
<p>Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the governmental funds.</p>		
		65,087
<p>Deferred amounts are not current financial resources/uses. Therefore, they are not reported in the governmental funds.</p>		
Deferred PERSI outflows - Base Plan	287,902	
Deferred PERSI outflows - OPEB	35,531	
Deferred PERSI inflows - Base Plan	(404,880)	
Deferred PERSI inflows - OPEB	<u>(13,653)</u>	
		(95,100)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.</p>		
Lease purchase payable		
Bonds payable	(11,658,679)	
Accrued interest on bonds	(93,732)	
District's share of PERSI unfunded pension liability	<u>(1,573,968)</u>	
		<u>(13,326,379)</u>
Total Net Position:		<u><u>\$8,242,911</u></u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

	Major Funds				Non-major Funds	Total Governmental Funds
	General Fund	School Lunch Fund	Debt Service Fund	Construction Fund		
REVENUES:						
Local:						
Property taxes (net of cancellations)	\$683,222		\$768,874		\$6,822	\$1,458,918
Earnings on investments	64,796		10,346	\$12,880		88,022
Other local	54,156	\$8,076			41,038	103,270
State:						
Base support	3,807,172					3,807,172
Transportation	249,439					249,439
State paid benefits	504,207					504,207
Other	361,120		180,773		288,245	830,138
Federal Assistance		360,531			516,874	877,405
Total Revenues:	<u>5,724,112</u>	<u>368,607</u>	<u>959,993</u>	<u>12,880</u>	<u>852,979</u>	<u>7,918,571</u>
EXPENDITURES:						
Instructional Services	3,269,657				529,468	3,799,125
Support Services:						
Guidance/Health	146,366					146,366
Special services	125,914				11,626	137,540
Instructional improvement	127,179				57,907	185,086
Media	92,392					92,392
Technology	81,808				110,603	192,411
Board of Education	17,214					17,214
District administration	263,744					263,744
School administration	380,466					380,466
Business operation	56,935					56,935
Operation and maintenance	719,996				75,406	795,402
Transportation	379,346					379,346
Other Non-instructional		361,233				361,233
Debt Service:						
Principal			445,000			445,000
Interest			329,929			329,929
Capital Assets	611,888			1,352,108	791,597	2,755,593
Total Expenditures:	<u>6,272,905</u>	<u>361,233</u>	<u>774,929</u>	<u>1,352,108</u>	<u>1,576,607</u>	<u>10,337,782</u>
EXCESS REVENUES (EXPENDITURES)	(548,793)	7,374	185,064	(1,339,228)	(723,628)	(2,419,211)
OTHER FINANCING SOURCES (USES):						
Transfers (to) from other funds	(95,041)	11,626			83,415	0
NET CHANGE IN FUND BALANCES	(643,834)	19,000	185,064	(1,339,228)	(640,213)	(2,419,211)
FUND EQUITY - JUNE 30, 2018	<u>1,905,729</u>	<u>60,245</u>	<u>656,987</u>	<u>1,339,228</u>	<u>953,479</u>	<u>4,915,668</u>
FUND EQUITY - JUNE 30, 2019	<u>\$1,261,895</u>	<u>\$79,245</u>	<u>\$842,051</u>	<u>\$0</u>	<u>\$313,266</u>	<u>\$2,496,457</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
AT JUNE 30, 2019

Total net change in fund balances - governmental funds (\$2,419,211)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities, assets with an initial, individual cost of more than \$5,000
are capitalized and the cost is allocated over estimated useful lives as depreciation
expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense this year	(\$379,747)	
Current year capital outlays	2,753,757	
	2,374,010	2,374,010

Governmental funds report debt proceeds as financing sources, while repayment
of debt principal is reported as an expenditure. In the Statement of Net Position,
debt increases liabilities and does not affect the Statement of Activities. Repayment
of debt reduces the liability.

Bond issue premium amortization	27,506	
Accrued interest	(23,999)	
Current year repayment of bond principal	445,000	
Current year bus lease payments	63,929	
	512,436	512,436

Because some property taxes will not be collected for several months after the
District's year-end, they are not considered as available revenue in the
governmental funds. They are recorded as current revenue in the Statement
of Activities. (2,907)

Net pension liability and related pension source deferred outflow and deferred
inflow of resources are not due and payable in the current period and
therefore are not reported in the governmental funds. 51,215

Total Change in Net Position: \$515,543

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

STATEMENT OF FIDUCIARY NET POSITION

AT JUNE 30, 2019

ASSETS:	Private Purpose Trust Funds <u>Scholarship</u>	Agency Funds Student Activity <u>Accounts</u>	<u>Total</u>
Cash and equivalents	\$10,530	\$244,178	\$254,708
LIABILITIES:			
Due to High School Student Groups		\$97,553	\$97,553
Due to Middle School Student Groups		86,111	86,111
Due to Elementary School Student Groups		60,514	60,514
Total Liabilities:	\$0	244,178	244,178
NET POSITION:			
Restricted for scholarships	10,530		10,530
Unrestricted		0	0
Total Liabilities and Net Position:	\$10,530	\$0	\$10,530

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Funds <u>Scholarship</u>
ADDITIONS:	
Contributions	\$0
Investment income	170
Total Additions:	<u>170</u>
DEDUCTIONS:	
Scholarships	0
Total Deductions:	<u>0</u>
CHANGE IN NET POSITION	170
NET POSITION - BEGINNING	<u>10,360</u>
NET POSITION - ENDING	<u><u>\$10,530</u></u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of School District No. 58 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity - For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. Based upon the application of these criteria, the District has no potential component units.

Government-wide and Fund Financial Statements - The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expenses for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for shared assets is ratably included in the direct expenses of the appropriate functions. Interest on general long-term liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line item.

Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The fund financial statements provide information about the District's funds, including its fiduciary funds. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Debt Service Fund** accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.

The **Title I Fund** is a federally funded program to increase reading proficiency in the elementary school.

The **Construction Fund** accounts for the high school construction project which is being funded using the proceeds from the 2016 Bonds issued for resources accumulated and payments made to provide for general maintenance and capital outlays for the District.

Additionally, the District reports the following fiduciary funds:

The **Student Activity Accounts** (Agency funds) account for monies held on behalf of student groups.

The **Private Purpose Scholarship Accounts** (Trust funds) account for monies that have been donated for student scholarships.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been met.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement, 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.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to finance the program, followed by block grants, and then general revenues.

Budgetary Data - Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

During May of each year, the Superintendent submits to the School Board a proposed operating budget for the next fiscal year commencing on July 1st. This budget includes proposed expenditures and the means of financing them.

Copies of the proposed budget are made available for public inspection and review by the patrons of the District.

After considering patron input at a public hearing in June, the Board adopts the budget.

Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Superintendent, can approve reductions in appropriations but increases in appropriations by fund require a public hearing prior to amending the budget.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year-end and are re-budgeted the following year. The District does not reserve a fund balance for outstanding encumbrances at year-end.

Deposits and Investments – The cash balances of substantially all funds are pooled and invested by the District for purposes of increasing earnings through investment activities. The District's investments are reported at fair value at year-end. The Idaho State Treasurer's Local Government Pool operates in accordance with appropriate state laws and regulations. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned to the funds based on the average balance of each participating fund.

Cash and Cash Equivalents – The District considers investments with an original maturity of three months or less to be cash equivalent.

Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as due to/due from other funds.

Inventories – Inventories of governmental funds are recorded as expenditures when purchased. Financial statements for the school lunch program do not show the value of donated commodities.

Capital Assets – Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchases of constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized.

Depreciation is recorded using the straight-line method over the estimated useful lives as follows: Buildings and improvements: 20-40 years. Buses: 10 years. Furniture and equipment: 3-15 years.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Compensated Absences – Employees are granted vacation and sick leave in varying amounts. Accumulated vacation must be used prior to the employee’s anniversary date. The District does not compensate employees for unused sick leave. When a teacher retires an amount equal to one half of the accumulated sick leave is reported to the State Retirement Board. The amount is used to pay the retiree’s health insurance.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so it will not be recognized as an outflow of resources (expenditure) until then. The District does have items that qualify for reporting in this category. They are the deferred outflows of resources related to the PERSI pension base plan. See note 12 for details on the pension plan

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 one type of these items, which arises under the government-wide accrual basis of accounting that qualifies for reporting in this category and one item, which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item (reported in the government-wide statements) is an amount related to the pension base plan. See note 12 for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Non-spendable portions of the fund balance are those that cannot be spent, because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for a specific purpose pursuant to formal action of the governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the District first utilizes restricted resources.

When expenditures are incurred that qualify for either committed or assigned resources, The District first utilizes committed resources, then assigned resources, before using unassigned resources.

Fund Balance Flow Assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). 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 District'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.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Net Position Flow Assumptions – Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, regulations, or other governments.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) 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 District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

Other Post- employment Benefits (OPEB) – For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense; (expense offset), information about the fiduciary net position of the Public Employment Retirement System of Idaho (PERSI or System), Sick Leave Insurance Reserve Fund, and additions to/deductions from Sick Leave Insurance Reserve Fund’s fiduciary net position, have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

2. DEPOSITS AND INVESTMENTS

The District invests its idle cash in the Idaho State Treasurer's local government investment pool. The deposits are stated as cash which approximates market. The State Treasurer combines deposits from all government entities in Idaho, who participate in the pool, and purchases the following types of investments: Local Certificates of Deposit, Repurchase Agreements, and 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 overall the rate of return, reduce risk of default, and place each entity under the FDIC and FSLIC limits of \$250,000.

Under Idaho Code Section 67-1210 the District is authorized to invest surplus or idle monies in investments subject to the following standards, guidelines, and restrictions:

- a. District monies shall not be made in any depository of financial institution in an amount, which exceeds ten (10%) of said entity's capital and surplus. Any investments to be made above Federal Deposit Insurance require the depository to have a current "Moody's Bank Credit Report Service" rating of "A" or better.
- b. No demand deposits or investment in time deposits or certificates of deposit shall be made in a financial institution insured in whole or in part by the Federal Savings and Loan Insurance Corporation or in any State or Federal credit unions insurance programs in an amount in excess of the insurance available.

Investments allowable under "Idaho Code Section 67-1210" are:

- a. Bonds, Treasury bills, interest bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- b. General obligation or revenue bonds of this State, or those for which the faith and credit of this State are pledged for payment of principal and interest.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

2. DEPOSITS AND INVESTMENTS - (CONTINUED)

- c. General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district of this State.
- d. Notes, bonds, debentures, or other similar obligations issued by the Farm Credit System or institutions forming a part thereof under the Farm Credit Act of 1971.
- e. Bonds, notes, or other similar obligations issued by public corporations of the State of Idaho including, but not limited to, the Idaho State Building Authority, the Idaho Housing Authority and the Idaho Water Resource Board. These investments shall not extend beyond seven (7) days.
- f. Repurchase agreements covered by any legal investment for the State of Idaho.
- g. Tax anticipation notes and registered warrants of the State of Idaho.
- h. Tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the State of Idaho.
- i. Time deposits and savings accounts in State depositories including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transactions accounts.
- j. Time deposit accounts and savings accounts of Federal savings and loan associations located within the geographical boundaries of the State in amounts not to exceed the insurance provided by the Federal Savings and Loan Insurance Corporation including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- k. Revenue bonds of institutions of higher education of the State of Idaho.
- l. Share, savings, and deposit accounts of State and Federal credit unions located within the geographical boundaries of the State in amounts not to exceed the insurance provided by the National Credit Union Share Insurance Fund and/or any other authorized deposit guaranty corporation, including but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

3. PROPERTY TAXES

Taxes are levied by the second Monday in September on assessed valuations as of June 30. Taxes on real property are payable in two equal installments on December 20 and June 30 of the following year. Personal property taxes are due December 20. Delinquent payments bear simple interest of 1% per month plus a 2% penalty. Due to the small amount of taxes not collected, no adjustment is made for delinquent taxes.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

4. CAPITAL ASSETS

Governmental Activities:	<u>7/1/18</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/19</u>
Capital Assets not being depreciated:				
Land	<u>\$36,474</u>	<u> </u>	<u> </u>	<u>\$36,474</u>
Capital Assets being depreciated:				
Buildings & improvements	20,190,666	\$2,583,425	(\$53,600)	22,720,491
Furniture & equipment	717,894	\$79,957		797,851
Vehicles	<u>1,253,707</u>	<u>90,375</u>		<u>1,344,082</u>
	<u>22,162,267</u>	<u>2,753,757</u>	<u>(53,600)</u>	<u>24,862,424</u>
Accumulated Depreciation:				
Buildings & improvements	4,255,280	275,251	(53,600)	4,476,931
Furniture & equipment	566,998	32,056		599,054
Vehicles	<u>877,475</u>	<u>72,440</u>		<u>949,915</u>
	<u>5,699,753</u>	<u>379,747</u>	<u>(53,600)</u>	<u>6,025,900</u>
Total Capital Assets - Net of Depreciation	<u>\$16,498,988</u>			<u>\$18,872,998</u>

Depreciation was charged to functions as follows:

Non-instructional	\$14,997
Transportation	67,400
Operation & maintenance	5,009
Regular instruction	<u>292,341</u>
	<u>\$379,747</u>

5. DEFICIT FUND BALANCE

For most of these Federal and State programs, the District spends its own money and then requests reimbursement from the various funding agencies. For those funds with deficits, reimbursement has not yet been received. As of June 30, 2019, the following funds had deficit fund balances:

Gear Up Grant Fund	(\$422)
Small Rural Grant Fund	(\$348)
Title III LEP Fund	(\$2,440)
Title II Teacher Quality Fund	(\$256)

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

6. DUE TO/ DUE FROM

Federal program funds are temporarily overspent while waiting for Federal reimbursements. The Debt Service Fund tax levy was not sufficient. Deficit cash is shown as due to other funds as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$100,466	
Gear Up Grant Fund		\$15,160
Driver Education Fund		\$130
Title I Fund		\$20,196
Title I Migrant Fund		\$6,695
Title VI-B Fund		\$15,807
Preschool Fund		\$2,181
Title IV-A Fund		\$18,407
Small Rural Grant Fund		\$337
C. Perkins Vocational Education Fund		\$9,502
Title II Teacher Quality Fund		\$11,499
Plant Facilities Fund		\$552

7. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

General Fund	\$27,867
School Lunch Fund	\$37,887
Construction fund	\$55,215
Local Grants Fund	\$224
Stem Grant Fund	\$3,500
Small Rural Grant Fund	\$397
Title III LEP Fund	\$5,647
Title II Teacher Quality Fund	\$1,654
Lottery Fund	\$64,716

8. RISK MANAGEMENT

The District is exposed to various risks of loss, related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee health and injuries, and natural disasters. All risks are insured by commercial insurance.

SCHOOL DISTRICT NO. 58

ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

9. **LONG-TERM DEBT**

General Obligation Bond Series 2016 were issued July 2017 in the amount of \$11,425,000. Scheduled payments due on the Series 2016 bonds are as follows:

	<u>Principal</u>	<u>Coupon</u> <u>%</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
9/15/2019	\$460,000	3.00%	\$160,685	\$620,685
3/15/2020			153,785	153,785
9/15/2020	475,000	3.00%	153,785	628,785
3/15/2021			146,660	146,660
9/15/2021	485,000	3.00%	146,660	631,660
3/15/2022			139,385	139,385
9/15/2022	500,000	4.00%	139,385	639,385
3/15/2023			129,385	129,385
9/15/2023	520,000	4.00%	129,385	649,385
3/15/2024			118,985	118,985
9/15/2024	545,000	4.00%	118,985	663,985
3/15/2025			108,085	108,085
9/15/2025	565,000	4.00%	108,085	673,085
3/15/2026			96,785	96,785
9/15/2026	585,000	4.00%	96,785	681,785
3/15/2027			85,085	85,085
9/15/2027	610,000	4.00%	85,085	695,085
3/15/2028			72,885	72,885
9/15/2028	635,000	2.00%	72,885	707,885
3/15/2029			66,535	66,535
9/15/2029	645,000	2.15%	66,535	711,535
3/15/2030			60,085	60,085
9/15/2030	660,000	2.13%	60,085	720,085
3/15/2031			53,073	53,073
9/15/2031	675,000	2.25%	53,073	728,073
3/15/2032			45,479	45,479
9/15/2032	690,000	2.38%	45,479	735,479
3/15/2033			37,285	37,285
9/15/2033	705,000	2.50%	37,285	742,285
3/15/3034			28,473	28,473

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

9. LONG-TERM DEBT - (CONTINUED)

9/15/2034	725,000	2.50%	28,473	753,473
3/15/2035			19,410	19,410
9/15/2035	740,000	2.55%	19,410	759,410
3/15/2036			9,975	9,975
9/15/2036	<u>760,000</u>	2.63%	<u>9,975</u>	<u>769,975</u>
	<u><u>10,980,000</u></u>		<u><u>2,903,393</u></u>	<u><u>13,883,393</u></u>

Beginning in the fiscal year ended June 30, 2015, GASB 68 requires the District to record its share of PERSI's unfunded pension liability. The June 30, 2019 liability amount is not available at this time. The District's share of PERSI's unfunded liability at June 30, 2018 was \$1,573,968. That amount has been recorded as a long-term liability on the Statement of Net Position.

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

	Balance <u>7/1/18</u>	Debt <u>Acquired</u>	Debt <u>Retired</u>	<u>6/30/19</u>	Due within <u>one year</u>
Bus lease purchases	\$63,928		(\$63,928)	\$0	\$0
2016 Series Bonds	11,425,000		(445,000)	10,980,000	460,000
Unamortized bond issue premium	706,185		(27,506)	678,679	28,433
District's share of PERSI unfunded liability	<u>1,725,767</u>		<u>(151,799)</u>	<u>1,573,968</u>	
	<u>\$13,920,880</u>	<u>\$0</u>	<u>(\$688,233)</u>	<u>\$13,232,647</u>	<u>\$488,433</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

10. CONTINGENT LIABILITIES

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

**11. CREDIT RISK, CONCENTRATION OF CREDIT RISK,
AND INTEREST RATE RISK**

As of June 30, 2019, the District's investments were as follows: All of the District's investments are in an internal investment pool.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Statutes authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued from the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, saving deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. The District does not have an investment policy that would further limit its investment choices.

Concentration Credit Risk - The District does not place a limit on the amount that the District may invest in any one issuer. Most of the District's investments are in Local Government Investment Pool which by its nature is a diversified account. As of June 30, 2019, the fund consisted of U.S. Treasury Notes, Government Agency Notes, Idaho Bank Deposits, Repurchase Agreements, Corporate Bonds and Commercial Paper, and Government Agency Notes.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2018

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

School District #58 contributes to the Public Employee Retirement System of Idaho Base Plan (Base Plan) which is a cost-sharing, multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Pension Benefits

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

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

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM - (CONTINUED)

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2018, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions were \$388,638 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 participation PERSI Base Plan employers. At June 30, 2018, the District's proportion was .1067084 percent.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM - (CONTINUED)

For the year ended June 30, 2019, the District recognized pension expense of \$315,659. At June 30, 2019, the District reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	(\$66,296)	(\$36,604)
Changes in assumptions or other inputs	\$70,504	\$0
Net difference between projected and actual earnings on pension plan investments	\$0	\$71,479
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	(\$137,379)	\$370,005
School District #58 contributions subsequent to the measurement date	\$421,073	\$0
Total	\$287,902	\$404,880

\$421,073 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2017, the beginning of the measurement period ended June 30, 2018 is 4.9 and 5.5 for the measurement period June 30, 2018.

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

Year ended June 30, 2019:	
2019	\$ 127,924
2020	\$ 15,076
2021	\$ (128,975)
2022	\$ (32,598)
2023	\$ 0

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM - (CONTINUED)

Actuarial Assumptions

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

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

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

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

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2018 is based on the results of an actuarial valuation date of July 1, 2018.

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

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM - (CONTINUED)

combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Capital Market Assumptions	Expected	Expected	Strategic	Strategic
Asset Class	Return	Risk	Normal	Ranges
Equities:			70.00%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50% - 65%
International	9.25%	20.20%	15.00%	10% - 20%
Fixed Income:	3.05%	3.75%	30.00%	23% - 33%
Cash	2.25%	0.90%	0.00%	0% - 5%
	Expected	Expected	Expected	Strategic
Total Fund	Return	Inflation	Real	Ranges
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions

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

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

12. PUBLIC EMPLOYEES RETIREMENT SYSTEM - (CONTINUED)

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$3,939,997	\$1,573,968	(\$385,202)

Pension Plan Fiduciary Net Position

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

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

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

13. OPEB PLAN

Plan Description

School District #58 contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing, multiple-employer Defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for State members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate is 1.16% for school members with 9 or 10 sick days and 1.26% for school board members with 11 – 14 sick days. If a school board member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based upon current cost and actuarial data and reviewed annually. School District No. 58's contributions were \$43,219 for the Plan year ended June 30, 2018.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

13. OPEB PLAN - (CONTINUED)

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, School District #58 reported an asset for its proportional share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based upon the District's share of contributions relative to the total contributions of all participating Sick Leave Employers. At June 30, 2018 the District's proportion was .2771087 percent.

For the year ended June 30, 2019, the District recognized OPEB expense (expense offset) of \$12,570. \$45,663 reported as deferred outflows of resources related to OPEBs resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2019. At June 30, 2019, the District reported deferred outflows of resources related to pension from the following sources:

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322 Idaho Code is 25 years.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

13. OPEB PLAN - (CONTINUED)

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement and thus would have no impact.

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

JOINT SCHOOL DISTRICT NO. 21
ARIMO, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

13. OPEB PLAN - (CONTINUED)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions	Expected	Expected	Strategic	Strategic
Asset Class	Return	Risk	Normal	Ranges
Equities			70.00%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50% - 65%
International	9.25%	20.20%	15.00%	10% - 20%
Fixed Income	3.05%	3.75%	30.00%	23% - 33%
Cash	2.25%	0.90%	0.00%	0% - 5%
	Expected	Expected	Expected	Strategic
Total Fund	Return	Inflation	Real	Ranges
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions

Assumed inflation - Mean	2.25%
Assumed Inflation - Standard Deviation	1.50%
Portfolio Arithmetic Mean Return	6.75%
Portfolio Long Term Expected Geometric Rate of Return	6.13%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	5.73%

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

13. OPEB PLAN - (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB asset to Changes in the Discount Rate.

The following presents the employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.05 percent, as well as what the employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (6.05 percent) or 1 percentage point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	(\$202,948)	(\$229,848)	(\$255,110)

OPEB Plan Fiduciary Net Position

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

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

SCHOOL DISTRICT NO. 21
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
YEAR ENDED JUNE 30, 2019

14. ADOPTION OF NEW STANDARD

As of July 1, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard requires governments to calculate and report the cost obligations, and assets associated with post-employment benefits other than pensions (OPEB), including note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning OPEB asset as follows:

Net position at June 30, 2018	\$7,504,148
Net OPEB asset at June 30, 2018	<u>223,220</u>
Net position as restated, July 1, 2018	<u>\$7,727,368</u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT NO 58
ABERDEEN, IDAHO

REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

Schedule of Employer's Share of Net Pension Liability PERSI - Base Plan *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of net pension liability	0.106708%	0.109794%	0.114567%	0.112561%
Employer's proportionate share of net pension liability	\$1,573,968	\$1,725,767	\$2,322,457	\$1,482,251
Employer's covered employee payroll	\$3,719,194	\$3,475,890	\$3,410,117	\$3,353,363
Employer's proportional share of the net pension liability as a percentage of covered employee payroll	42.32%	49.65%	68.10%	44.20%
Plan fiduciary net position as a percentage of total pension liability	91.69%	87.26%	91.38%	91.38%

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

Data reported is measured as of June 30, 2018

Schedule of Employer's Contributions PERSI - Base Plan *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$414,393	\$370,237	\$340,566	\$368,191
Contributions in relation to the statutorily required contribution	\$393,902	\$391,269	\$384,500	\$361,593
Contribution (deficiency) excess	(\$20,491)	\$21,031	\$43,934	(\$6,598)
Employer's covered employee payroll	\$3,719,194	\$3,475,890	\$3,410,117	\$3,353,363
Contributions as a percentage of covered employee payroll	11.14%	10.65%	9.99%	10.98%

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

Data reported is measured as of June 30, 2018

SCHOOL DISTRICT NO 58
ABERDEEN, IDAHO

REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

Schedule of Employer's Share of Net OPEB Asset PERSI -OPEB Plan *

	<u>2018</u>
Employer's portion of net OPEB asset	0.277109%
Employer's proportionate share of net OPEB asset	\$229,848
Employer's covered employee payroll	\$3,719,194
Employer's proportional share of the net OPEB asset as a percentage of covered employee payroll	6.18%
Plan fiduciary net position as a percentage of total OPEB asset	380.21%

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

Data reported is measured as of June 30, 2018

Schedule of Employer's Contributions PERSI - OPEB Plan *

	<u>2018</u>
Statutorily required contribution	\$43,219
Contributions in relation to the statutorily required contribution	\$43,219
Contribution (deficiency) excess	\$0
Employer's covered employee payroll	\$3,719,194
Contributions as a percentage of covered employee payroll	1.16%

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

Data reported is measured as of June 30, 2018

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$684,000	\$683,222	(\$778)
Investment interest	25,000	64,796	39,796
Other local	52,322	54,156	1,834
State base support	3,776,240	3,807,172	30,932
State transportation	234,241	249,439	15,198
State paid benefits	500,893	504,207	3,314
Other State	337,258	361,120	23,862
Total General Fund Revenues:	<u>\$5,609,954</u>	<u>\$5,724,112</u>	<u>\$114,158</u>
EXPENDITURES:			
INSTRUCTION:			
Elementary Programs:			
Salaries	\$945,953	\$818,309	\$127,644
Benefits	332,021	301,304	30,717
Purchased services		3	(3)
Materials and supplies	159,079	155,278	3,801
	<u>1,437,053</u>	<u>1,274,894</u>	<u>162,159</u>
Secondary Programs:			
Salaries	1,085,728	1,091,432	(5,704)
Benefits	361,474	367,260	(5,786)
Purchased services	5,600	7,372	(1,772)
Materials and supplies	81,636	79,452	2,184
Capital outlay		3,833	(3,833)
	<u>1,534,438</u>	<u>1,549,349</u>	<u>(14,911)</u>
Special Programs:			
Salaries	243,971	222,152	21,819
Benefits	87,681	88,991	(1,310)
Purchased services	2,900	3,182	(282)
Materials and supplies	4,500	3,698	802
	<u>339,052</u>	<u>318,023</u>	<u>21,029</u>
Activity Programs:			
Salaries	57,238	56,157	1,081
Benefits	11,129	8,871	2,258
Purchased services	45,300	45,052	248
Materials and supplies	8,000	7,533	467
	<u>121,667</u>	<u>117,613</u>	<u>4,054</u>
Summer/After School Programs:			
Salaries	8,456	7,863	593
Benefits	1,277	1,915	(638)
	<u>9,733</u>	<u>9,778</u>	<u>(45)</u>
Total Instruction:	<u>3,441,943</u>	<u>3,269,657</u>	<u>172,286</u>
SUPPORT SERVICES:			
Guidance/Health:			
Salaries	119,155	104,397	14,758
Benefits	39,917	36,580	3,337
Purchased services	6,700	2,427	4,273
Materials and supplies	9,059	2,962	6,097
	<u>174,831</u>	<u>146,366</u>	<u>28,465</u>
Special Services:			
Salaries	87,307	83,406	3,901
Benefits	37,432	35,284	2,148
Purchased services	21,800	6,618	15,182
Materials and supplies	1,200	606	594
	<u>147,739</u>	<u>125,914</u>	<u>21,825</u>
Instructional Improvement:			
Salaries	20,500	95,318	(74,818)
Benefits	4,147	30,453	(26,306)
Purchased services	26,168	1,408	24,760
Materials and supplies	500		500
	<u>51,315</u>	<u>127,179</u>	<u>(75,864)</u>
Media Program:			
Salaries	59,683	59,846	(163)
Benefits	25,813	24,996	817
Purchased services	2,100	2,182	(82)
Materials and supplies	5,500	5,368	132
	<u>93,096</u>	<u>92,392</u>	<u>704</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - (CONTINUED)

YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Technology:			
Salaries	\$41,039	\$46,119	(\$5,080)
Benefits	14,165	14,268	(103)
Purchased services	11,700	11,278	422
Materials and supplies	10,500	10,143	357
	<u>77,404</u>	<u>81,808</u>	<u>(4,404)</u>
Board of Education:			
Benefits	100	26	74
Purchased services	11,900	13,285	(1,385)
Materials and supplies	5,500	3,792	1,708
Insurance	200	111	89
	<u>17,700</u>	<u>17,214</u>	<u>486</u>
District Administration:			
Salaries	190,201	186,144	4,057
Benefits	71,246	68,543	2,703
Purchased services	11,700	5,639	6,061
Materials and supplies	2,000	3,418	(1,418)
	<u>275,147</u>	<u>263,744</u>	<u>11,403</u>
School Administration:			
Salaries	277,947	251,166	26,781
Benefits	124,796	111,876	12,920
Purchased services	15,000	11,633	3,367
Materials and supplies	4,700	5,791	(1,091)
	<u>422,443</u>	<u>380,466</u>	<u>41,977</u>
Business Operation:			
Benefits	100	70	30
Purchased services	51,100	32,376	18,724
Materials and supplies	49,000	24,489	24,511
	<u>100,200</u>	<u>56,935</u>	<u>43,265</u>
Operation and Maintenance:			
Salaries	214,754	218,364	(3,610)
Benefits	74,320	83,659	(9,339)
Purchased services	278,677	228,173	50,504
Materials and supplies	93,822	87,088	6,734
Capital outlay	8,000	49,510	(41,510)
Insurance	47,100	53,202	(6,102)
	<u>716,673</u>	<u>719,996</u>	<u>(3,323)</u>
Transportation:			
Salaries	162,686	197,685	(34,999)
Benefits	91,071	86,634	4,437
Purchased services	18,100	11,524	6,576
Materials and supplies	74,900	63,054	11,846
Capital outlay	13,100	12,317	783
Insurance	8,000	8,132	(132)
	<u>367,857</u>	<u>379,346</u>	<u>(11,489)</u>
Capital Outlay/Contingency	<u>357,190</u>	<u>611,888</u>	<u>(254,698)</u>
School Lunch	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total Support Services:	<u>2,803,095</u>	<u>3,003,248</u>	<u>(200,153)</u>
Total General Fund Expenditures:	<u>6,245,038</u>	<u>6,272,905</u>	<u>(27,867)</u>
Excess Revenues over Expenditures	(635,084)	(548,793)	86,291
Transfers (to) from other funds	(85,545)	(95,041)	(9,496)
Excess revenues and other financing sources over expenditures and other financing uses	<u>(\$720,629)</u>	<u>(643,834)</u>	<u>\$76,795</u>
FUND EQUITY - JUNE 30, 2018		<u>1,905,729</u>	
FUND EQUITY - JUNE 30, 2019		<u>\$1,261,895</u>	

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - SCHOOL LUNCH FUND

YEAR ENDED JUNE 30, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE:			
Child meals	\$100	\$66	(\$34)
Other food sales	8,500	8,010	
Federal assistance	281,858	360,531	78,673
Total Revenue:	<u>290,458</u>	<u>368,607</u>	<u>78,639</u>
EXPENDITURES:			
Salaries	101,935	104,057	(2,122)
Benefits	58,241	57,582	659
Purchased services	1,670	1,226	444
Materials and supplies	161,500	198,124	(36,624)
Capital outlay		244	(244)
Total Expenditures:	<u>323,346</u>	<u>361,233</u>	<u>(37,887)</u>
Excess revenues over expenditures:	(32,888)	7,374	40,262
Transfers (to) from other funds	<u>7,352</u>	<u>11,626</u>	<u>(4,274)</u>
Excess revenues and other financing sources over expenditures and other financing uses	<u>(\$25,536)</u>	19,000	<u>\$35,988</u>
FUND EQUITY - JUNE 30, 2018		<u>60,245</u>	
FUND EQUITY - JUNE 30, 2019		<u>\$79,245</u>	

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$774,338	\$768,874	(\$5,464)
State	169,305	180,773	11,468
Investment income	2,000	10,346	8,346
Total Revenue:	<u>945,643</u>	<u>959,993</u>	<u>14,350</u>
EXPENDITURES:			
Principal	445,000	445,000	0
Interest	331,045	329,929	1,116
Total Expenditures:	<u>776,045</u>	<u>774,929</u>	<u>1,116</u>
Excess revenues over expenditures	<u>\$169,598</u>	185,064	<u>\$15,466</u>
FUND EQUITY - JUNE 30, 2018		<u>656,987</u>	
FUND EQUITY - JUNE 30, 2019		<u>\$842,051</u>	

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CONSTRUCTION FUND

YEAR ENDED JUNE 30, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Interest income	\$9,000	\$12,880	\$3,880
Other			0
Total Revenue:	9,000	12,880	3,880
EXPENDITURES:			
Construction	1,296,893	1,352,108	(55,215)
Total Expenditures:	1,296,893	1,352,108	(55,215)
Excess revenues and other financing sources over expenditures and other financing uses	(\$1,287,893)	(1,339,228)	\$51,335
FUND EQUITY - JUNE 30, 2018		1,339,228	
FUND EQUITY - JUNE 30, 2019		\$0	

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OTHER INFORMATION

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

COMBINING BALANCE SHEET
NON-MAJOR FUNDS

AT JUNE 30, 2019

	Gear Up Grant Fund	Stem Grant Fund	Driver Education Fund	State Vocational Fund
ASSETS:				
Cash		\$10,000		\$6,082
Property taxes receivable				
Federal and State receivable	\$19,188		\$6,798	
Total Assets:	\$19,188	\$10,000	\$6,798	\$6,082
LIABILITIES:				
Accounts payable	\$709			\$4,204
Salaries payable	3,741			1,878
Due to other funds	15,160		\$130	
Total Liabilities:	19,610	\$0	\$130	6,082
DEFERRED RESOURCES:				
Unavailable property taxes	0	0	0	0
FUND BALANCE:				
Committed		10,000	6,668	0
Unassigned	(422)			
Total Fund Equity:	(422)	10,000	6,668	0
Total Liabilities and Fund Balance:	\$19,188	\$10,000	\$6,798	\$6,082

State Technology Fund	State Substance Abuse Fund	Title I Fund	Title I Migrant Fund	Title Title V1B Fund	Preschool Fund
\$45,180	\$14,431				
		\$63,262	\$21,366	\$71,782	\$6,104
<u>\$45,180</u>	<u>\$14,431</u>	<u>\$63,262</u>	<u>\$21,366</u>	<u>\$71,782</u>	<u>\$6,104</u>
		\$8,219	\$3,537	\$6,631	\$621
		19,797	8,545	22,147	3,302
		20,196	6,695	15,807	2,181
<u>\$0</u>	<u>\$0</u>	<u>48,212</u>	<u>18,777</u>	<u>44,585</u>	<u>6,104</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
45,180	14,431	15,050	2,589	27,197	0
<u>45,180</u>	<u>14,431</u>	<u>15,050</u>	<u>2,589</u>	<u>27,197</u>	<u>0</u>
<u>\$45,180</u>	<u>\$14,431</u>	<u>\$63,262</u>	<u>\$21,366</u>	<u>\$71,782</u>	<u>\$6,104</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

COMBINING BALANCE SHEET
NON-MAJOR FUNDS - (CONTINUED)

AT JUNE 30, 2019

	Title IV A Fund	Small Rural Grant Fund	C. Perkins Vocational Education Fund	Title III LEP Fund
ASSETS:				
Cash				\$1,708
Property taxes receivable				
Federal and state receivable	\$18,407		\$9,502	
Total Assets:	\$18,407	\$0	\$9,502	\$1,708
LIABILITIES:				
Accounts payable		\$11		\$1,646
Salaries payable				2,502
Due to other funds	\$18,407	337	\$9,502	
Total Liabilities:	18,407	348	9,502	4,148
DEFERRED RESOURCES:				
Unavailable property taxes				
FUND BALANCE:				
Committed	0		0	
Unassigned		(348)		(2,440)
Total Fund Equity:	0	(348)	0	(2,440)
Total Liabilities and Fund Balance:	\$18,407	\$0	\$9,502	\$1,708

Title II Teacher Quality Fund	Medicaid Fund	Lottery Fund	Plant Facilities Fund	2019 Totals
	\$19,818	\$179,636		\$276,855
\$11,243			\$4,808	4,808
				227,652
<u>\$11,243</u>	<u>\$19,818</u>	<u>\$179,636</u>	<u>\$4,808</u>	<u>\$509,315</u>
	\$1,661			\$27,239
	2,176			64,088
\$11,499			\$552	100,466
<u>11,499</u>	<u>3,837</u>	<u>\$0</u>	<u>552</u>	<u>191,793</u>
			4,256	4,256
	15,981	179,636	0	316,732
(256)				(3,466)
<u>(256)</u>	<u>15,981</u>	<u>179,636</u>	<u>0</u>	<u>313,266</u>
<u>\$11,243</u>	<u>\$19,818</u>	<u>\$179,636</u>	<u>\$4,808</u>	<u>\$509,315</u>

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NON-MAJOR FUNDS

YEAR ENDED JUNE 30, 2019

	Gear Up Grant Fund	Local Grants Fund	Stem Grant Fund	Driver Education Fund	Read To Me Grant Fund
REVENUES:					
Property taxes					
Local income			\$13,500	\$8,410	
State assistance				9,802	\$5,000
Federal assistance	\$26,624				
Total Revenues:	26,624	\$0	13,500	18,212	5,000
EXPENDITURES:					
Instructional services	26,518	224	3,500	11,787	5,000
Support services	520				
Non-instructional services					
Capital outlay					
Total Expenditures:	27,038	224	3,500	11,787	5,000
EXCESS REVENUES (EXPENDITURES)	(414)	(224)	10,000	6,425	0
TRANSFERS (TO) FROM OTHER FUNDS	_____	_____	_____	_____	_____
EXCESS FINANCING SOURCES (USES)	(414)	(224)	10,000	6,425	0
FUND BALANCE - JUNE 30, 2018	(8)	224	0	243	0
FUND BALANCE - JUNE 30, 2019	(\$422)	\$0	\$10,000	\$6,668	\$0

State Vocational Fund	State Technology Fund	State Substance Abuse Fund	Title I Fund	Title I Migrant Fund	Title V1B Fund
\$35,638	\$130,476	\$10,963			
<u>35,638</u>	<u>130,476</u>	<u>10,963</u>	<u>\$186,115</u>	<u>\$70,384</u>	<u>\$161,925</u>
35,638	110,603	11,786	197,845	41,019	147,651
			991	24,073	11,221
<u>35,638</u>	<u>110,603</u>	<u>11,786</u>	<u>198,836</u>	<u>65,092</u>	<u>158,872</u>
0	19,873	(823)	(12,721)	5,292	3,053
			<u>19,157</u>	<u>(1,959)</u>	<u>(4,835)</u>
0	19,873	(823)	6,436	3,333	(1,782)
<u>0</u>	<u>25,307</u>	<u>15,254</u>	<u>8,614</u>	<u>(744)</u>	<u>28,979</u>
<u>\$0</u>	<u>\$45,180</u>	<u>\$14,431</u>	<u>\$15,050</u>	<u>\$2,589</u>	<u>\$27,197</u>

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NON-MAJOR FUNDS - (CONTINUED)

YEAR ENDED JUNE 30, 2019

	<u>Preschool Fund</u>	<u>Title IV A Fund</u>	<u>Small Rural Grant Fund</u>	<u>C. Perkins Vocational Education Fund</u>
REVENUES:				
Property taxes				
Local income				
State assistance				
Federal assistance	\$4,647	\$18,407		\$9,501
Total Revenues:	<u>4,647</u>	<u>18,407</u>	<u>\$0</u>	<u>9,501</u>
EXPENDITURES:				
Instructional services	6,683		397	9,501
Support services	29			
Non-instructional services				
Capital outlay				
Total Expenditures:	<u>6,712</u>	<u>0</u>	<u>397</u>	<u>9,501</u>
EXCESS REVENUES (EXPENDITURES)	(2,065)	18,407	(397)	0
TRANSFERS (TO) FROM OTHER FUNDS	<u>(218)</u>	<u>(18,407)</u>		
EXCESS FINANCING SOURCES (USES)	(2,283)	0	(397)	0
FUND BALANCE - JUNE 30, 2018	<u>2,283</u>	<u>0</u>	<u>49</u>	<u>0</u>
FUND BALANCE - JUNE 30, 2019	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$348)</u></u>	<u><u>\$0</u></u>

Title III LEP Fund	Title II Teacher Quality Fund	Medicaid Fund	Bus Depreciation Fund	Lottery Fund	Plant Facilities Fund	2019 Totals
					\$6,822	\$6,822
			\$19,128			41,038
		\$20,557		\$75,809		288,245
\$16,153	\$23,118					516,874
<u>16,153</u>	<u>23,118</u>	<u>20,557</u>	<u>19,128</u>	<u>75,809</u>	<u>6,822</u>	<u>852,979</u>
20,670		23,035				529,468
	20,913					180,136
					75,406	75,406
			156,961	64,717	569,919	791,597
<u>20,670</u>	<u>20,913</u>	<u>23,035</u>	<u>156,961</u>	<u>64,717</u>	<u>645,325</u>	<u>1,576,607</u>
(4,517)	2,205	(2,478)	(137,833)	11,092	(638,503)	(723,628)
<u>(423)</u>	<u>(6,810)</u>		<u>96,910</u>			<u>83,415</u>
(4,940)	(4,605)	(2,478)	(40,923)	11,092	(638,503)	(640,213)
<u>2,500</u>	<u>4,349</u>	<u>18,459</u>	<u>40,923</u>	<u>168,544</u>	<u>638,503</u>	<u>953,479</u>
<u>(\$2,440)</u>	<u>(\$256)</u>	<u>\$15,981</u>	<u>\$0</u>	<u>\$179,636</u>	<u>\$0</u>	<u>\$313,266</u>

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR FUND REVENUE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2019

	Estimated Revenues	Actual Revenues	Variance Favorable (Unfavorable)
GEAR UP GRANT FUND:			
Federal assistance	\$31,180	\$26,624	(\$4,556)
STEM GRANT FUND:			
Local revenue		\$13,500	\$13,500
DRIVER EDUCATION FUND:			
Local revenue	\$6,000	\$8,410	\$2,410
State assistance	6,000	9,802	3,802
	<u>\$12,000</u>	<u>\$18,212</u>	<u>\$6,212</u>
READ TO ME GRANT FUND			
Local revenue	\$5,000	\$5,000	\$0
STATE VOCATIONAL FUND:			
State assistance	\$35,638	\$35,638	\$0
STATE TECHNOLOGY FUND:			
State assistance	\$125,280	\$130,476	\$5,196
STATE SUBSTANCE ABUSE FUND:			
State revenue	\$11,500	\$10,963	(\$537)
TITLE I FUND:			
Federal assistance	\$186,115	\$186,115	\$0
TITLE I MIGRANT FUND:			
Federal assistance	\$70,384	\$70,384	\$0
TITLE VI-B FUND:			
Federal assistance	\$161,925	\$161,925	\$0
PRESCHOOL FUND:			
Federal assistance	\$6,104	\$4,647	\$1,457
TITLE IV-A FUND:			
Federal assistance	\$18,407	\$18,407	\$0

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR FUND REVENUE - BUDGET AND ACTUAL - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

	Estimated Revenues	Actual Revenues	Variance Favorable (Unfavorable)
C. PERKINS VOCATIONAL EDUCATION FUND:			
Federal assistance	<u>\$9,502</u>	<u>\$9,501</u>	<u>(\$1)</u>
TITLE III LEP FUND:			
Federal assistance	<u>\$16,153</u>	<u>\$16,153</u>	<u>\$0</u>
TITLE II TEACHER QUALITY FUND:			
Federal assistance	<u>\$22,960</u>	<u>\$23,118</u>	<u>\$158</u>
MEDICAID FUND:			
State assistance	<u>\$22,000</u>	<u>\$20,557</u>	<u>(\$1,443)</u>
BUS DEPRECIATION FUND:			
Local revenue	<u>\$12,500</u>	<u>\$19,128</u>	<u>\$0</u>
			<u>0</u>
LOTTERY FUND:			
State assistance	<u>\$0</u>	<u>\$75,809</u>	<u>\$75,809</u>
PLANT FACILITIES FUND:			
Property taxes	<u>\$273,500</u>	<u>\$6,822</u>	<u>(\$266,678)</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Appropriated	Expended	Variance Favorable (Unfavorable)
GEAR UP GRANT FUND:			
Instruction:			
Salaries	\$13,320	\$14,117	(\$797)
Benefits	2,778	2,795	(17)
Purchased services	2,700	2,077	623
Materials and supplies	3,972	7,529	(3,557)
Support Services:			
Purchased services	4,500	520	3,980
Materials and supplies	2,660		2,660
	<u>\$29,930</u>	<u>\$27,038</u>	<u>\$2,892</u>
LOCAL GRANTS FUND:			
Instruction:			
Materials and supplies	<u>\$0</u>	<u>\$224</u>	<u>(\$224)</u>
STEM GRANT FUND:			
Instruction:			
Materials and supplies	<u>\$0</u>	<u>\$3,500</u>	<u>(\$3,500)</u>
DRIVER EDUCATION FUND:			
Instruction:			
Salaries	\$6,000	\$9,453	(\$3,453)
Benefits	844	781	63
Materials and supplies	1,200	1,305	(105)
Capital outlay	7,189		7,189
Insurance	250	248	2
	<u>\$15,483</u>	<u>\$11,787</u>	<u>\$3,696</u>
READ TO ME GRANT FUND:			
Instruction:			
Materials and supplies	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
STATE VOCATIONAL FUND:			
Instruction:			
Salaries	\$11,267	\$11,266	\$1
Benefits	2,279	2,365	(86)
Purchased services	4,964	3,444	1,520
Materials and supplies	7,102	8,537	(1,435)
Capital outlay	10,026	10,026	0
	<u>\$35,638</u>	<u>\$35,638</u>	<u>\$0</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)
YEAR ENDED JUNE 30, 2019

	<u>Appropriated</u>	<u>Expended</u>	Variance Favorable (Unfavorable)
STATE TECHNOLOGY FUND:			
Support Services:			
Salaries	\$13,680	\$14,774	(\$1,094)
Benefits	4,588	4,919	(331)
Purchased services	28,686	22,612	6,074
Materials and supplies	103,633	68,298	35,335
	<u>\$150,587</u>	<u>\$110,603</u>	<u>\$39,984</u>
STATE SUBSTANCE ABUSE FUND:			
Instruction:			
Purchased services	\$8,000	\$448	\$7,552
Materials and supplies	18,335	13,338	4,997
	<u>\$26,335</u>	<u>\$13,786</u>	<u>\$12,549</u>
TITLE I FUND:			
Instruction:			
Salaries	\$130,317	\$125,024	\$5,293
Benefits	53,825	50,755	3,070
Purchased services	22,694	20,577	2,117
Materials and supplies	1,466	1,489	(23)
Support Services:			
Benefits		451	(451)
Purchased services		30	(30)
Materials and supplies	2,265	510	1,755
	<u>\$210,567</u>	<u>\$198,836</u>	<u>\$11,731</u>
TITLE I MIGRANT FUND:			
Instruction:			
Salaries	\$25,251	\$26,409	(\$1,158)
Benefits	13,112	14,605	(1,493)
Purchased services	1,453		1,453
Materials and supplies	1564	5	1,559
Support Services:			
Salaries	15,748	15,747	1
Benefits	7,509	7,536	(27)
Purchased services	2,000	790	1,210
Materials and supplies	1,629		1,629
	<u>\$68,266</u>	<u>\$65,092</u>	<u>\$3,174</u>
TITLE VI-B FUND:			
Instruction:			
Salaries	\$34,631	\$95,147	(\$60,516)
Benefits	12,359	33,175	(20,816)
Purchased services	3,153	6,056	(2,903)
Materials and supplies		13273	(13,273)
Support Services:			
Salaries	45,559		45,559
Benefits	22,179	586	21,593
Purchased services	15,500	5,068	10,432
Materials and supplies	47,374	5,567	41,807
Transfers			0
	<u>\$180,755</u>	<u>\$158,872</u>	<u>\$21,883</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)
YEAR ENDED JUNE 30, 2019

	<u>Appropriated</u>	<u>Expended</u>	Variance Favorable (Unfavorable)
PRESCHOOL FUND:			
Instruction:			
Salaries	\$3,000	\$3,302	(\$302)
Benefits	608	98	510
Purchased services	1,683		1,683
Materials and supplies	1500	3283	(1,783)
Support Services:			
Benefits		29	(29)
	<u>\$6,791</u>	<u>\$6,712</u>	<u>\$79</u>
SMALL RURAL GRANT FUND:			
Instruction:			
Materials and supplies	<u>\$0</u>	<u>\$397</u>	<u>(\$397)</u>
C. PERKINS VOCATIONAL EDUCATION FUND:			
Instruction:			
Salaries	\$395	\$395	\$0
Benefits	80	79	1
Purchased services	3,403	3,403	0
Materials and supplies	5,624	5,624	0
	<u>\$9,502</u>	<u>\$9,501</u>	<u>\$1</u>
TITLE III LEP FUND:			
Instruction:			
Salaries	\$7,251	\$12,652	(\$5,401)
Benefits	6,565	7,949	(1,384)
Purchased services	1,107		1,107
Materials and supplies	100	69	31
	<u>\$15,023</u>	<u>\$20,670</u>	<u>(\$5,647)</u>
TITLE II TEACHER QUALITY FUND:			
Support Services:			
Salaries	\$12,344	\$12,350	(\$6)
Benefits	4,136	2,564	1,572
Purchased services	2,500	5,416	(2,916)
Materials and supplies	279	583	(304)
	<u>\$19,259</u>	<u>\$20,913</u>	<u>(\$1,654)</u>
MEDICAID FUND:			
Instruction:			
Salaries	\$13,056	\$13,004	\$52
Benefits	\$10,076	\$10,031	45
Support Services:			
Purchased services	9,733		9,733
Materials and supplies	5,000		5,000
	<u>\$37,865</u>	<u>\$23,035</u>	<u>\$14,830</u>

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

SCHEDULE OF NON-MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)
 YEAR ENDED JUNE 30, 2019

	<u>Appropriated</u>	<u>Expended</u>	Variance Favorable (Unfavorable)
BUS DEPRECIATION FUND:			
Capital outlay	<u>\$157,546</u>	<u>\$156,961</u>	<u>\$585</u>
LOTTERY FUND:			
Capital outlay	<u> </u>	<u>\$64,716</u>	<u>(\$64,716)</u>
PLANT FACILITIES FUND:			
Support Services:			
Salaries	\$56,224	\$56,224	\$0
Benefits	19,338	19,182	156
Materials and supplies	30,000		30,000
Capital outlay	<u>541,000</u>	<u>569,919</u>	<u>(28,919)</u>
	<u>\$646,562</u>	<u>\$645,325</u>	<u>\$1,237</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF HIGH SCHOOL STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2019

FUND:	Balance 6/30/18	Receipts	Disbursements	Transfers	Balance 6/30/19
Academic Decathlon	(\$1,056)				(\$1,056)
BPA	1,057	\$1,595	(\$2,247)		405
BPA Administration	0				0
IDLA	(235)	2,545	(975)	\$150	1,485
Duel Credit -Social	2,088		(23)		2,065
Nowland, Yvonne	50				50
FFA - Booth	(1,073)	10,056	(8,968)		15
Office Teacher	485	798	(1,304)		(21)
FFA	(825)	8,779	(6,656)		1,298
Duel Credit -English	(8)				(8)
AG	182	8,399	(2,752)	242	6,071
Staley-AG	860				860
Scholarships	1,578	415			1,993
National Honor Society	9	699	(680)		28
Ind Alt HS	80				80
Sunshine Club	121	122			243
Student Body	2,833	2,895	(2,746)	(110)	2,872
Class of 2018	1,545		(1,290)		255
Class of 2019	1,090	1,625	(540)		2,175
Class of 2020	1,244	1,002	(253)		1,993
Class of 2021	195	202	(61)		336
Class of 2022	0	966	(135)		831
Wrestling Room	3,078	1,312			4,390
Pop Machine	223	136	(383)		(24)
Music	6	1,050	(1,056)		0
Music Supplies	111	62	(54)		119
Band Rental & Repair	0	1,458	(1,608)	50	(100)
Pep Band	2,065	14,656	(14,758)	(1,892)	71
Jazz Band	(1,590)	1,709	(1,769)	1,650	0
Musical	2,540	6,733	(6,432)		2,841
First Aid A	3			(3)	0
First Aid B	(103)	834	(1,439)	3	(705)
Weight Room	1,168	834	(1,636)		366
Athletics	27,412	40,372	(30,898)		36,886
Athletic Equip - direct	500				500
Plato	398				398

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF HIGH SCHOOL STUDENT BODY FUNDS - (CONTINUED)

YEAR ENDED JUNE 30, 2019

FUND:	Balance 6/30/18	Receipts	Disbursements	Transfers	Balance 6/30/19
Extra/Trans	\$4,534	\$4,432	(\$8,291)		\$675
ACT	60				60
Annual	3,806	5,492	(4,862)		4,436
Chemistry	199				199
Art	565	1,765	(1,988)	\$110	452
Art Equipment	183				183
Computer Lab	948	1,255	(1,836)		367
Counselor	610	90	(293)	(150)	257
Drivers Ed	1,750	6,815	(4,350)		4,215
Faculty Pop	19	115	(136)		(2)
Gear Up 2	226				226
Interest	1,538	75	(702)		911
Library	239	229	(237)		231
Math	20				20
Lockers	162				162
Sales Tax	25	1,762	(1,787)		0
Textbook Fines	539	12	(465)		86
Teacher Accounts	1,458	1,175	(260)	(50)	2,323
Special Education	50	90			140
Principal	250	90			340
Savings	5,418				5,418
Football	1,199	3,021	(2,341)		1,879
Volleyball	4,999	7,733	(9,535)		3,197
Girls Soccer	169	390			559
Boys Soccer	539	505			1,044
Soccer	41	2,998	(2,153)		886
Girls Basketball	(423)	6,998	(5,435)		1,140
Boys Basketball	(3,408)	7,119	(3,506)		205
Wrestling	7,466	7,842	(12,808)		2,500
Golf	362	324			686
Track	366	964	(535)		795
Cross Country	0	300			300
Cheerleading	2,932	1,016	(6,997)		(3,049)
	<u>\$82,872</u>	<u>\$171,861</u>	<u>(\$157,180)</u>	<u>\$0</u>	<u>\$97,553</u>
Checking					\$33,942
Savings					6,253
Investments					57,358
					<u>\$97,553</u>

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE MIDDLE SCHOOL STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2019

FUND:	Balance 6/30/18	Receipts	Disbursements	Transfers	Balance 6/30/19
Annual	(\$305)	\$1,935	(\$1,480)		\$150
Accelerated Reader	4,572	3,725	(4,583)		3,714
Art	133	43	(93)		83
Athletics - Gen	39	1,768	(2,237)	\$5,735	5,305
Athletics - VB	2,238	1,522	(2,162)	(208)	1,390
Athletics - W	870	1,624	(1,800)		694
Athletics - GBB	2,296	1,673	(2,836)		1,133
Athletics -BBB	7,386	1,891	(3,683)	(3,594)	2,000
Athletics - CC	297	140	(259)		178
Athletics - Track	3,728	1,921	(1,715)	(1,934)	2,000
CD Certificate	11,865				11,865
Cheer/Drill	96	150			246
Custodial	3	200	(200)		3
Computers	3,951	915	(832)		4,034
Cool to be Kind	1				1
Credit Recovery	125		(75)		50
Exploratory	345	625	(757)		213
Fundraiser	1,022				1,022
Health/PE	143				143
Health Fair	69				69
General	9,541	3,791	(3,618)		9,714
Grade 6	914		(380)		534
Grade 7	1,042	629	(1,239)		432
Grade 8	986	730	(1,259)		457
Grants	198				198
Locks	60				60
Media Center	2,609	142	(16)		2,735
Migrant	5				5
Milk Machine/ Health	17				17
Multi-media	417				417
Music - Millett	872	3,391	(3,908)		355
Postage	494				494
Special Services	84				84
Student Govt	1,574	3,460	(3,879)		1,155
Ski-Skate	8,572	5,697	(7,064)		7,205
Stem Grants	2,921	1,280	(1,144)		3,057
Sunshine	580	798	(847)		531
Teachers	6,810	1,686	(1,073)		7,423
PTSA	1,731		(19)		1,712
Vending	2,006	2,682	(3,191)		1,497
World Cultures	57	322	(155)		224
Life Skills	142		(33)		109
World Sports	280	475	(466)		289
Yellowstone	4,979	6,610	(3,223)		8,366
Exploratory Art	0	610	(368)		242
Aberdeen Food Bank	546	4,213	(4,213)		546
	<u>\$86,311</u>	<u>\$54,648</u>	<u>(\$58,807)</u>	<u>(\$1)</u>	<u>\$82,151</u>
Cash in bank - Checking					\$76,311
Cash in bank - Savings					10,000
					<u>\$86,311</u>

SCHOOL DISTRICT NO. 58
 ABERDEEN, IDAHO

SCHEDULE OF ELEMENTARY STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>6/30/17</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/18</u>
FUND:					
General	\$38,388	\$7,911	(\$6,666)		\$39,633
Vending	16,565	11,889	(10,173)		18,281
Teachers	2,359	130			2,489
Library	113	261	(263)		111
	<u>\$57,425</u>	<u>\$20,191</u>	<u>(\$17,102)</u>	<u>\$0</u>	<u>\$60,514</u>
Cash in bank - checking					<u>\$60,514</u>

SINGLE AUDIT SECTION

Morgan J Hatt CPA PC

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Board of Trustees
School District No. 58
Aberdeen, Idaho

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of Aberdeen School District No. 58 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated September 13, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Morgan J Hatt CPA PC

Pocatello, Idaho
September 13, 2019

Morgan J Hatt CPA PC

Certified Public Accountant

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Board of Trustees
School District No. 58
Aberdeen, Idaho

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

Report on Compliance for Each Major Federal Program

I have audited Aberdeen School District No. 58's (The District) 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, 2019. The District's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the District's major Federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major Federal program. However, my audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In my opinion Aberdeen School District No. 58, 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, 2019.

Report on Internal Control over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the District'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, I do not express an opinion on the effectiveness of the District'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 a 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

Morgan J Hatt CPA PC

Pocatello, Idaho
September 13, 2019

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

Title	Catalogue of Federal Domestic Assistance Number	Expenditures
<u>Department of Education (State Dept. of Education Pass Through Funding):</u>		
Title I - Remedial	84.010	\$204,086
Title I - Migrant	84.011	67,051
Title VI-B	84.027	\$163,706
Title VI-B Preschool	84.173	<u>6,929</u>
Total Special Education Cluster:		170,635
Vocational Education (Perkins)	84.048	9,501
Gear Up	84.334	27,038
Rural Education	84.358	397
Title III LEP	84.365	21,093
Improving Teacher Quality	84.367	<u>27,723</u>
Total Department of Education:		<u>527,524</u>
<u>Department of Agriculture (State Dept. of Education Pass Thru Funding):</u>		
School Breakfast Program	10.553	72,240
School Lunch Program	10.555	226,805
School Lunch Commodities - Non-cash	10.555	39,373
Summer Food Service Program for Children	10.559	<u>12,402</u>
Total Child Nutrition Cluster:		350,820
Nutrition	10.582	<u>11,567</u>
Total Department of Agriculture:		<u>362,387</u>
Total		<u><u>\$889,911</u></u>

Note 1: Basis of Presentation -The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of School District #58 under programs of the Federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, 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 School District #58.

Note 2: Summary of Significant Accounting Policies -Expenditures reported on the Schedule are 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: Indirect Cost Rate - School District # 58 has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.

SCHOOL DISTRICT NO. 58
ABERDEEN, IDAHO

SUMMARY OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS:

The auditor's report is unqualified.

Internal control over financial reporting:

There are no material weaknesses identified.

There are no reportable conditions identified that are not considered to be a material weakness.

FEDERAL There are no instances of non-compliance material to the financial statements identified.

There are no material weaknesses identified.

There are no reportable conditions identified that are not considered to be material weaknesses.

The auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Uniform Guidance is unqualified.

ID There are no audit findings required to be reported in accordance with Uniform Guidance.

The programs tested as major programs include:

Department of Education	84.027	84.173		
Department of Agriculture	10.553	10.555	10.559	10.582

The threshold for distinguishing Types A and B programs was \$750,000.

Because of the GASB 45 opinion qualification in the prior two years, Aberdeen School District #58 does not qualify as a low-risk auditee.