

MIDVALE SCHOOL DISTRICT NO. 433

FINANCIAL STATEMENTS

Year Ended June 30, 2016

MIDVALE SCHOOL DISTRICT NO. 433

Table of Contents

	<u>PAGE (S)</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-3
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	6-8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	9-11
Statement of Fiduciary Net Position.....	12
Notes to Financial Statements.....	13-25
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General and Major Special Revenue Funds.....	26-27
Schedule of Employer’s Share of Net Pension Liability.....	28
Schedule of Employer Contributions.....	29
<u>SUPPLEMENTARY INFORMATION</u>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	30-32
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	33-35
<u>OTHER REPORTS AND SCHEDULES</u>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> ...	36-37

FINANCIAL SECTION

Audits
Taxes
Special Services



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

Independent Auditor's Report

Board of Trustees
Midvale School District No. 433

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Midvale School District No. 433 (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

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

Qualified Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2016, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs, P.C.

Payette, Idaho
August 2, 2016

BASIC FINANCIAL STATEMENTS

MIDVALE SCHOOL DISTRICT NO. 433

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$611,286
Receivables:	
Local Sources	18,741
State Sources	57,311
Federal Sources	9,692
Total Current Assets	<u>697,030</u>
Noncurrent Assets	
Nondepreciable Capital Assets	610,351
Depreciable Net Capital Assets	445,073
Total Noncurrent Assets	<u>1,055,424</u>
Total Assets	<u>1,752,454</u>
Deferred Outflows of Resources	
Pension Sources	<u>240,242</u>
Total Deferred Outflows of Resources	<u>240,242</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$1,992,696</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$35,714
Salaries & Benefits Payable	155,492
Total Current Liabilities	<u>191,206</u>
Noncurrent Liabilities	
Net Pension Liability	<u>383,103</u>
Total Noncurrent Liabilities	<u>383,103</u>
Total Liabilities	<u>574,309</u>
Deferred Inflows of Resources	
Pension Sources	<u>247,108</u>
Total Deferred Inflows of Resources	<u>247,108</u>
Total Liabilities and Deferred Inflows of Resources	<u>821,417</u>
Net Position	
Invested in Capital Assets	1,055,424
Restricted:	
Special Programs	4,850
Capital Projects	169,150
Unrestricted	<u>(58,145)</u>
Total Net Position	<u>1,171,279</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$1,992,696</u></u>

See Accompanying Notes

MIDVALE SCHOOL DISTRICT NO. 433

Statement of Activities Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$315,164		\$62,429		(\$252,735)
Secondary School	338,067	\$1,615	69,237		(267,215)
Alternative School	164,900				(164,900)
Special Education	95,480		16,343		(79,137)
Special Education Preschool	6,008		1,697		(4,311)
Interscholastic	35,222				(35,222)
School Activity	4,093				(4,093)
Support Service Programs					
Attendance - Guidance - Health	28,793				(28,793)
Special Education Support Services	8,233		8,233		0
Instruction Improvement	8,624		4,990		(3,634)
Educational Media	12,758				(12,758)
Board of Education	3,288				(3,288)
District Administration	56,680				(56,680)
School Administration	79,235				(79,235)
Business Operation	64,862				(64,862)
Buildings - Care	87,090				(87,090)
Maintenance - Student Occupied	26,235		3,222		(23,013)
Pupil-To-School Transportation	56,429				(56,429)
Pupil-Activity Transportation	5,703				(5,703)
Non-Instructional Programs					
Child Nutrition	92,170	48,814	43,356		0
Capital Assets - Student Occupied	26,735				(26,735)
Capital Assets - Non-Student Occupied	14,735				(14,735)
Total	<u>\$1,530,504</u>	<u>\$50,429</u>	<u>\$209,507</u>	<u>\$0</u>	<u>(1,270,568)</u>
General Revenues					
Local Taxes					14,424
Other Local Revenue					29,841
State Revenue					1,445,538
Federal Revenue					0
Total					<u>1,489,803</u>
Change in Net Position					219,235
Net Position - Beginning					952,044
Net Position - Ending					<u>\$1,171,279</u>

MIDVALE SCHOOL DISTRICT NO. 433

Page 1 of 3

Balance Sheet - Governmental Funds

June 30, 2016

	General Fund	Child Nutrition Fund	Plant Facilities Fund	Bus Depreciation
Assets				
Cash & Investments	\$415,874		\$112,625	\$82,787
Receivables:				
Local Sources	15,916	\$2,825		
State Sources	34,318			
Federal Sources		3,635		
Due From Other Funds	18,779			
Total Assets	<u>\$484,887</u>	<u>\$6,460</u>	<u>\$112,625</u>	<u>\$82,787</u>
Liabilities				
Accounts Payable	\$2,733		\$26,262	
Due To Other Funds		\$1,746		
Salaries & Benefits Payable	150,330	3,063		
Total Liabilities	<u>153,063</u>	<u>4,809</u>	<u>26,262</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	436			
Total Deferred Inflows of Resources	<u>436</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs		1,651		
Capital Projects			86,363	82,787
Unassigned	331,388			
Total Fund Balances	<u>331,388</u>	<u>1,651</u>	<u>86,363</u>	<u>82,787</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$484,887</u>	<u>\$6,460</u>	<u>\$112,625</u>	<u>\$82,787</u>

See Accompanying Notes

MIDVALE SCHOOL DISTRICT NO. 433

Page 2 of 3

Balance Sheet - Governmental Funds

June 30, 2016

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$0	\$611,286
Receivables:		
Local Sources	0	18,741
State Sources	22,993	57,311
Federal Sources	6,057	9,692
Due From Other Funds	0	18,779
Total Assets	\$29,050	\$715,809
Liabilities		
Accounts Payable	\$6,719	\$35,714
Due To Other Funds	17,033	18,779
Salaries & Benefits Payable	2,099	155,492
Total Liabilities	25,851	209,985
Deferred Inflows of Resources		
Unavailable Tax Revenues	0	436
Total Deferred Inflows of Resources	0	436
Fund Balances		
Restricted:		
Special Programs	3,199	4,850
Capital Projects	0	169,150
Unassigned	0	331,388
Total Fund Balances	3,199	505,388
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$29,050	\$715,809

MIDVALE SCHOOL DISTRICT NO. 433

Page 3 of 3

Balance Sheet - Governmental Funds

June 30, 2016

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

Total Governmental Fund Balances	\$505,388
---	------------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,055,424
---	-----------

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	436
---	-----

Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(389,969)
--	-----------

Net Position of Governmental Activities	<u><u>\$1,171,279</u></u>
--	----------------------------------

MIDVALE SCHOOL DISTRICT NO. 433

Page 1 of 3

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

	<u>General Fund</u>	<u>Child Nutrition Fund</u>	<u>Plant Facilities Fund</u>	<u>Bus Depreciation</u>
Revenues				
Local Taxes	\$13,987			
Other Local Revenue	28,341	\$48,814	\$1,500	
State Revenue	1,445,538			
Federal Revenue		43,356		
Total Revenues	<u>1,487,866</u>	<u>92,170</u>	<u>1,500</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School	275,308			
Secondary School	294,868			
Alternative School	164,900			
Special Education	79,137			
Special Education Preschool	4,311			
Interscholastic	35,222			
School Activity	4,093			
Support Service Programs				
Attendance - Guidance - Health	28,793			
Special Education Support Services				
Instruction Improvement	3,634			
Educational Media	12,758			
Board of Education	3,288			
District Administration	56,680			
School Administration	79,235			
Business Operation	64,862			
Buildings - Care	87,090			
Maintenance - Student Occupied	61,482			
Pupil-To-School Transportation	50,128			
Pupil-Activity Transportation	5,703			
Non-Instructional Programs				
Child Nutrition	4,835	93,138		
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied			163,976	
Total Expenditures	<u>1,316,327</u>	<u>93,138</u>	<u>163,976</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	171,539	(968)	(162,476)	0
Other Financing Sources (Uses)				
Transfers In			200,000	6,301
Transfers Out	(206,301)			
Total Other Financing Sources (Uses)	<u>(206,301)</u>	<u>0</u>	<u>200,000</u>	<u>6,301</u>
Net Change in Fund Balances	<u>(34,762)</u>	<u>(968)</u>	<u>37,524</u>	<u>6,301</u>
Fund Balances - Beginning	<u>366,150</u>	<u>2,619</u>	<u>48,839</u>	<u>76,486</u>
Fund Balances - Ending	<u><u>\$331,388</u></u>	<u><u>\$1,651</u></u>	<u><u>\$86,363</u></u>	<u><u>\$82,787</u></u>

MIDVALE SCHOOL DISTRICT NO. 433

Page 2 of 3

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

	Other Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$13,987
Other Local Revenue	1,790	80,445
State Revenue	67,995	1,513,533
Federal Revenue	97,981	141,337
Total Revenues	167,766	1,749,302
Expenditures		
Instructional Programs		
Elementary School	62,429	337,737
Secondary School	67,653	362,521
Alternative School	0	164,900
Special Education	16,343	95,480
Special Education Preschool	1,697	6,008
Interscholastic	0	35,222
School Activity	0	4,093
Support Service Programs		
Attendance - Guidance - Health	0	28,793
Special Education Support Services	8,233	8,233
Instruction Improvement	4,990	8,624
Educational Media	0	12,758
Board of Education	0	3,288
District Administration	0	56,680
School Administration	0	79,235
Business Operation	0	64,862
Buildings - Care	0	87,090
Maintenance - Student Occupied	3,222	64,704
Pupil-To-School Transportation	0	50,128
Pupil-Activity Transportation	0	5,703
Non-Instructional Programs		
Child Nutrition	0	97,973
Capital Assets - Student Occupied	0	0
Capital Assets - Non-Student Occupied	0	163,976
Total Expenditures	164,567	1,738,008
Excess (Deficiency) of Revenues Over Expenditures	3,199	11,294
Other Financing Sources (Uses)		
Transfers In	0	206,301
Transfers Out	0	(206,301)
Total Other Financing Sources (Uses)	0	0
Net Change in Fund Balances	3,199	11,294
Fund Balances - Beginning	0	494,094
Fund Balances - Ending	\$3,199	\$505,388

See Accompanying Notes

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

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

Net Change in Fund Balances - Total Governmental Funds \$11,294

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

Government funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the excess of capital outlays over (under) depreciation
expense in the current period. 160,477

Revenues in the statement of activities that do not provide current
financial resources are deferred in the funds. 437

Changes in net pension liability and related pension source
deferred outflow and deferred inflow of resources do not provide
or require current financial resources and therefore are not
reflected in the funds. 47,027

Change in Net Position of Governmental Activities \$219,235

MIDVALE SCHOOL DISTRICT NO. 433

Statement of Fiduciary Net Position

June 30, 2016

	Agency Funds - Student Activity
Assets	
Cash & Investments	<u>\$81,744</u>
Total Assets	<u><u>\$81,744</u></u>
Liabilities	
Due to Student Groups	<u>\$81,744</u>
Total Liabilities	<u>81,744</u>
Net Position	
Restricted:	
Scholarships	<u>0</u>
Total Net Position	<u>0</u>
Total Liabilities and Net Position	<u><u>\$81,744</u></u>

MIDVALE SCHOOL DISTRICT NO. 433
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Midvale School District No. 433 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Washington County.

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

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

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

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

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

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

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

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

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

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

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

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

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

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

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

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

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

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

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when

MIDVALE SCHOOL DISTRICT NO. 433
Notes to Financial Statements

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

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

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

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

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

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

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

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

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

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

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

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

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

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

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

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

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

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$122,121
Investments - Local Government Investment Pool	570,909
Total	\$693,030

Deposits – At year end, the carrying amounts of the School's deposits were \$122,121 and the bank balances were \$150,897. The bank balances were insured.

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

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

MIDVALE SCHOOL DISTRICT NO. 433
Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
Local Sources			
Local Taxes	\$5,512		\$5,512
Reimbursements & Other	10,404	\$2,825	13,229
Total	<u>\$15,916</u>	<u>\$2,825</u>	<u>\$18,741</u>
State Sources			
Foundation Program	\$34,318		\$34,318
Special Programs		\$22,993	22,993
Total	<u>\$34,318</u>	<u>\$22,993</u>	<u>\$57,311</u>
Federal Sources			
Special Programs		\$9,692	\$9,692
Total		<u>\$9,692</u>	<u>\$9,692</u>

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$86,255			\$86,255
Construction in Progress	374,855	\$149,241		524,096
Total	<u>461,110</u>	<u>149,241</u>	<u>\$0</u>	<u>610,351</u>
Depreciable Capital Assets				
Buildings	989,383			989,383
Equipment	720,001	44,272		764,273
Transportation	274,006			274,006
Subtotal	<u>1,983,390</u>	<u>44,272</u>	<u>0</u>	<u>2,027,662</u>
Accumulated Depreciation				
Buildings	647,916	19,788		667,704
Equipment	699,840	6,947		706,787
Transportation	201,797	6,301		208,098
Subtotal	<u>1,549,553</u>	<u>33,036</u>	<u>0</u>	<u>1,582,589</u>
Total	<u>433,837</u>	<u>11,236</u>	<u>0</u>	<u>445,073</u>
Net Capital Assets	<u>\$894,947</u>	<u>\$160,477</u>	<u>\$0</u>	<u>\$1,055,424</u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$26,735
Pupil-To-School Transportation	6,301
Total	<u>\$33,036</u>

E. PENSION PLAN

Plan Description

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

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

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

8.36% for police and firefighters. The School's contributions were \$85,297 for the year ended June 30, 2016.

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

At June 30, 2016, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the School's proportion was .0290927 percent.

For the year ended June 30, 2016, the School recognized pension expense (revenue) of \$38,270. At June 30, 2016, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$45,926
Changes in assumptions or other inputs	\$13,952	
Net difference between projected and actual earnings on pension plan investments	140,993	201,182
Employer contributions subsequent to the measurement date	85,297	
Total	\$240,242	\$247,108

\$85,297 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending June 30, 2017.

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

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

Year Ended	
6/30/17	(\$39,298)
6/30/18	(39,298)
6/30/19	(39,298)
6/30/20	28,524
6/30/21	(2,791)
Total	(\$92,161)

Actuarial Assumptions

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

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

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

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

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

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30,

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

2013. The total pension liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School's proportionate share of the net pension liability (asset)	\$933,101	\$383,104	(\$74,146)

Pension plan fiduciary net position

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

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

F. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund		
Due To Fund	Child Nutrition	Nonmajor Governmental	Total
General	\$1,746	\$17,033	\$18,779
Total	\$1,746	\$17,033	\$18,779

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

MIDVALE SCHOOL DISTRICT NO. 433

Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$206,301	Depreciation allowance; support
Plant Facilities	\$200,000		Support
Bus Depreciation	6,301		Depreciation allowance
Total	<u>\$206,301</u>	<u>\$206,301</u>	

REQUIRED SUPPLEMENTARY INFORMATION

MIDVALE SCHOOL DISTRICT NO. 433

Page 1 of 2

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

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$14,217	\$14,217	\$13,987	(\$230)
Other Local Revenue	18,500	18,500	28,341	9,841
State Revenue	1,442,101	1,442,101	1,445,538	3,437
Federal Revenue	0	0	0	0
Total Revenues	1,474,818	1,474,818	1,487,866	13,048
Expenditures				
Instructional Programs				
Elementary School	231,783	231,783	275,308	(43,525)
Secondary School	472,647	472,647	294,868	177,779
Alternative School	109,597	109,597	164,900	(55,303)
Special Education	78,867	78,867	79,137	(270)
Special Education Preschool	4,311	4,311	4,311	0
Interscholastic	33,921	33,921	35,222	(1,301)
School Activity	9,263	9,263	4,093	5,170
Support Service Programs				
Attendance - Guidance - Health	32,230	32,230	28,793	3,437
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	3,634	(3,634)
Educational Media	18,081	18,081	12,758	5,323
Board of Education	25,205	25,205	3,288	21,917
District Administration	82,055	82,055	56,680	25,375
School Administration	69,623	69,623	79,235	(9,612)
Business Operation	66,623	66,623	64,862	1,761
Buildings - Care	102,591	102,591	87,090	15,501
Maintenance - Student Occupied	70,414	70,414	61,482	8,932
Pupil-To-School Transportation	53,911	53,911	50,128	3,783
Pupil-Activity Transportation	4,776	4,776	5,703	(927)
Non-Instructional Programs				
Child Nutrition	2,619	2,619	4,835	(2,216)
Capital Assets - Student Occupied	73,741	92,259	0	92,259
Capital Assets - Non-Student Occupied	0	0	0	0
Total Expenditures	1,542,258	1,560,776	1,316,327	244,449 *
Excess (Deficiency) of Revenues Over Expenditures	(67,440)	(85,958)	171,539	257,497
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(6,301)	(206,301)	(206,301)	0 *
Total Other Financing Sources (Uses)	(6,301)	(206,301)	(206,301)	0
Net Change in Fund Balances	(73,741)	(292,259)	(34,762)	257,497
Fund Balances - Beginning	110,000	366,000	366,150	150
Fund Balances - Ending	\$36,259	\$73,741	\$331,388	\$257,647

*Total expenditures (over) under appropriations are: \$244,449

MIDVALE SCHOOL DISTRICT NO. 433

Page 2 of 2

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

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$14,040	\$14,040	\$48,814	\$34,774
Federal Revenue	44,000	44,000	43,356	(644)
Total Revenues	<u>58,040</u>	<u>58,040</u>	<u>92,170</u>	<u>34,130</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	58,040	58,040	93,138	(35,098)
Total Expenditures	<u>58,040</u>	<u>58,040</u>	<u>93,138</u>	<u>(35,098) *</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(968)	(968)
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	(968)	(968)
Fund Balances - Beginning	0	0	2,619	2,619
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$1,651</u>	<u>\$1,651</u>

**Total expenditures (over) under appropriations are:* (\$35,098)

MIDVALE SCHOOL DISTRICT NO. 433
Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2016</u>	<u>2015</u>
School's portion of the net pension liability	0.0290927%	0.0313275%
School's proportionate share of the net pension liability	\$383,103	\$230,619
School's covered-employee payroll	\$753,507	\$811,846
School's proportional share of the net pension liability as a percentage of its covered-employee payroll	50.84%	28.41%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	94.95%

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

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

MIDVALE SCHOOL DISTRICT NO. 433**Schedule of Employer Contributions****PERSI - Base Plan****Last 10 - Fiscal Years***

	2016	2015
Statutorily required contribution	\$85,297	\$91,901
Contributions in relation to the statutorily required contribution	\$85,297	\$91,901
Contribution deficiency (excess)	\$0	\$0
School's covered-employee payroll	\$753,507	\$811,846
Contributions as a percentage of covered-employee payroll	11.32%	11.32%

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

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

SUPPLEMENTARY INFORMATION

MIDVALE SCHOOL DISTRICT NO. 433
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

Page 1 of 3

	Special Revenue Funds			
	Forest Reserve	Driver Education	Professional Technical	Technology
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources		\$1,250	\$8,303	\$13,440
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$1,250</u>	<u>\$8,303</u>	<u>\$13,440</u>
Liabilities				
Accounts Payable			\$4,088	\$2,631
Due To Other Funds		\$1,250	2,116	7,610
Salaries & Benefits Payable			2,099	
Total Liabilities	<u>\$0</u>	<u>1,250</u>	<u>8,303</u>	<u>10,241</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				3,199
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,199</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$1,250</u>	<u>\$8,303</u>	<u>\$13,440</u>

MIDVALE SCHOOL DISTRICT NO. 433
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

Page 2 of 3

	Special Revenue Funds			
	Substance Abuse	Title I-A ESEA IBP	Special Educ. IDEA Part B School-Age	Special Educ. IDEA Preschool
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

UNITED STATES DEPARTMENT OF AGRICULTURE

FOREST SERVICE

REPORT



W. A. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester

W. A. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester

W. A. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester

W. A. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester

W. A. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester
J. H. WATKINS, District Forester

MIDVALE SCHOOL DISTRICT NO. 433
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

Page 3 of 3

	Special Revenue Funds			
	Title VI-B ESEA REAP	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	Total
Assets				
Cash & Investments				\$0
Receivables:				
Local Sources				0
State Sources				22,993
Federal Sources		\$1,067	\$4,990	6,057
Due From Other Funds				0
Total Assets	<u>\$0</u>	<u>\$1,067</u>	<u>\$4,990</u>	<u>\$29,050</u>
Liabilities				
Accounts Payable				\$6,719
Due To Other Funds		\$1,067	\$4,990	17,033
Salaries & Benefits Payable				2,099
Total Liabilities	<u>\$0</u>	<u>1,067</u>	<u>4,990</u>	<u>25,851</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				3,199
Capital Projects				0
Unassigned				0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,199</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$1,067</u>	<u>\$4,990</u>	<u>\$29,050</u>

MIDVALE SCHOOL DISTRICT NO. 433
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

Page 1 of 3

	Special Revenue Funds			
	Forest Reserve	Driver Education	Professional Technical	Technology
Revenues				
Local Taxes				
Other Local Revenue		\$1,615	\$175	
State Revenue		1,250	31,246	\$31,889
Federal Revenue	\$3,222			
Total Revenues	<u>3,222</u>	<u>2,865</u>	<u>31,421</u>	<u>31,889</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School		2,865	31,421	28,690
Alternative School				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied	3,222			
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>3,222</u>	<u>2,865</u>	<u>31,421</u>	<u>28,690</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	3,199
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	3,199
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,199</u>

MIDVALE SCHOOL DISTRICT NO. 433
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

Page 2 of 3

	Special Revenue Funds			
	Substance Abuse	Title I-A ESEA IBP	Special Educ. IDEA Part B School-Age	Special Educ. IDEA Preschool
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$3,610			
Federal Revenue		\$46,472	\$24,576	\$1,697
Total Revenues	<u>3,610</u>	<u>46,472</u>	<u>24,576</u>	<u>1,697</u>
Expenditures				
Instructional Programs				
Elementary School		46,472		
Secondary School	3,610			
Alternative School				
Special Education			16,343	
Special Education Preschool				1,697
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services			8,233	
Instruction Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>3,610</u>	<u>46,472</u>	<u>24,576</u>	<u>1,697</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

MIDVALE SCHOOL DISTRICT NO. 433
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

Page 3 of 3

	Special Revenue Funds			Total
	Title VI-B ESEA REAP	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	
Revenues				
Local Taxes				\$0
Other Local Revenue				1,790
State Revenue				67,995
Federal Revenue	\$15,957	\$1,067	\$4,990	97,981
Total Revenues	<u>15,957</u>	<u>1,067</u>	<u>4,990</u>	<u>167,766</u>
Expenditures				
Instructional Programs				
Elementary School	15,957			62,429
Secondary School		1,067		67,653
Alternative School				0
Special Education				16,343
Special Education Preschool				1,697
Interscholastic				0
School Activity				0
Support Service Programs				
Attendance - Guidance - Health				0
Special Education Support Services				8,233
Instruction Improvement			4,990	4,990
Educational Media				0
Board of Education				0
District Administration				0
School Administration				0
Business Operation				0
Buildings - Care				0
Maintenance - Student Occupied				3,222
Pupil-To-School Transportation				0
Pupil-Activity Transportation				0
Non-Instructional Programs				
Child Nutrition				0
Capital Assets - Student Occupied				0
Capital Assets - Non-Student Occupied				0
Total Expenditures	<u>15,957</u>	<u>1,067</u>	<u>4,990</u>	<u>164,567</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	3,199
Other Financing Sources (Uses)				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	3,199
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,199</u>

OTHER REPORTS AND SCHEDULES

Audits
Taxes
Special Services



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

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

Board of Trustees
Midvale School District No. 433

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midvale School District No. 433 (the School), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 2, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Quest CPAs, P.C.

Payette, Idaho
August 2, 2016