

LAKELAND JOINT SCHOOL DISTRICT No. 272

Rathdrum, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2015**

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2015**



LAKELAND JOINT SCHOOL DISTRICT NO. 272

Table of Contents

	<u>PAGE</u>
Independent Auditor’s Report	1-4
Management’s Discussion and Analysis	5-10
FINANCIAL STATEMENTS	
Statement of Net Position.....	11
Statement of Activities.....	12
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – School Plant Facility Fund.....	19
Statement of Net Fiduciary Position – Fiduciary Funds and Component Unit.....	20
Statement of Revenues, Expenditures and Changes in Net Fiduciary Position – Component Unit.....	21
Notes to the Financial Statements.....	22-41

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

Description of Fund 42

Balance Sheet 43

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual..... 44-45

Schedule of Expenditures by Function – Budget and Actual 46-49

SPECIAL REVENUE FUNDS

Description of Funds..... 50-51

Combining Balance Sheet – All Special Revenue Funds 52-53

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances – All Special Revenue Funds 54-45

Child Nutrition Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual..... 56

Federal Forest Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 57

Title I–A, ESEA – Improving Basic Programs Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 58

Before and After School Enrichment Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 59

IDEA Part B – School Age Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual 60

IDEA Part B – Preschool Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual 61

State Professional Technical Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual 62

Title II-A, ESEA – Improving Teacher Quality Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual 63

State Substance Abuse Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 64

Technology Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 65

Perkins III – Professional Technical Act Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 66

Gifted and Talented Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 67

Professional Technical Academy Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 68

Idaho Reading Initiative Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 69

Miscellaneous Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance..... 70

ISEE Phase II Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund
Balance..... 71

DEBT SERVICE FUND

Description of Fund..... 72
Balance Sheet..... 73
Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual 74

SCHOOL PLANT FACILITY FUND

Description of Fund..... 75
Balance Sheet..... 76
Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 77

AGENCY FUND

Description of Fund..... 78
Statement of Net Fiduciary Position – Student
Group Agency Fund..... 79

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards 80

Notes to Schedule of Expenditures of Federal Awards 81

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* 82-83

Independent Auditor’s Report on Compliance for Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 84-85

Schedule of Findings and Questioned Costs..... 86-87

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lakeland Joint School District No. 272
Rathdrum, Idaho 83858

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakeland Joint School District No. 272, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 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 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 the Governmental Activities and Aggregate Discretely Presented Component Unit

The financial statements of Lakeland Education Foundation, Inc. have not been audited, and we were not engaged to audit the Lakeland Education Foundation, Inc. financial statements as part of our audit of the Lakeland Joint School District No. 272’s basic financial statements. Lakeland Education Foundation, Inc.’s financial activities are included in the District’s basic financial statements as a discretely presented component unit and represent all of the assets, net position, revenues and expenses, respectively, of the District’s aggregate discretely presented component unit.

Lakeland Joint School District No. 272 believes the cost of adopting GASB 45 cannot be justified at the present time. The District believes the future cost of the implicit rate subsidy built into the current health care premiums is not material to the financial statements. The amount by which this GAAP departure would affect the governmental activities, liabilities and net position is not determinable.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Aggregate Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on the Governmental Activities and Aggregate Discretely Presented Component Unit” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position the governmental activities and aggregate discretely presented component unit of Lakeland Joint School District No. 272, as of June 30, 2015, 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.

Unmodified Opinion

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 Lakeland Joint School District No. 272, as of June 30, 2015, 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 management's discussion and on pages 5 through 10, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lakeland Joint School District No. 272's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and the schedule of findings and questioned costs are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements.

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

nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2015, on our consideration of the Lakeland Joint School District No. 272's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lakeland Joint School District No. 272's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
September 28, 2015

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Management Discussion and Analysis
For the Year Ended June 30, 2015

As management of the Lakeland Joint School District No. 272 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2015.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; and GASB Statement No. 37, *Basic Financial Statement – and Management Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

Financial Highlights

- The 2014-15 fiscal year saw the first increase in student enrollment in several years. Start of the year enrollment was up 69 students from the year before. Enrollment returned to normal patterns with the usual drop off over the year. After starting with more students, enrollment at the end of the school year was fifty-six students lower, but still thirteen more than the prior year. With this stable information the District budgeted for a “no-growth” budget for the second year in a row.
- The start of the 2015-16 school year confirmed the more positive trend with an increase in students. The increase was sufficient to allow the District to levy an “emergency levy” for a second consecutive year. The unexpected levy dollars combined with additional state funding allowed the district to balance the budget without continuing to utilize unreserved fund balance.
- The District was unable to reach agreement with the teachers association for the 2015-16 contract year. The District has once again issued teacher contracts based on the board's offer in negotiations and all teachers received an increase of some amount.
- The state budget for FY15 included a funding increase for public schools in salary support, as well as an increase in discretionary funding. These increases, have allowed the District to fully fund textbooks, library materials, and support staffing. The District also was able to provide salary increases to support staff and administrators.
- In March of 2014 the District passed a two year supplemental levy in the amount of \$4,795,000. It passed with 69% approval. This amount is \$155,000 less than the previous expired levy. The amount was reduced based on increased state funding.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components:

- 1) Government-wide Financial Statements,
- 2) Fund Financial Statements, and
- 3) Notes to the Financial Statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District's finances. They contain useful long-term information as well as information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In the statements the District's activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The District has two types of funds: Governmental and Fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is

useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 13-19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements can be found on pages 20-21 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 22-42 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Combining and individual fund statements and schedules can be found on pages 43-80 of this report.

**Government-Wide Financial Analysis
Statement of Net Position
June 30, 2015**

	<u>2014-2015</u>	<u>2013-2014</u>	<u>Change</u>
ASSETS			
Current and Other Assets	12,831,053	13,016,724	(185,671)
Capital Assets	<u>28,353,987</u>	<u>29,088,292</u>	<u>(734,305)</u>
Total Assets	<u>41,185,040</u>	<u>42,105,016</u>	<u>(919,976)</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>2,483,015</u>	 _____ -	 <u>2,483,015</u>
 LIABILITIES			
Long-Term Liabilities Outstanding	16,792,170	12,980,000	3,812,170
Other Liabilities	<u>5,146,429</u>	<u>4,553,695</u>	<u>592,734</u>
Total Liabilities	<u>21,938,599</u>	<u>17,533,695</u>	<u>4,404,904</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>13,731,301</u>	 <u>7,047,213</u>	 <u>6,684,088</u>

NET POSITION

Net Investment in Capital Assets	15,171,487	14,880,769	290,718
Restricted	1,805,571	1,971,003	(165,432)
Unrestricted	<u>(8,978,903)</u>	<u>672,336</u>	<u>(9,651,239)</u>
Total Net Position	<u>\$7,998,155</u>	<u>\$17,524,108</u>	<u>\$(9,525,953)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position as of June 30, 2015 was \$7,998,155.

The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Changes in Net Position
For Fiscal Year Ending June 30, 2015**

	<u>2014-2015</u>	<u>2013-2014</u>	<u>Change</u>
REVENUES			
Program Revenues:			
Charges for Services	416,846	396,231	20,615
Operating Grants and Contributions	4,160,971	4,297,613	(136,642)
Capital Grants and Contributions	39,418	49,826	(10,408)
General Revenues:			
Property Taxes	7,399,179	6,992,649	406,530
Federal and State Revenues	19,066,858	17,764,294	1,302,564
Local and Other Revenues	<u>516,265</u>	<u>2,015,683</u>	<u>(1,499,418)</u>
Total Revenues	<u>31,599,537</u>	<u>31,516,296</u>	<u>83,241</u>
EXPENSES			
Program Expenses:			
Instruction	16,459,001	17,135,530	(676,529)
Support Services:			
Pupil Support	1,478,190	1,728,416	(250,226)
Staff Support	1,468,196	490,933	977,263
General Administration	534,451	341,009	193,442
School/Business Administration	2,324,438	2,967,846	(643,408)
Maintenance/Custodial	2,759,957	2,752,299	7,658
Transportation	1,529,466	1,759,937	(230,471)
Other	44,202	-	44,202
Child Nutrition	1,416,151	1,415,742	409
Capital Outlay	218,524	1,003,962	(785,438)
Debt Service	432,130	578,002	(145,872)
Depreciation, unallocated	<u>1,367,327</u>	<u>1,350,249</u>	<u>17,078</u>

Total Expenses	<u>30,032,033</u>	<u>31,523,925</u>	<u>(1,591,207)</u>
Change in Net Position	1,567,504	(7,629)	1,575,133
Net Position – Beginning	17,524,108	17,531,737	(7,629)
Prior Period adjustment	<u>(11,093,457)</u>	<u>-</u>	<u>(11,093,457)</u>
Net Position – Ending	<u>\$ 7,998,155</u>	<u>\$17,524,108</u>	<u>\$ (9,525,953)</u>

District Funds

General fund. The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved and undesignated fund balance was \$52,192. The unreserved and undesignated fund balance decreased by \$769,056.

Expenditures for general District purposes totaled \$26,333,134 a net increase of 7.04% during the current fiscal year.

Capital Asset and Debt Administration

Capital Assets. The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

**Capital Assets
Governmental Activities
Net of Accumulated Depreciation
As of June 30, 2015**

	<u>2014-2015</u>	<u>2013-2014</u>	<u>Change</u>
Sites	1,353,484	1,353,484	-
Buildings	25,782,695	26,706,591	(923,896)
Equipment	564,305	387,751	176,554
Transportation	<u>653,503</u>	<u>640,466</u>	<u>13,037</u>
Total Net Assets	<u>\$28,353,987</u>	<u>\$29,088,292</u>	<u>\$ (734,305)</u>

At year end, the capital projects fund has a total fund balance of \$0.

Long-term Debt. The debt service fund has a total fund balance of \$1,394,358, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance decreased by \$187,913.

At year end the District had \$12,980,000 in general obligation bonds outstanding. The debt of the District is secured by an annual tax levy authorized in past years by the patrons.

Requests for Information. This financial report is designed to provide a general overview of the Lakeland Joint School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to David McDowell, Director of Business and Support Services, Lakeland Joint School District, PO Box 39, Rathdrum, ID 83858.

FINANCIAL STATEMENTS



LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

STATEMENT OF NET POSITION

June 30, 2015

ASSETS

Current assets	
Investments	1,299,793
Taxes receivable	328,960
Unbilled taxes receivable	7,072,362
Other receivables:	
Due from other governmental units	3,806,072
Other	260,906
Prepaid expenses	1,747
Inventory	61,213
Total current assets	12,831,053

Noncurrent assets	
Non-depreciated capital assets	1,353,484
Depreciated capital assets	50,283,321
Less: accumulated depreciation	(23,282,818)
Total noncurrent assets	28,353,987

Total Assets	41,185,040
--------------	------------

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	2,483,015
-----------------------	-----------

LIABILITIES

Current liabilities	
Bank overdraft	714,260
Accounts payable and other current liabilities	3,251,917
Other post employment benefit payable	155,252
Current portion of long-term debt	1,025,000
Total current liabilities	5,146,429

Noncurrent liabilities	
Noncurrent portion of long-term debt	11,955,000
Net pension liability	4,837,170
Total noncurrent liabilities	16,792,170

Total Liabilities	21,938,599
-------------------	------------

DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	7,072,362
Pension related items	6,658,939
	13,731,301

NET POSITION

Net investment in capital assets	15,171,487
Restricted for:	
Debt service	1,418,308
Capital projects	36,347
Grant programs	359,303
Unrestricted	(8,987,290)

Total net position	\$ 7,998,155
--------------------	--------------

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
Preschool - 12 Instruction	16,459,001	-	1,922,929	-	(14,536,072)
Support Services:					
Pupil support	1,478,190	-	173,612	-	(1,304,578)
Staff support	1,468,196	-	-	-	(1,468,196)
General Administration	534,451	-	-	-	(534,451)
School/Business Administration	2,324,438	-	-	-	(2,324,438)
Maintenance/Custodial	2,759,957	-	-	-	(2,759,957)
Transportation	1,529,466	-	1,113,189	-	(416,277)
Other services	44,202	-	-	-	(44,202)
Child Nutrition	1,416,151	416,846	951,241	-	(48,064)
Capital Outlay	218,524	-	-	-	(218,524)
Debt Services	432,130	-	-	39,418	(392,712)
Depreciation, unallocated	1,367,327	-	-	-	(1,367,327)
Total School District	<u>\$ 30,032,033</u>	<u>\$ 416,846</u>	<u>\$ 4,160,971</u>	<u>\$ 39,418</u>	<u>(25,414,798)</u>
General Revenues					
Taxes					
					5,301,877
					52,040
					1,211,627
					833,635
					19,066,858
					461,398
					54,867
					<u>26,982,302</u>
					1,567,504
					<u>17,524,108</u>
					<u>(11,093,457)</u>
					<u>\$ 7,998,155</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Investments	1,299,140	175	361	117	1,299,793
Due from other funds	-	935,040	-	293,085	1,228,125
Taxes receivable	232,879	38,151	57,930	-	328,960
Unbilled taxes receivable	4,841,937	1,430,425	800,000	-	7,072,362
Other receivables:					
Due from other governmental units	2,652,435	444,942	296,158	412,537	3,806,072
Other	260,542	-	-	364	260,906
Prepaid expenses	1,747	-	-	-	1,747
Inventory	-	-	-	61,213	61,213
Total assets	9,288,680	2,848,733	1,154,449	767,316	14,059,178
Deferred outflows of resources					
	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,288,680	\$ 2,848,733	\$ 1,154,449	\$ 767,316	\$ 14,059,178
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Bank overdraft	714,260	-	-	-	714,260
Due to other funds	752,469	-	318,102	157,554	1,228,125
Accounts payable	59,866	-	-	2,026	61,892
Accrued payroll and benefits	2,714,208	-	-	248,433	2,962,641
Total liabilities	4,240,803	-	318,102	408,013	4,966,918
Deferred inflows of resources:					
Deferred revenue	153,748	23,950	36,347	1,869	215,914
Unavailable property tax revenue	4,841,937	1,430,425	800,000	-	7,072,362
Total deferred inflows of resources	4,995,685	1,454,375	836,347	1,869	7,288,276
Fund balances:					
Nonspendable	1,747	-	-	61,213	62,960
Restricted	-	1,394,358	-	296,221	1,690,579
Unassigned	50,445	-	-	-	50,445
Total fund balances	52,192	1,394,358	-	357,434	1,803,984
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,288,680	\$ 2,848,733	\$ 1,154,449	\$ 767,316	\$ 14,059,178

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES
June 30, 2015

Total Fund Balances - Governmental Funds	1,803,984
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.	
Cost of capital assets	51,636,805
Accumulated depreciation	(23,282,818)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
	215,914
In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the same criteria.	
	(24,884)
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities (see note 6):	
Deferred outflow of resources	2,483,015
Deferred inflow of resources	(6,658,939)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	
	(202,500)
Other post employment benefits are accrued and expensed in the statements of net position and activities. However, in the government funds, the accrual and expense did not meet the same criteria.	
	(155,252)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
General obligation bonds	(12,980,000)
Net pension liability	(4,837,170)
Total Net Position - Governmental Activities	<u>\$ 7,998,155</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	5,638,255	1,229,822	828,688	680,834	8,377,599
State	19,869,158	39,418	-	237,237	20,145,813
Federal	310,889	-	-	2,810,545	3,121,434
Total revenues	<u>25,818,302</u>	<u>1,269,240</u>	<u>828,688</u>	<u>3,728,616</u>	<u>31,644,846</u>
EXPENDITURES					
Instruction	15,654,610	-	-	2,211,180	17,865,790
Support	10,678,524	-	-	173,612	10,852,136
Non-instruction	-	-	-	1,416,168	1,416,168
Capital objects	-	-	968,821	-	968,821
Debt service	-	1,457,153	-	-	1,457,153
Total expenditures	<u>26,333,134</u>	<u>1,457,153</u>	<u>968,821</u>	<u>3,800,960</u>	<u>32,560,068</u>
Excess (deficiency) of revenue over/under expenditures	<u>(514,832)</u>	<u>(187,913)</u>	<u>(140,133)</u>	<u>(72,344)</u>	<u>(915,222)</u>
Other financing sources (uses):					
Transfer in	31,187	-	116,859	168,552	316,598
Transfer out	<u>(285,411)</u>	<u>-</u>	<u>-</u>	<u>(31,187)</u>	<u>(316,598)</u>
Total other financing sources (uses)	<u>(254,224)</u>	<u>-</u>	<u>116,859</u>	<u>137,365</u>	<u>-</u>
Net change in fund balance	(769,056)	(187,913)	(23,274)	65,021	(915,222)
Fund balance-Beginning of year	<u>821,248</u>	<u>1,582,271</u>	<u>23,274</u>	<u>292,413</u>	<u>2,719,206</u>
Fund balance-End of year	<u>\$ 52,192</u>	<u>\$ 1,394,358</u>	<u>\$ -</u>	<u>\$ 357,434</u>	<u>\$ 1,803,984</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds		(915,222)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlays	633,022	
Depreciation expense	(1,367,327)	(734,305)
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are however, recorded as revenues in the statement of activities.		
		(45,309)
Employer PERSI contributions made after the net pension liability measurement date are expenditures in the governmental funds but are recorded as a deferred outflow of resources for governmental activities.		
		2,080,363
In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the same criteria.		
		156,954
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.		
		50,023
Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
		<u>975,000</u>
Net change in net position of governmental activities		<u>\$ 1,567,504</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	4,981,250	4,981,250	5,386,578	405,328	405,328
Earnings on investments	32,500	32,500	54,047	21,547	21,547
Other	176,000	176,000	197,630	21,630	21,630
Total local	<u>5,189,750</u>	<u>5,189,750</u>	<u>5,638,255</u>	<u>448,505</u>	<u>448,505</u>
State:					
Base program	15,791,020	15,791,020	15,695,101	(95,919)	(95,919)
Transportation	1,175,000	1,175,000	1,113,189	(61,811)	(61,811)
Tuition equivalency	47,500	47,500	37,678	(9,822)	(9,822)
Benefit apportionment	2,181,233	2,181,233	2,111,266	(69,967)	(69,967)
Other state support	-	-	668,620	668,620	668,620
Lottery/additional state maintenance	161,500	161,500	179,327	17,827	17,827
Revenue in lieu of taxes	85,000	85,000	63,977	(21,023)	(21,023)
Other state revenue	330,500	330,500	-	(330,500)	(330,500)
Total state	<u>19,771,753</u>	<u>19,771,753</u>	<u>19,869,158</u>	<u>97,405</u>	<u>97,405</u>
Federal:					
Restricted	75,000	75,000	310,889	235,889	235,889
Total revenues	<u>25,036,503</u>	<u>25,036,503</u>	<u>25,818,302</u>	<u>781,799</u>	<u>781,799</u>
EXPENDITURES					
Instruction:					
Salaries	11,084,796	11,084,796	11,455,469	(370,673)	(370,673)
Benefits	3,236,202	3,236,202	3,301,045	(64,843)	(64,843)
Purchased services	34,000	34,000	97,515	(63,515)	(63,515)
Supplies-materials	749,850	749,850	775,955	(26,105)	(26,105)
Capital outlay	-	-	24,626	(24,626)	(24,626)
Total instruction	<u>15,104,848</u>	<u>15,104,848</u>	<u>15,654,610</u>	<u>(549,762)</u>	<u>(549,762)</u>
Support:					
Salaries	5,879,494	5,879,494	6,258,994	(379,500)	(379,500)
Benefits	1,722,906	1,722,906	1,923,350	(200,444)	(200,444)
Purchased services	1,220,950	1,220,950	1,613,209	(392,259)	(392,259)
Supplies-materials	812,467	812,467	752,793	59,674	59,674
Insurance	127,750	127,750	130,178	(2,428)	(2,428)
Total support	<u>9,763,567</u>	<u>9,763,567</u>	<u>10,678,524</u>	<u>(914,957)</u>	<u>(914,957)</u>
Contingency	78,036	78,036	-	78,036	78,036
Total expenditures	<u>24,946,451</u>	<u>24,946,451</u>	<u>26,333,134</u>	<u>(1,386,683)</u>	<u>(1,386,683)</u>
Excess (deficiency) of revenues other expenditures	<u>90,052</u>	<u>90,052</u>	<u>(514,832)</u>	<u>(604,884)</u>	<u>(604,884)</u>
Other financing sources (uses):					
Transfer in:					
Special revenue funds	-	-	31,187	31,187	31,187
Transfer out:					
Special revenue funds	(166,722)	(166,722)	(168,552)	(1,830)	(1,830)
Plant facility funds	(130,000)	(130,000)	(116,859)	13,141	13,141
Total other financing sources (uses)	<u>(296,722)</u>	<u>(296,722)</u>	<u>(254,224)</u>	<u>42,498</u>	<u>42,498</u>
Net change in fund balance	<u>\$ (206,670)</u>	<u>\$ (206,670)</u>	<u>(769,056)</u>	<u>\$ (562,386)</u>	<u>\$ (562,386)</u>
Fund balance-Beginning of year			821,248		
Fund balance-End of year			<u>\$ 52,192</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	1,485,927	1,485,927	1,229,347	(256,580)	(256,580)
Earnings on investments	750	750	475	(275)	(275)
Total local	1,486,677	1,486,677	1,229,822	(256,855)	(256,855)
State:					
Other state revenue	49,750	49,750	39,418	(10,332)	(10,332)
Total revenues	1,536,427	1,536,427	1,269,240	(267,187)	(267,187)
EXPENDITURES					
Debt service:					
Principal	975,000	975,000	975,000	-	-
Interest	479,153	479,153	482,153	(3,000)	(3,000)
Total expenditures	1,454,153	1,454,153	1,457,153	(3,000)	(3,000)
Net change in fund balance	\$ 82,274	\$ 82,274	(187,913)	\$ (270,187)	\$ (270,187)
Fund balance-Beginning of year			1,582,271		
Fund balance-End of year			\$ 1,394,358		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**SCHOOL PLANT FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variances Favorable (Unfavorable)	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
REVENUES					
Local:					
Taxes	800,000	800,000	828,563	28,563	28,563
Earnings on investments	1,000	1,000	125	(875)	(875)
Total revenues	<u>801,000</u>	<u>801,000</u>	<u>828,688</u>	<u>27,688</u>	<u>27,688</u>
EXPENDITURES					
Purchased services	-	-	12,749	(12,749)	(12,749)
Capital objects	981,000	981,000	956,072	24,928	24,928
Total expenditures	<u>981,000</u>	<u>981,000</u>	<u>968,821</u>	<u>12,179</u>	<u>12,179</u>
Excess (deficiency) of revenues over/under expenditures	(180,000)	(180,000)	(140,133)	39,867	39,867
Other financing sources (uses):					
Transfer in	130,000	130,000	116,859	(13,141)	(13,141)
Net change in fund balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	(23,274)	<u>\$ 26,726</u>	<u>\$ 26,726</u>
Fund balance-Beginning of year			<u>23,274</u>		
Fund balance-End of year			<u>\$ -</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

FIDUCIARY FUNDS AND COMPONENT UNIT
STATEMENT OF NET FIDUCIARY POSITION
June 30, 2015

	Agency Funds	Component Unit Lakeland Education Foundation, Inc.
	<u> </u>	<u> </u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash	112,476	73,950
Investments	254,278	-
Total assets	<u>366,754</u>	<u>73,950</u>
 Deferred outflows of resources	 <u>-</u>	 <u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 366,754</u></u>	<u><u>\$ 73,950</u></u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Due to student groups	366,754	-
 Deferred inflows of resources	 <u>-</u>	 <u>-</u>
Total liabilities and deferred inflows of resources	<u>366,754</u>	<u>-</u>
NET POSITION		
Restricted	<u>-</u>	<u>73,950</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ 73,950</u></u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

COMPONENT UNIT - LAKELAND EDUCATION FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET FIDUCIARY POSITION
For the Year Ended June 30, 2015

REVENUES

Net investment income	55
Restricted donations	10,125

Total revenues 10,180

EXPENDITURES

Administrative expenses	1,515
Scholarship awards	6,804

Total expenditures 8,319

Change in Net Position 1,861

Net Position - Beginning 72,089

Net Position - Ending \$ 73,950

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Notes to the Financial Statements

For the Year Ended June 30, 2015

NOTE 1 Summary of Significant Account Policies

The financial statements of the Lakeland Joint School District No. 272 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to 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 of the government's accounting policies are described below:

Reporting Entity

The Lakeland Joint School District No. 272 is the basic level of government, which has financial accountability, and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. The unaudited financial statements of the Lakeland Education Foundation, Inc., a component unit, are presented discretely on the Statement of Net Fiduciary Position and Statement of Revenues, Expenditures, and Changes in Net Fiduciary Position.

Basis of Presentation, Fund Accounting - District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Only governmental-type activities are shown, since there are no "business-type activities" within the school district.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are

restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

- **Fund Financial Statements:** The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- **General Fund.** This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- **Debt Service Fund.** This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- **Capital Projects Fund.** This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property.

The District reports the following fiduciary types:

- **Agency funds.** These funds account for assets held by the District as an agent for various student groups and clubs.

Component Unit:

- The District reports the net position and changes in net position of one component unit, the Lakeland Education Foundation, Inc. The component unit financial statements are presented pursuant to GASB 39 because the economic resources received by the Foundation are held for the direct benefit of the District and its students.
- The unaudited statements of the Lakeland Education Foundation, Inc. are fiduciary in nature and are not included in the activity of the government wide financial statements.

Basis of Accounting - The District-wide and fiduciary fund 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 gives (or receives) value without directly receiving (or 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 the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes, state support and grant revenues are susceptible to accrual.

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

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Restricted Resources - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Budgets - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

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

1. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Directors.
4. Prior to July 15, the final budget is filed with the State Department of Education.

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

Cash and Investments - The District's cash includes amounts in demand deposits and checking accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow school districts within the state of Idaho to pool their funds for investments purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Short-Term Interfund Loans Receivables/Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." Interfund balances have been eliminated, when applicable, on the statement of net position.

Inventory - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased. However, in the Food Service Fund, the District records inventory of food commodities at cost at year-end.

General Fixed Assets - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–30 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Accumulated Unpaid Vacation and Sick Pay - Under the terms of the "Lakeland Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's

services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Employees are not paid for unused sick leave upon termination of employment with the District.

Long Term Obligations - In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognized 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Compensation - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day.

The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement. At June 30, 2015 there were 155.89 days of sick leave for classified employees, and 119.5 for certified employees.

Encumbrances - The District does not utilize an encumbrance system.

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.

Fund Balance, GASB 54 - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the

government's general fund and includes all spendable amount not contained in the other classifications.

Deferred Revenue - Deferred revenue in the General, Debt Service and Capital Projects Funds represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

Unavailable Property Tax Revenue - Unavailable property tax revenue in the General Fund, Debt Service Fund and Capital Projects Fund represent the property taxes levied for 2015 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the government-wide financial statements.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (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.

Subsequent Events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Property Tax

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the District as of January 1, 2014 upon which the 2014 levy was based was \$2,148,492,527.

The District's actual levy was 0.225% per \$100 of market valuation for tort liability insurance and claims, 3.70% per \$100 for school plant facilities, and 5.60% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt and plant facility acquisitions for the year ended June 30, 2015 was 23.85% per \$100, which means the District was required to pass an override levy in the amount of 23.62% per \$100. The total tax levy for the year ended June 30, 2014 was \$7,160,876 with total tax collections being \$6,896,633.

Taxes are due in two equal installments on the December 20 and June 20 following the levy date. Current tax collections for the year ended June 30, 2015 were 96.31% of the tax levy. Property taxes levied for 2014 are recorded as receivables if uncollected and a deferred revenue amount is recorded to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2015 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The 2015 property tax levy funds are considered unavailable as of June 30, 2015. The total property taxes levy for 2015 of \$7,072,362 is recorded as uncollected but are not considered available at June 30, 2015. The entire receivable is considered a deferred inflow of resources.

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Total taxes receivable				
At June 30, 2015	232,879	38,151	57,930	328,960
Less: Taxes collected by The County Treasurer by August 31, 2015	<u>79,131</u>	<u>14,201</u>	<u>21,583</u>	<u>114,915</u>
Deferred revenue	<u>\$153,748</u>	<u>\$23,950</u>	<u>\$36,347</u>	<u>\$214,045</u>

NOTE 3 Deposits and Investments

Deposits

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash		
Columbia Bank Checking	1,470	9,412
Wells Fargo Checking	(610,188)	221,173
Panhandle State Bank Checking	<u>6,934</u>	<u>8,837</u>
Total	<u>(\$601,784)</u>	<u>\$239,422</u>

Deposits were with Columbia Bank, Wells Fargo, and Panhandle State Bank of which \$250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance.

Investments

Detail of investments at June 30, 2015 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Total</u>
Investment in State							
Treasures Pool	Variable	696,673	117	361	175	254,278	951,604
ProEquities	Variable	<u>602,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,467</u>
Total		<u>\$1,299,140</u>	<u>\$ 117</u>	<u>\$ 361</u>	<u>\$ 175</u>	<u>\$254,278</u>	<u>\$1,554,071</u>

The District's investments, except for amounts held in the State Treasurer's Pool, are classified as uncollateralized.

Investment Maturities:

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	697,246	697,246	697,246	-
ProEquities	602,467	602,467	602,467	-

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

In October 2014, through the ProEquities account, the District purchased interest bearing bonds with a \$600,000 face value in the Federal Home Loan Mortgage Corporation, with a maturity date of April 30, 2018. The fixed interest rate of 1.02% produces a higher rate of return on idle funds. The investment conforms to the provisions of Idaho Code sections 67-120 and 67-1210A, and carries a Moody's rating of AAA. The bonds are callable and can be liquidated at any such time as they are needed by the District.

The State Treasurer's investment policies and the Local Government Investment Pool financial statements can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The district has no policy limiting the amount it may invest in any one issuer.

NOTE 4 Changes in Capital Assets

A summary of changes in capital assets and accumulated depreciation is as follows:

	July 1, 2014			June 30, 2015
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital Assets not being depreciated				
Land Improvements	<u>1,353,484</u>	-	-	<u>1,353,484</u>
Capital Assets being depreciated				
Buildings	44,836,653	164,613	-	45,001,266
Equipment	1,325,446	300,249	-	1,625,695
Transportation	<u>3,488,200</u>	<u>168,160</u>	-	<u>3,656,360</u>
Total depreciated assets	<u>49,650,299</u>	<u>633,022</u>	-	<u>50,283,321</u>
Less: accumulated depreciation				
Buildings	(18,130,062)	(1,088,509)	-	(19,218,571)
Equipment	(937,695)	(123,695)	-	(1,061,390)
Transportation	<u>(2,847,734)</u>	<u>(155,123)</u>	-	<u>(3,002,857)</u>

Total Accumulated Depreciation	(21,915,491)	(1,367,327)	-	(23,282,818)
Governmental Activities assets (net)	<u>\$29,088,292</u>	<u>\$(734,305)</u>	<u>\$ -</u>	<u>\$28,353,987</u>

NOTE 5 Long Term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2015:

General Obligation

Bonds payable at July 1, 2014	13,955,000
Debt issued	-
Debt retired	<u>(975,000)</u>
Bonds payable at June 30, 2015	<u>\$12,980,000</u>

Bonds payable at June 30, 2015, are comprised of the following individual issues:

General Obligation Bonds:

2013 Refunding Series-

Original issue of \$8,490,000 due August 15, 2025.
Interest varies between 2.0% and 4.0% 8,390,000

2012 Refunding Series -

Original issue of \$3,955,000 due August 15, 2023.
Interest is stated at 3.0% 3,955,000

Series 2005 –

Original issue of \$9,770,000 due August 15, 2015. Interest varies between 4.0% and 5.0% 635,000

Total \$12,980,000

The annual requirements to amortize all debt outstanding as of June 30, 2015 including interest payments are as follows:

SERIES 2005

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
08-15-2015	5.000	<u>635,000</u>	<u>15,875</u>	<u>650,875</u>
Total		<u>\$635,000</u>	<u>\$15,875</u>	<u>\$650,875</u>

SERIES 2012 – Refunding Series

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
08-15-2015	3.00	390,000	59,325	449,325
02-15-2016	-	-	53,475	53,475

08-15-2016	3.00	400,000	53,475	453,475
02-15-2017	-	-	47,475	47,475
08-15-2017	3.00	415,000	47,475	462,475
02-15-2018	-	-	41,250	41,250
08-15-2018	3.00	425,000	41,250	466,250
02-15-2019	-	-	34,875	34,875
08-15-2019	3.00	440,000	34,875	474,875
02-15-2020	-	-	28,275	28,275
08-15-2020	3.00	455,000	28,275	483,275
02-15-2021	-	-	21,450	21,450
08-15-2021	3.00	460,000	21,450	481,450
02-15-2022	-	-	14,550	14,550
08-15-2022	3.00	480,000	14,550	494,550
02-15-2023	-	-	7,350	7,350
08-15-2023	3.00	<u>490,000</u>	<u>7,350</u>	<u>497,350</u>
		<u>\$3,955,000</u>	<u>\$556,725</u>	<u>\$4,511,725</u>

SERIES 2013 – Refunding Series

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
08-15-2015	-	-	153,375	153,375
02-15-2016	-	-	153,375	153,375
08-15-2016	4.00	680,000	153,375	833,375
02-15-2017	-	-	139,775	139,775
08-15-2017	4.00	705,000	139,775	844,775
02-15-2018	-	-	125,675	125,675
08-15-2018	4.00	760,000	125,675	885,675
02-15-2019	-	-	110,475	110,475
08-15-2019	4.00	790,000	110,475	900,475
02-15-2020	-	-	94,675	94,675
08-15-2020	4.00	825,000	94,675	919,675
02-15-2021	-	-	78,175	78,175
08-15-2021	4.00	855,000	78,175	933,175
02-15-2022	-	-	61,075	61,075
08-15-2022	4.00	890,000	61,075	951,075
02-15-2023	-	-	43,275	7,350
08-15-2023	3.00	925,000	43,275	968,275
02-15-2024	-	-	29,400	29,400
08-15-2024	3.00	975,000	29,400	1,004,400
02-15-2025	-	-	14,775	14,775
08-15-2025	3.00	<u>985,000</u>	<u>14,775</u>	<u>999,775</u>
		<u>\$8,390,000</u>	<u>\$1,854,725</u>	<u>\$10,244,725</u>

Combined Totals

<u>Year Ending</u>	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2015-2016	1,025,000	435,425	1,460,425
2016-2017	1,080,000	394,100	1,474,100
2017-2018	1,120,000	354,175	1,474,175
2018-2019	1,185,000	312,275	1,497,275
2019-2020	1,230,000	268,300	1,498,300
2020-2021	1,280,000	222,575	1,502,575
2021-2022	1,315,000	175,250	1,490,250
2022-2023	1,370,000	126,250	1,496,250
2023-2024	1,415,000	80,025	1,495,025
2024-2025	975,000	44,175	1,019,175
2025-2026	<u>985,000</u>	<u>14,775</u>	<u>999,775</u>
Total	<u>\$12,980,000</u>	<u>\$2,427,325</u>	<u>\$15,407,325</u>

Changes in long-term bond obligations: During the year ended June 30, 2015, the following changes occurred in liabilities:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Series 2003	365,000	-	365,000	-
Series 2005	1,245,000	-	610,000	635,000
2012 Refunding Series	3,955,000	-	-	3,955,000
2013 Refunding Series	<u>8,390,000</u>	-	-	<u>8,390,000</u>
Totals	<u>\$13,955,000</u>	<u>\$-</u>	<u>\$975,000</u>	<u>\$12,980,000</u>

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2015 the Legal Debt Margin was:

Market Value at January 1, 2014	2,148,192,527
Percentage Allowed	<u>5%</u>
Debt Limitation	107,409,626
Less: Bonded debt at June 30, 2015	<u>12,980,000</u>
Legal Debt Margin	<u>\$94,429,626</u>

As of June 30, 2015, \$1,394,358 was available in the debt service fund to service the general obligation bonds.

NOTE 6 PENSION PLAN

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2014. All amounts are as of June 30, 2014 unless otherwise noted.

Plan Description

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

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

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. Amounts in parenthesis represent police/firefighters.

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% (72%) of the employer rate. As of June 30, 2015 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The District's employer contributions required and paid were \$2,073,479 , \$2,002,195, and \$1,844,012 for the three years ended June 30, 2015, 2014, and 2013, respectively.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2014. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2014, the District's proportion was 0.6570844 percent.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2015 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2014 was calculated at (\$1,477,039).

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	600,460
Changes in assumptions or other inputs	402,652	-
Net difference between projected and actual earning on pension plan investments	-	6,058,479
Employer contributions subsequent to the measurement date	<u>2,080,363</u>	<u>-</u>
Total	<u>\$2,483,018</u>	<u>\$6,658,939</u>

\$2,080,363 reported as deferred outflow 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 ended June 30, 2016.

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

For the Year Ending June 30:	Amount to be Recognized
2016	(1,557,621)
2017	(1,557,621)
2018	(1,557,621)
2019	(1,557,621)
2020	(25,801)

Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	4.5 – 10.25%
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 experienced study was performed in 2012 for the period July, 1 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2014 is based on the results of an actuarial valuation date of July, 2014.

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.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	6.9%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation Mean			3.25%
Assumed Inflation Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			.40%
Long-Term Expected Rate of Return, Net Investment Expenses			7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that

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

Sensitivity of the 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 <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Employer's proportionate share of the net pension liability (asset)	16,798,077	4,837,170	(5,105,832)

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.

Payables to the pension plan

At June 30, 2014, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Required Supplementary Information

Schedule of the District's Share of Net Pension Liability*

PERSI – Base Plan

As of June 30th

	<u>2014</u>
Employer's portion of the net pension liability	.6570844%
Employer's proportionate share of the net pension liability	\$4,837,170
Employer's covered employee payroll	\$17,801,274
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	27.17%
Plan fiduciary net position as a percentage of the total	94.95%

* 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 information is available.

Data reported is measured as of July 1, 2014 (measurement date)

Schedule of District Contributions*

PERSI – Base Plan

As of June 30th

	<u>2014</u>
Statutorily required contribution	2,015,105
Contributions in relation to the statutorily required contribution	(2,015,105)
Contribution (deficiency) excess	-
Employer's covered employee payroll	\$17,801,274
Contributions as a percentage of covered employee payroll	11.32%

* 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 information is available.

Data is reported is measured as of June 30, 2014.

Notes to the Required Supplementary Information

Change of Assumptions. Amounts reported as of June 30, 2014 reflect an adjustment of the investment rate of return to 7.10 percent, net of pension plan investment expense.

NOTE 7 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, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 8 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2015:

<u>Fund</u>	<u>Excess</u>
General	1,386,683
Federal Forest	12,404
Title I-A, ESEA – Improving Basic Programs	39,959
Before and After School Enrichment	24,313
IDEA Part B – School Age	24,288
IDEA Part B – Preschool Age	12,932
State Professional Technical	5,500
State Substance Abuse	2,567
Perkins III – Professional Technical Act	6,719
Debt Service	3,000

These over-expenditures arose due to an increase in Local, State and Federal funding. To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

NOTE 9 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

Interfund Transfers - Transfers to support the operations of other funds are recorded as "Transfers" and are classified as "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement, and transfers into the School Lunch Fund from the General Fund to provide a matching contribution. Total transfers are as follows:

<u>Fund</u>	<u>Out</u>	<u>In</u>
General	285,411	31,187
ISEE Phase II Grant	6,484	-
Miscellaneous Grant	24,703	1,830
Professional Technical Academy	-	166,722
School Plant Facility	-	116,859
	<u>\$316,598</u>	<u>\$316,598</u>

NOTE 10 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11 Other Post-Employment Benefits

Fiscal year-end 2009 was the first year of recognition of a non-current liability for Other Post-Employment Benefits (OPEB) pursuant to the requirements of GASB Statement 45.

The Lakeland Joint School District #272 Employee Group Benefits Plan is a single-employer plan that provides health insurance benefits to eligible retirees and their dependents from the time of retirement until the employee/retiree reaches age 65 and becomes eligible for Medicare benefits. Retirees pay 100% of the premium cost for themselves and their dependents.

The District believes the cost of updating the GASB 45 information cannot be justified at this time. The amount shown as a non-current liability represents the annual required contribution as of June 30, 2009 in the amount of \$155,252.

NOTE 12 Prior Period Adjustment

An adjustment to beginning net position is necessary for fiscal year ended June 30, 2015 due to the implementation of GASB 68, which is discussed in detail in Note 6.

COMBINING AND INDIVIDUAL FUND STATEMENTS



LAKELAND JOINT SCHOOL DISTRICT NO. 272
General Fund

To account for resources traditionally associated with school operations which are not required to be accounted for in another fund.

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND
BALANCE SHEET
June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	1,299,140	
Taxes receivable	232,879	
Unbilled taxes receivable	4,841,937	
Other receivables:		
Taxes due from county	2,036,995	
State support program	615,440	
Interest receivable	911	
Other receivables	259,631	
Prepaid expenses	1,747	

Total assets 9,288,680

Deferred outflows of resources -

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 9,288,680

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities:

Bank overdraft	714,260	
Due to other funds	752,469	
Accounts payable	59,866	
Accrued payroll and benefits	2,714,208	

Total liabilities 4,240,803

Deferred inflows of resources:

Deferred revenue	153,748	
Unavailable property tax revenue	4,841,937	

Total deferred inflows of resources 4,995,685

Fund balance:

Nonspendable	1,747	
Unassigned	50,445	

Total fund balance 52,192

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

\$ 9,288,680

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND

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

For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	5,386,578	4,981,250	405,328
Earnings on investments	54,047	32,500	21,547
Other	<u>197,630</u>	<u>176,000</u>	<u>21,630</u>
Total local	<u>5,638,255</u>	<u>5,189,750</u>	<u>448,505</u>
State:			
Base program	15,695,101	15,791,020	(95,919)
Transportation	1,113,189	1,175,000	(61,811)
Tuition equivalency	37,678	47,500	(9,822)
Benefit apportionment	2,111,266	2,181,233	(69,967)
Other state support	668,620	-	668,620
Lottery/additional state maintenance	179,327	161,500	17,827
Revenue in lieu of taxes	63,977	85,000	(21,023)
Other state revenue	-	<u>330,500</u>	<u>(330,500)</u>
Total state	<u>19,869,158</u>	<u>19,771,753</u>	<u>97,405</u>
Federal:			
Restricted	<u>310,889</u>	<u>75,000</u>	<u>235,889</u>
Total revenues	<u>25,818,302</u>	<u>25,036,503</u>	<u>781,799</u>
EXPENDITURES			
Instruction:			
Salaries	11,455,469	11,084,796	(370,673)
Benefits	3,301,045	3,236,202	(64,843)
Purchased services	97,515	34,000	(63,515)
Supplies-materials	775,955	749,850	(26,105)
Capital outlay	<u>24,626</u>	-	<u>(24,626)</u>
Total instruction	<u>15,654,610</u>	<u>15,104,848</u>	<u>(549,762)</u>
Support:			
Salaries	6,258,994	5,879,494	(379,500)
Benefits	1,923,350	1,722,906	(200,444)
Purchased services	1,613,209	1,220,950	(392,259)
Supplies-materials	752,793	812,467	59,674
Insurance	<u>130,178</u>	<u>127,750</u>	<u>(2,428)</u>
Total support	<u>10,678,524</u>	<u>9,763,567</u>	<u>(914,957)</u>
Contingency	-	<u>78,036</u>	<u>78,036</u>
Total expenditures	<u>26,333,134</u>	<u>24,946,451</u>	<u>(1,386,683)</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL (Continued)
For the Year Ended June 30, 2015

	Actual	Budget	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues over/under expenditures	(514,832)	90,052	(604,884)
Other financing sources (uses):			
Transfer in:			
Special revenue funds	31,187	-	31,187
Transfer out:			
Special revenue funds	(168,552)	(166,722)	(1,830)
Plant facility funds	(116,859)	(130,000)	13,141
Total other financing sources (uses)	(254,224)	(296,722)	42,498
Net change in fund balance	(769,056)	\$ (206,670)	\$ (562,386)
Fund balance-Beginning of year	821,248		
Fund balance-End of year	\$ 52,192		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION:			
Elementary school			
Salaries	4,666,699	4,558,969	(107,730)
Benefits	1,342,045	1,336,804	(5,241)
Purchased services	7,427	6,000	(1,427)
Supplies-materials	395,538	364,000	(31,538)
Capital outlay	12,313	-	(12,313)
Total elementary school	6,424,022	6,265,773	(158,249)
Secondary school			
Salaries	4,857,126	4,695,484	(161,642)
Benefits	1,401,555	1,415,388	13,833
Purchased services	52,786	13,000	(39,786)
Supplies-materials	367,163	358,500	(8,663)
Capital outlay	12,313	-	(12,313)
Total secondary school	6,690,943	6,482,372	(208,571)
Alternative School			
Salaries	382,970	382,000	(970)
Benefits	103,616	107,036	3,420
Purchased services	-	-	-
Supplies-materials	3,332	15,000	11,668
Total alternative school	489,918	504,036	14,118
Special education			
Salaries	938,649	908,593	(30,056)
Benefits	275,989	268,724	(7,265)
Purchased services	50	500	450
Supplies-materials	5,717	8,500	2,783
Total special education	1,220,405	1,186,317	(34,088)
Gifted and talented			
Salaries	58,686	52,500	(6,186)
Benefits	19,474	15,795	(3,679)
Purchased services	1,731	2,500	769
Supplies-materials	4,205	3,600	(605)
Total gifted and talented	84,096	74,395	(9,701)
Interscholastic			
Salaries	499,100	433,500	(65,600)
Benefits	147,948	82,820	(65,128)
Purchased services	35,521	9,500	(26,021)
Total interscholastic	682,569	525,820	(156,749)

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2015**

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION (Continued)			
Summer School			
Salaries	51,882	53,750	1,868
Benefits	10,391	9,635	(756)
Supplies-materials	-	250	250
Total summer school	62,273	63,635	1,362
Adult School			
Salaries	357	-	(357)
Benefits	27	-	(27)
Total adult school	384	-	(384)
TOTAL INSTRUCTION			
Salaries	11,455,469	11,084,796	(370,673)
Benefits	3,301,045	3,236,202	(64,843)
Purchased services	97,515	34,000	(63,515)
Supplies-materials	775,955	749,850	(26,105)
Capital outlay	24,626	-	(24,626)
Total Instruction	\$ 15,654,610	\$ 15,104,848	\$ (549,762)
SUPPORT:			
Attendance, guidance and health			
Salaries	740,951	720,878	(20,073)
Benefits	220,624	212,070	(8,554)
Purchased services	2,108	2,500	392
Supplies-materials	3,049	4,250	1,201
Total attendance, guidance and health	966,732	939,698	(27,034)
Special education support services			
Salaries	423,344	381,000	(42,344)
Benefits	123,906	96,851	(27,055)
Purchased services	111,148	53,500	(57,648)
Supplies-materials	5,997	5,000	(997)
Total special education support services	664,395	536,351	(128,044)
Instruction improvement program			
Salaries	292,067	19,227	(272,840)
Benefits	158,417	2,973	(155,444)
Purchased services	101,493	75,000	(26,493)
Supplies-materials	188	3,000	2,812
Total instruction improvement program	552,165	100,200	(451,965)

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
 For the Year Ended June 30, 2015

	Actual	Budget	Variance Favorable (Unfavorable)
SUPPORT (Continued)			
Educational media			
Salaries	352,198	345,650	(6,548)
Benefits	114,046	101,928	(12,118)
Supplies-materials	47,308	50,665	3,357
Total educational media	<u>513,552</u>	<u>498,243</u>	<u>(15,309)</u>
Instruction related technology			
Salaries	224,119	152,500	(71,619)
Benefits	68,805	50,225	(18,580)
Purchased services	97	6,000	5,903
Supplies-materials	90,701	58,500	(32,201)
Total instruction related technology	<u>383,722</u>	<u>267,225</u>	<u>(116,497)</u>
Board of education			
Purchased services	46,478	51,250	4,772
Supplies-materials	249	4,500	4,251
Insurance	30,395	30,000	(395)
Total board of education	<u>77,122</u>	<u>85,750</u>	<u>8,628</u>
District administration			
Salaries	342,303	331,500	(10,803)
Benefits	97,436	102,036	4,600
Purchased services	38,760	24,850	(13,910)
Supplies-materials	7,988	12,500	4,512
Total district administration	<u>486,487</u>	<u>470,886</u>	<u>(15,601)</u>
School administration			
Salaries	1,584,070	1,585,039	969
Benefits	464,858	472,187	7,329
Purchased services	8,731	26,500	17,769
Supplies-materials	22,283	26,875	4,592
Total school administration	<u>2,079,942</u>	<u>2,110,601</u>	<u>30,659</u>
Business operations			
Salaries	220,669	212,500	(8,169)
Benefits	64,976	63,686	(1,290)
Purchased services	-	1,500	1,500
Supplies-materials	-	-	-
Total business operations	<u>285,645</u>	<u>277,686</u>	<u>(7,959)</u>
Administrative technology			
Salaries	105,263	95,000	(10,263)
Benefits	31,823	29,292	(2,531)
Purchased services	2,042	17,500	15,458
Supplies-materials	26,502	37,500	10,998
Total administrative technology	<u>165,630</u>	<u>179,292</u>	<u>13,662</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
 For the Year Ended June 30, 2015

	Actual	Budget	Variance Favorable (Unfavorable)
SUPPORT (Continued)			
Buildings-care program (custodial)			
Salaries	598,637	590,250	(8,387)
Benefits	177,716	180,745	3,029
Purchased services	1,057,573	755,000	(302,573)
Supplies-materials	46,211	65,000	18,789
Insurance	74,407	73,500	(907)
Total buildings-care program (custodial)	<u>1,954,544</u>	<u>1,664,495</u>	<u>(290,049)</u>
Maintenance - non-student occupied			
Salaries	2,482	41,500	39,018
Benefits	2,726	14,853	12,127
Purchased services	53,266	18,000	(35,266)
Supplies-materials	27,024	24,000	(3,024)
Total maintenance - non-student occupied	<u>85,498</u>	<u>98,353</u>	<u>12,855</u>
Maintenance - student occupied			
Salaries	449,080	416,950	(32,130)
Benefits	141,616	132,175	(9,441)
Purchased services	109,484	99,500	(9,984)
Supplies-materials	133,431	100,000	(33,431)
Total maintenance - student occupied	<u>833,611</u>	<u>748,625</u>	<u>(84,986)</u>
Pupil-to-school transportation			
Salaries	921,372	985,000	63,628
Benefits	255,521	263,885	8,364
Purchased services	69,614	71,350	1,736
Supplies-materials	300,620	410,077	109,457
Insurance	12,675	12,500	(175)
Total pupil-to-school transportation	<u>1,559,802</u>	<u>1,742,812</u>	<u>183,010</u>
General transportation:			
Salaries	2,439	2,500	61
Benefits	880	-	(880)
Purchased services	12,415	18,500	6,085
Supplies-materials	41,242	10,600	(30,642)
Insurance	12,701	11,750	(951)
Total general transportation	<u>69,677</u>	<u>43,350</u>	<u>(26,327)</u>
TOTAL SUPPORT			
Salaries	6,258,994	5,879,494	(379,500)
Benefits	1,923,350	1,722,906	(200,444)
Purchased services	1,613,209	1,220,950	(392,259)
Supplies-materials	752,793	812,467	59,674
Insurance	130,178	127,750	(2,428)
Total Support	<u>\$ 10,678,524</u>	<u>\$ 9,763,567</u>	<u>\$ (914,957)</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Special Revenue Funds

Child Nutrition Fund - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sales of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amounts of State and Federal assistance received by the program.

Federal Forest Fund - To account for unrestricted Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

Title I-A, ESEA – Improving Basic Programs Fund - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

Before and After School Enrichment Fund - To account for local revenues supporting a before and after school enrichment program.

IDEA Part B – School Age Fund - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aids, equipment and materials, etc. in special education.

IDEA Part B – Preschool Fund - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in IDEA Part B program.

State Professional Technical Fund - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

Title II-A, ESEA – Improving Teacher Quality Fund - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

State Substance Abuse Fund - To account for restricted State revenue to be spent on drug education in-service training for teachers and parents and materials for classroom.

Technology Grant Fund - To account for restricted State revenue to be spent on capital outlay projects.

Perkins III – Professional Technical Act Fund - To account for restricted Federal revenue to be spent on vocational training.

Gifted and Talented Fund - To account for State revenues to be spent on in service training for the gifted and talented program.

Professional Technical Academy - To account for Local revenues to be spent on salaries and benefits in vocational activities.

Idaho Reading Initiative Grant Fund - To account for State revenues to be spent on interventions for kindergarten through third grade students whose reading scores fall below grade level.

Miscellaneous Grant Fund - To account for State and Local revenue to be spent on the current needs of the District as indicated by each grant.

ISEE Phase II Grant Fund - To account for State revenue to be spent on professional development to implement Common Core State Standards utilizing Schoolnet.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2015

	Child Nutrition	Federal Forest	Title I-A - ESEA Improving Basic Programs	Before and After School Enrichment	IDEA Part B School Age	IDEA Part B PreSchool	State Professional Technical	Title II-A ESEA - Improving Teacher Quality
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Investments	117	-	-	-	-	-	-	-
Due from other funds	125,034	5,425	-	33,076	-	-	-	-
Other receivables:								
State reimbursements	-	-	-	5,074	-	-	21,068	-
Federal reimbursements	9,954	-	138,479	-	191,295	-	-	35,797
Other	364	-	-	-	-	-	-	-
Inventory	61,213	-	-	-	-	-	-	-
Total assets	<u>196,682</u>	<u>5,425</u>	<u>138,479</u>	<u>38,150</u>	<u>191,295</u>	<u>-</u>	<u>21,068</u>	<u>35,797</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 196,682</u>	<u>\$ 5,425</u>	<u>\$ 138,479</u>	<u>\$ 38,150</u>	<u>\$ 191,295</u>	<u>\$ -</u>	<u>\$ 21,068</u>	<u>\$ 35,797</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Due to other funds	-	-	52,185	-	64,305	-	21,068	10,764
Accounts payable	1,946	-	-	-	-	-	-	-
Accrued payroll and benefits	-	-	86,294	-	126,990	-	-	25,033
Total liabilities	<u>1,946</u>	<u>-</u>	<u>138,479</u>	<u>-</u>	<u>191,295</u>	<u>-</u>	<u>21,068</u>	<u>35,797</u>
Deferred inflows of resources								
Deferred revenue	-	-	-	1,869	-	-	-	-
Fund balances (deficit):								
Nonspendable	61,213	-	-	-	-	-	-	-
Restricted	133,523	5,425	-	36,281	-	-	-	-
Total fund balances (deficit)	<u>194,736</u>	<u>5,425</u>	<u>-</u>	<u>36,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 196,682</u>	<u>\$ 5,425</u>	<u>\$ 138,479</u>	<u>\$ 38,150</u>	<u>\$ 191,295</u>	<u>\$ -</u>	<u>\$ 21,068</u>	<u>\$ 35,797</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2015

	State Substance Abuse	Technology Grant	Perkins III Professional Technical Act	Gifted and Talented	Professional Technical Academy	Idaho Reading Initiative Grant	Miscellaneous Grant	ISEE Phase II Grant	Combining Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Assets:									
Investments	-	-	-	-	-	-	-	-	117
Due from other funds	25,873	8,478	-	830	-	89,187	5,182	-	293,085
Other receivables:									
State reimbursements	-	-	-	-	-	-	-	-	26,142
Federal reimbursements	-	-	10,870	-	-	-	-	-	386,395
Other	-	-	-	-	-	-	-	-	364
Inventory	-	-	-	-	-	-	-	-	61,213
Total assets	<u>25,873</u>	<u>8,478</u>	<u>10,870</u>	<u>830</u>	<u>-</u>	<u>89,187</u>	<u>5,182</u>	<u>-</u>	<u>767,316</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,873</u>	<u>\$ 8,478</u>	<u>\$ 10,870</u>	<u>\$ 830</u>	<u>\$ -</u>	<u>\$ 89,187</u>	<u>\$ 5,182</u>	<u>\$ -</u>	<u>\$ 767,316</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Due to other funds	-	-	9,232	-	-	-	-	-	157,554
Accounts payable	80	-	-	-	-	-	-	-	2,026
Accrued payroll and benefits	-	8,478	1,638	-	-	-	-	-	248,433
Total liabilities	<u>80</u>	<u>8,478</u>	<u>10,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,013</u>
Deferred inflows of resources									
Deferred revenue	-	-	-	-	-	-	-	-	1,869
Fund balances (deficit):									
Nonspendable	-	-	-	-	-	-	-	-	61,213
Restricted	25,793	-	-	830	-	89,187	5,182	-	296,221
Total fund balances (deficit)	<u>25,793</u>	<u>-</u>	<u>-</u>	<u>830</u>	<u>-</u>	<u>89,187</u>	<u>5,182</u>	<u>-</u>	<u>357,434</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 25,873</u>	<u>\$ 8,478</u>	<u>\$ 10,870</u>	<u>\$ 830</u>	<u>\$ -</u>	<u>\$ 89,187</u>	<u>\$ 5,182</u>	<u>\$ -</u>	<u>\$ 767,316</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2015

	Child Nutrition	Federal Forest	Title I-A - ESEA Improving Basic Programs	Before and After School Enrichment	IDEA Part B School-Age	IDEA Part B Pre-School	State Professional Technical	Title II-A ESEA - Improving Teacher Quality
REVENUES								
Local:								
Earnings on investments	220	-	-	-	-	-	-	-
Lunch sales	416,846	-	-	-	-	-	-	-
Other	300	-	-	254,609	-	-	-	-
Total local	417,366	-	-	254,609	-	-	-	-
State:								
Restricted	-	-	-	-	-	-	70,841	-
Other state revenue	-	-	-	-	-	-	-	-
Total state	-	-	-	-	-	-	70,841	-
Federal:								
School lunch reimbursement	951,241	-	-	-	-	-	-	-
Unrestricted	-	30,618	-	-	-	-	-	-
Restricted	99,315	-	752,597	-	743,217	31,818	-	155,832
Total federal	1,050,556	30,618	752,597	-	743,217	31,818	-	155,832
Total revenues	1,467,922	30,618	752,597	254,609	743,217	31,818	70,841	155,832
EXPENDITURES								
Instruction:								
Salaries	-	-	539,258	161,413	575,343	24,550	-	124,218
Benefits	-	-	157,337	47,812	165,558	7,182	-	31,501
Purchased services	-	-	8,797	4,364	975	-	9,037	113
Supplies-materials	-	-	47,205	4,224	1,341	86	50,646	-
Capital objects	-	-	-	-	-	-	11,621	-
Total instruction	-	-	752,597	217,813	743,217	31,818	71,304	155,832
Support:								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased services	-	31,286	-	-	-	-	-	-
Supplies-materials	-	12,916	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total support	-	44,202	-	-	-	-	-	-
Non-instruction:								
Salaries	159	-	-	-	-	-	-	-
Benefits	50	-	-	-	-	-	-	-
Purchased services	699,904	-	-	-	-	-	-	-
Supplies-materials	695,927	-	-	-	-	-	-	-
Capital objects	2,539	-	-	-	-	-	-	-
Insurance	17,589	-	-	-	-	-	-	-
Total non-instruction	1,416,168	-	-	-	-	-	-	-
Total expenditures	1,416,168	44,202	752,597	217,813	743,217	31,818	71,304	155,832
Excess (deficiency) of revenues over/under expenditures	51,754	(13,584)	-	36,796	-	-	(463)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	51,754	(13,584)	-	36,796	-	-	(463)	-
Fund balance(deficit)-beginning of year	142,982	19,009	-	(515)	-	-	463	-
Fund balance(deficit)-end of year	\$ 194,736	\$ 5,425	\$ -	\$ 36,281	\$ -	\$ -	\$ -	\$ -

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
For the Year Ended June 30, 2015

	State Substance Abuse	Technology Grant	Perkins III Professional Technical Act	Gifted and Talented	Professional Technical Academy	Idaho Reading Initiative Grant	Miscellaneous Grant	ISEE Phase II Grant	Combining Total
REVENUES									
Local:									
Earnings on investments	-	-	-	-	-	-	-	-	220
Lunch sales	-	-	-	-	-	-	-	-	416,846
Other	-	-	-	-	-	-	8,859	-	263,768
Total local	-	-	-	-	-	-	8,859	-	680,834
State:									
Restricted	-	114,963	-	-	-	-	-	-	185,804
Other state revenue	28,335	-	-	-	-	22,046	1,052	-	51,433
Total state	28,335	114,963	-	-	-	22,046	1,052	-	237,237
Federal:									
School lunch reimbursement	-	-	-	-	-	-	-	-	951,241
Unrestricted	-	-	-	-	-	-	-	-	30,618
Restricted	-	-	45,907	-	-	-	-	-	1,828,686
Total federal	-	-	45,907	-	-	-	-	-	2,810,545
Total revenues	28,335	114,963	45,907	-	-	22,046	9,911	-	3,728,616
EXPENDITURES									
Instruction:									
Salaries	-	-	36,179	-	-	5,155	-	-	1,466,116
Benefits	-	-	9,728	-	-	476	-	-	419,594
Purchased services	1,008	-	-	6,887	166,722	-	2,000	-	199,903
Supplies-materials	-	-	-	-	-	-	10,444	-	113,946
Capital objects	-	-	-	-	-	-	-	-	11,621
Total instruction	1,008	-	45,907	6,887	166,722	5,631	12,444	-	2,211,180
Support:									
Salaries	-	43,262	-	-	-	-	-	-	43,262
Benefits	-	11,506	-	-	-	-	-	-	11,506
Purchased services	4,909	4,750	-	-	-	-	3,150	-	44,095
Supplies-materials	-	-	-	-	-	-	-	-	12,916
Capital objects	-	61,833	-	-	-	-	-	-	61,833
Total support	4,909	121,351	-	-	-	-	3,150	-	173,612
Non-instruction:									
Salaries	-	-	-	-	-	-	-	-	159
Benefits	-	-	-	-	-	-	-	-	50
Purchased services	-	-	-	-	-	-	-	-	699,904
Supplies-materials	-	-	-	-	-	-	-	-	695,927
Capital objects	-	-	-	-	-	-	-	-	2,539
Insurance	-	-	-	-	-	-	-	-	17,589
Total non-instruction	-	-	-	-	-	-	-	-	1,416,168
Total expenditures	5,917	121,351	45,907	6,887	166,722	5,631	15,594	-	3,800,960
Excess (deficiency) of revenues over/under expenditures	22,418	(6,388)	-	(6,887)	(166,722)	16,415	(5,683)	-	(72,344)
Other financing sources (uses):									
Transfers in	-	-	-	-	166,722	-	1,830	-	168,552
Transfer out	-	-	-	-	-	-	(24,703)	(6,484)	(31,187)
Total other financing sources (uses)	-	-	-	-	166,722	-	(22,873)	(6,484)	137,365
Net change in fund balance	22,418	(6,388)	-	(6,887)	-	16,415	(28,556)	(6,484)	65,021
Fund balance(deficit)-beginning of year	3,375	6,388	-	7,717	-	72,772	33,738	6,484	292,413
Fund balance(deficit)-end of year	\$ 25,793	\$ -	\$ -	\$ 830	\$ -	\$ 89,187	\$ 5,182	\$ -	\$ 357,434

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

CHILD NUTRITION FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUE			
Local:			
Earnings on investments	220	100	120
Lunch sales	416,846	413,154	3,692
Other	300	-	300
Total local	417,366	413,254	4,112
Federal:			
School lunch reimbursement	951,241	947,930	3,311
Restricted	99,315	72,134	27,181
Total federal	1,050,556	1,020,064	30,492
Total revenue	1,467,922	1,433,318	34,604
EXPENDITURES			
Non-instruction:			
Salaries	159	-	(159)
Benefits	50	-	(50)
Purchased services	699,904	708,278	8,374
Supplies-materials	695,927	659,272	(36,655)
Capital objects	2,539	48,000	45,461
Insurance	17,589	17,768	179
Total non-instruction	1,416,168	1,433,318	17,150
Total expenditures	1,416,168	1,433,318	17,150
Net change in fund balance	51,754	\$ -	\$ 51,754
Fund balance-Beginning of year	142,982		
Fund balance-End of year	\$ 194,736		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

FEDERAL FOREST FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Unrestricted	<u>30,618</u>	<u>31,500</u>	<u>(882)</u>
EXPENDITURES			
Support:			
Purchased services	31,286	26,500	(4,786)
Supplies-materials	<u>12,916</u>	<u>5,000</u>	<u>(7,916)</u>
Total support	<u>44,202</u>	<u>31,500</u>	<u>(12,702)</u>
Total expenditures	<u>44,202</u>	<u>31,500</u>	<u>(12,702)</u>
Net change in fund balance	(13,584)	<u>\$ -</u>	<u>\$ (13,584)</u>
Fund balance-Beginning of year	<u>19,009</u>		
Fund balance-End of year	<u>\$ 5,425</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	752,597	643,404	109,193
EXPENDITURES			
Instruction:			
Salaries	539,258	527,805	(11,453)
Benefits	157,337	173,333	15,996
Purchased services	8,797	1,500	(7,297)
Supplies-materials	47,205	10,000	(37,205)
Total instruction	752,597	712,638	(39,959)
Total expenditures	752,597	712,638	(39,959)
Net change in fund balance	-	\$ (69,234)	\$ 69,234
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

BEFORE AND AFTER SCHOOL ENRICHMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
Local			
Other local	254,609	193,500	61,109
EXPENDITURES			
Instruction:			
Salaries	161,413	140,500	(20,913)
Benefits	47,812	39,332	(8,480)
Purchased services	4,364	6,718	2,354
Supplies-materials	4,224	5,000	776
Capital objects	-	1,950	1,950
Total instruction	217,813	193,500	(24,313)
Total expenditures	217,813	193,500	(24,313)
Net change in fund balance	36,796	\$ -	\$ 36,796
Fund balance(deficit)-Beginning of year	(515)		
Fund balance(deficit)-End of year	\$ 36,281		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

IDEA PART B - SCHOOL AGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	743,217	718,929	24,288
EXPENDITURES			
Instruction:			
Salaries	575,343	549,500	(25,843)
Benefits	165,558	165,079	(479)
Purchased services	975	3,000	2,025
Supplies-materials	1,341	1,350	9
Total instruction	743,217	718,929	(24,288)
Total expenditures	743,217	718,929	(24,288)
Net change in fund balance	-	\$ -	\$ -
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

IDEA PART B - PRESCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	31,818	18,886	12,932
EXPENDITURES			
Instruction:			
Salaries	24,550	16,750	(7,800)
Benefits	7,182	1,811	(5,371)
Purchased services	-	325	325
Supplies-materials	86	-	(86)
Total instruction	31,818	18,886	(12,932)
Total expenditures	31,818	18,886	(12,932)
Net change in fund balance	-	\$ -	\$ -
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

STATE PROFESSIONAL TECHNICAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
State:			
Restricted	70,841	65,804	5,037
EXPENDITURES			
Instruction:			
Purchased services	9,037	11,572	2,535
Supplies-materials	50,646	42,672	(7,974)
Capital objects	11,621	11,560	(61)
Total expenditures	71,304	65,804	(5,500)
Net change in fund balance	(463)	\$ -	\$ (463)
Fund balance-Beginning of year	463		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	155,832	141,154	14,678
EXPENDITURES			
Instruction:			
Salaries	124,218	126,110	1,892
Benefits	31,501	34,544	3,043
Purchased services	113	500	387
Total instruction	155,832	161,154	5,322
Total expenditures	155,832	161,154	5,322
Net change in fund balance	-	\$ (20,000)	\$ 20,000
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

STATE SUBSTANCE ABUSE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES			
State:			
Other state revenue	28,335	-	28,335
EXPENDITURES			
Instruction:			
Purchased services	1,008	-	(1,008)
Supplies-materials	-	1,675	1,675
Total instruction	1,008	1,675	667
Support:			
Purchased services	4,909	1,675	(3,234)
Total expenditures	5,917	3,350	(2,567)
Net change in fund balance	22,418	\$ (3,350)	\$ 25,768
Fund balance-Beginning of year	3,375		
Fund balance-End of year	\$ 25,793		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

TECHNOLOGY GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
State:			
Restricted	<u>114,963</u>	<u>118,500</u>	<u>(3,537)</u>
EXPENDITURES			
Support:			
Salaries	43,262	90,812	47,550
Benefits	11,506	23,938	12,432
Purchases services	4,750	34,150	29,400
Capital objects	<u>61,833</u>	<u>-</u>	<u>(61,833)</u>
Total support	<u>121,351</u>	<u>148,900</u>	<u>27,549</u>
Total expenditures	<u>121,351</u>	<u>148,900</u>	<u>27,549</u>
Net change in fund balance	(6,388)	<u>\$ (30,400)</u>	<u>\$ 24,012</u>
Fund balance-Beginning of year	<u>6,388</u>		
Fund balance-End of year	<u>\$ -</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

PERKINS III - PROFESSIONAL TECHNICAL ACT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	<u>45,907</u>	<u>39,650</u>	<u>6,257</u>
EXPENDITURES			
Instruction:			
Salaries	36,179	29,744	(6,435)
Benefits	<u>9,728</u>	<u>9,444</u>	<u>(284)</u>
Total instruction	<u>45,907</u>	<u>39,188</u>	<u>(6,719)</u>
Total expenditures	<u>45,907</u>	<u>39,188</u>	<u>(6,719)</u>
Net change in fund balance	-	<u>\$ 462</u>	<u>\$ (462)</u>
Fund balance-Beginning of year	<u>-</u>		
Fund balance-End of year	<u>\$ -</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

GIFTED AND TALENTED FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES	-	-	-
EXPENDITURES			
Instruction:			
Purchased services	<u>6,887</u>	<u>7,717</u>	<u>830</u>
Total expenditures	<u>6,887</u>	<u>7,717</u>	<u>830</u>
Net change in fund balance	(6,887)	<u>\$ (7,717)</u>	<u>\$ 830</u>
Fund balance-Beginning of year	<u>7,717</u>		
Fund balance-End of year	<u>\$ 830</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

PROFESSIONAL TECHNICAL ACADEMY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES	-	-	-
EXPENDITURES			
Instruction:			
Purchased services	166,722	166,722	-
Total expenditures	166,722	166,722	-
Excess (deficiency) of revenues over/under expenditures	(166,722)	(166,722)	-
Other financing sources:			
Transfer in	166,722	166,722	-
Net change in fund balance	-	\$ -	\$ -
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

IDAHO READING INITIATIVE GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
State:			
Restricted	<u>22,046</u>	<u>20,000</u>	<u>2,046</u>
EXPENDITURES			
Instruction:			
Salaries	5,155	13,500	8,345
Benefits	476	5,018	4,542
Purchased services	-	2,500	2,500
Supplies-materials	-	1,500	1,500
Total instruction	<u>5,631</u>	<u>22,518</u>	<u>16,887</u>
Total expenditures	<u>5,631</u>	<u>22,518</u>	<u>16,887</u>
Net change in fund balance	16,415	<u>\$ (2,518)</u>	<u>\$ 18,933</u>
Fund balance-Beginning of year	<u>72,772</u>		
Fund balance-End of year	<u>\$ 89,187</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

MISCELLANEOUS GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

REVENUES

Local:

Other local revenue 8,859

State:

Other state revenue 1,052

Total revenues 9,911

EXPENDITURES

Instruction:

Purchased services 2,000

Supplies-materials 10,444

Total instruction 12,444

Support:

Purchased services 3,150

Total support 3,150

Total expenditures 15,594

Excess (deficiency) of revenues
over/under expenditures (5,683)

Other financing sources (uses):

Transfer in 1,830

Transfer out (24,703)

Total other financing sources (uses) (22,873)

Net change in fund balance (28,556)

Fund balance-Beginning of year 33,738

Fund balance-End of year \$ 5,182

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

ISEE PHASE II GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

REVENUES		-
		<hr/>
EXPENDITURES		
Support:		
Salaries	-	
Benefits	-	
Total support	<hr/>	-
Total expenditures		<hr/>
Excess (deficiency) of revenues over/under expenditures		-
Other financing uses:		
Transfer out		<hr/>
		(6,484)
Net change in fund balance		(6,484)
Fund balance-Beginning of year		<hr/>
		6,484
Fund balance-End of year		<hr/> <hr/>
		\$ -

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Debt Service Fund

The debt service fund is established to receive property taxes levied for the redemption of general obligation bonds and payment of interest on those bonds as it is due. Funds are deposited into the debt service bank account and coupons and bonds are redeemed directly against that account. The District is allowed by law to carry in fund balance an additional 21 months bond requirements in this fund to cover the cash flow requirements.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

DEBT SERVICE FUND
BALANCE SHEET
June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	175	
Due from other funds	935,040	
Taxes receivable	38,151	
Unbilled taxes receivable	1,430,425	
Other receivables:		
Taxes due from county	444,942	
Total assets	<u>444,942</u>	2,848,733
Deferred outflows of resources		<u>-</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 2,848,733

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities		-
Deferred inflows of resources:		
Deferred revenue	23,950	
Unavailable property tax revenue	1,430,425	
Total deferred inflows of resources	<u>1,430,425</u>	1,454,375
Fund balance		
Restricted	1,394,358	
Total fund balance	<u>1,394,358</u>	<u>1,394,358</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

\$ 2,848,733

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	1,229,347	1,485,927	(256,580)
Earnings on investments	475	750	(275)
Total local	<u>1,229,822</u>	<u>1,486,677</u>	<u>(256,855)</u>
State:			
Other state revenue	<u>39,418</u>	<u>49,750</u>	<u>(10,332)</u>
Total revenues	<u>1,269,240</u>	<u>1,536,427</u>	<u>(267,187)</u>
EXPENDITURES			
Debt service:			
Principal	975,000	975,000	-
Interest	<u>482,153</u>	<u>479,153</u>	<u>(3,000)</u>
Total debt service	<u>1,457,153</u>	<u>1,454,153</u>	<u>(3,000)</u>
Total expenditures	<u>1,457,153</u>	<u>1,454,153</u>	<u>(3,000)</u>
Net change in fund balance	(187,913)	<u>\$ 82,274</u>	<u>\$ (270,187)</u>
Fund balance-Beginning of year	<u>1,582,271</u>		
Fund balance-End of year	<u>\$ 1,394,358</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
School Plant Facility Fund

This fund is established to account for appropriated funds to acquire plant facility items.
Financing is provided by tax revenues.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

SCHOOL PLANT FACILITY FUND
BALANCE SHEET
June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	361	
Taxes receivable	57,930	
Unbilled taxes receivable	800,000	
Other receivables:		
Taxes due from county	296,158	

Total assets 1,154,449

Deferred outflows of resources -

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 1,154,449

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities:

Due to other funds	318,102	
Accounts payable	-	

Total liabilities 318,102

Deferred inflows of resources:

Deferred revenue	36,347	
Unavailabe property tax revenue	800,000	

Total deferred inflows of resources 836,347

Fund balance:

Restricted	-	
------------	---	--

Total fund balance -

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE \$ 1,154,449

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

SCHOOL PLANT FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	828,563	800,000	28,563
Earnings on investments	125	1,000	(875)
Total revenues	<u>828,688</u>	<u>801,000</u>	<u>27,688</u>
EXPENDITURES			
Purchases services	12,749	-	(12,749)
Capital objects	956,072	981,000	24,928
Total expenditures	<u>968,821</u>	<u>981,000</u>	<u>12,179</u>
Excess (deficiency) of revenues over/under expenditures	(140,133)	(180,000)	39,867
Other financing sources:			
Transfer in	116,859	130,000	(13,141)
Net change in fund balance	(23,274)	<u>\$ (50,000)</u>	<u>\$ 26,726</u>
Fund balance-Beginning of year	<u>23,274</u>		
Fund balance-End of year	<u>\$ -</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Agency Fund

The agency fund includes funds held for student groups by the District for disbursement as dictated by the individual student groups. Operations of these student groups are not considered a part of District financial operations.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

STUDENT GROUP AGENCY FUND
STATEMENT OF NET FIDUCIARY POSITION
June 30, 2015

	Balance 07/01/14	Net Change	Balance 06/30/15
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	355,321	11,433	366,754
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	355,321	11,433	366,754
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities:			
Due to student groups	355,321	11,433	366,754
Deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	355,321	11,433	366,754
NET POSITION	\$ -	\$ -	\$ -

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2015**

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Federal Grant Number</u>	<u>Expenditures</u>
U. S. Department of Agriculture				
Passed through State Department of Education				
Child Nutrition Cluster				
School Lunch	10.555	14-272	2015IN109947	642,659
School Lunch - Commodities	10.555	14-272	2015IN109947	99,315
Breakfast Program	10.553	14-272	2015IN109947	197,030
Summer Food	10.559	14-272	2015IN109947	19,374
Total Child Nutrition Cluster				<u>958,378</u>
 Fresh Fruit and Vegetable	 10.582	 14-272	 2015IN109947	 <u>50,812</u>
 Child and Adult Care Food Program	 10.558	 14-272	 2015IN109947	 <u>41,366</u>
 Direct through U.S. Department of Agriculture				 1,050,556
Federal Forest	10.665	14-272		<u>44,202</u>
 Total U.S. Department of Agriculture				 <u>1,094,758</u>
U.S. Department of Education				
Passed through State Department of Education				
Title I-A				
Title I-A, ESEA - Improving Basic Programs	84.010	14-272	S010A140012	<u>752,597</u>
Special Education (IDEA) Cluster				
Part B, IDEA - School Age	84.027	14-272	H027A140088	743,217
Part B, IDEA - Preschool	84.173	14-272	H173A140030	31,818
Total Special Education Cluster				<u>775,035</u>
 Perkins III, Professional Technical	 84.048	 14-272	 V048A140012	 <u>45,907</u>
 Title II-A, ESEA - Improving Teacher Quality	 84.367	 14-272	 S367A140011	 <u>155,832</u>
 Total U.S. Department of Education				 <u>1,729,371</u>
 Total Expenditures				 <u><u>\$ 2,824,129</u></u>

SINGLE AUDIT SECTION



LAKELAND JOINT SCHOOL DISTRICT NO. 272
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2015

General - The accompanying Schedule of Expenditures of Federal Awards presents the expenditure activity of all federal awards programs of the Lakeland Joint School District No. 272. All expenditures of federal awards received directly from federal agencies as well as expenditures of federal awards passed through other government agencies are included on the schedule.

Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis accounting.

**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**

To the Board of Trustees
Lakeland Joint School District No. 272
Rathdrum, Idaho 83858

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 governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Lakeland Joint School District No. 272's basic financial statements, and have issued our report thereon dated September 28, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lakeland Joint School District No. 272'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 Lakeland Joint School District No. 272's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lakeland Joint School District No. 272'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 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 Lakeland Joint School District No. 272's financial statements are free from 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
September 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
Lakeland Joint School District No. 272
Rathdrum, Idaho 83858

Report on Compliance for Each Major Federal Program

We have audited Lakeland Joint School District No. 272's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lakeland Joint School District No. 272's major federal programs for the year ended June 30, 2015. Lakeland Joint School District No. 272's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lakeland Joint School District No. 272's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lakeland Joint School District No. 272's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Lakeland Joint School District No. 272's compliance.

Opinion on Each Major Federal Program

In our opinion, Lakeland Joint School District No. 272 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, 2015.

Report on Internal Control Over Compliance

Management of Lakeland Joint School District No. 272 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lakeland Joint School District No. 272'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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
September 28, 2015

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Governmental Activities and Discretely Presented Component Unit Qualified
Each Major Fund and Aggregate Remaining Fund Information Unmodified

Internal control over financial reporting:

- material weakness(es) identified? yes no

- significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- material weakness(es) identified? yes no

- significant deficiency(ies) identified? yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of OMB Circular A-133?

yes no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.556, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

yes no

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended June 30, 2015

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.