

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Trustees
Bliss Joint School District No. 234
Bliss, ID 83314

September 10, 2016

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bliss Joint School District No. 234 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

Basis for Qualified Opinion

Management has not adopted a methodology for reporting other postemployment benefits under the guidelines of GASB 45 in the government-wide statements and, accordingly, has not considered the need to record a liability for such benefits. Accounting principles generally accepted in the United States of America require that an adequate liability be provided for postemployment benefits, which would increase the liabilities and decrease fund balance and change the revenues in the government-wide statements. The amount by which this departure would affect the assets, net position, and expenses of the government-wide statements is not reasonably determinable.

Qualified Opinion

In my opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide activities of Bliss Joint School District No. 234, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Bliss Joint School District No. 234, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer's contribution on pages 36 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bliss Joint School District No. 234'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 basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 10, 2016, on my consideration of the Bliss Joint School District No. 234's internal control over financial reporting and on my 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 my 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 Bliss Joint School District No. 234's internal control over financial reporting and compliance.

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
STATEMENT OF NET POSITION
JUNE 30, 2016

		<u>Governmental Activities</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 72,026	
Investments	826,689	
Net Receivables	71,498	
Inventory	<u>9,486</u>	
 <u>TOTAL CURRENT ASSETS</u>		 \$ 979,699
<u>NONCURRENT ASSETS</u>		
Long-Term Receivables	\$ 1,540	
Non-depreciated Assets	12,000	
Capital Assets (net)	<u>1,414,119</u>	
 <u>TOTAL NONCURRENT ASSETS</u>		 <u>1,427,659</u>
 <u>TOTAL ASSETS</u>		 <u>2,407,358</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Obligations	<u>\$ 278,788</u>	
 <u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>		 <u>278,788</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 19,325	
Contracts and Benefits Payable	151,839	
Interest Payable	15,485	
Current Portion of Long-Term Debt	<u>69,179</u>	
 <u>TOTAL CURRENT LIABILITIES</u>		 255,828
<u>NONCURRENT LIABILITIES</u>		
Net Pension Liability	\$ 412,190	
Capital Lease Payable (net of current portion)	45,060	
Bond Payable (net of current portion)	<u>660,000</u>	
 <u>TOTAL NONCURRENT LIABILITIES</u>		 <u>1,117,250</u>
 <u>TOTAL LIABILITIES</u>		 <u>1,373,078</u>

See accompanying notes to the basic financial statements

	<u>Governmental Activities</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Sources	\$ 265,869	
Deferred Amount on Net Bond Premium	<u>13,953</u>	
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>		<u>279,822</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, net of related debt	\$ 622,442	
Restricted for:		
Capital Projects	67,318	
Debt Service	189,884	
Federal and State Programs	21,586	
Unrestricted	<u>132,016</u>	
<u>TOTAL NET POSITION</u>		<u>\$ 1,033,246</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

<u>Primary Government</u> <u>Functions/Programs</u>	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Governmental Activities:</u>				
Instruction	\$ 1,005,587		\$ 353,666	
Support	117,727		17,527	
General Administrative	249,203			
Custodial/Maintenance	175,540		19,543	
Student Transportation	120,433		65,788	
Non-Instructional - Food Service	71,492	\$ 8,756	57,887	
Debt Service - Interest on Debt	35,709		4,660	
<u>Total Governmental Activities</u>	<u>1,775,691</u>	<u>8,756</u>	<u>519,071</u>	<u>\$ 0</u>
 <u>Business-Type Activities</u>				
None	0	0	0	0
<u>Total Business-Type Activities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Primary Government</u>	<u>\$ 1,775,691</u>	<u>\$ 8,756</u>	<u>\$ 519,071</u>	<u>\$ 0</u>

General Revenue

Property Taxes
State Formula Support
Other State Support
Local Revenue
Earnings on Investments

Total General Revenue

Changes in Net Position

Net Position - Beginning

Net Position - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (651,921)		\$ (651,921)
(100,200)		(100,200)
(249,203)		(249,203)
(155,997)		(155,997)
(54,645)		(54,645)
(4,849)		(4,849)
(31,049)		(31,049)
(1,247,864)		(1,247,864)
0	\$ 0	0
(1,247,864)	0	(1,247,864)
139,066		139,066
1,145,732		1,145,732
35,295		35,295
24,217		24,217
4,361		4,361
1,348,671	0	1,348,671
100,807	0	100,807
932,439	0	932,439
\$ 1,033,246	\$ 0	\$ 1,033,246

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents		\$ 17,142	\$ 9,847
Investments	\$ 667,134		159,547
Property Taxes Receivable	1,492		20,490
Due From Other Governments	33,229		
Interfund Receivables			
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 701,855</u>	<u>\$ 17,142</u>	<u>\$ 189,884</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,532	\$ 3,971	
Contracts and Benefits Payable	137,583	4,670	
Interfund Payables	35,939		
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>180,054</u>	<u>8,641</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows from Property Taxes	<u>74</u>	<u> </u>	<u>1,015</u>
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>74</u>	<u>0</u>	<u>1,015</u>
<u>FUND BALANCES</u>			
Restricted - Special Revenue Funds		8,501	
Restricted - Debt Service			188,869
Restricted - Capital Projects Fund			
Committed - General Fund	300,000		
Unassigned - General Fund	221,727		
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL FUND BALANCES</u>	<u>521,727</u>	<u>8,501</u>	<u>188,869</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>\$ 701,855</u>	<u>\$ 17,142</u>	<u>\$ 189,884</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 45,037	\$	\$ 72,026
8		826,689
9,107		31,089
	8,720	41,949
<u>13,282</u>	<u>22,657</u>	<u>35,939</u>
<u>\$ 67,434</u>	<u>\$ 31,377</u>	<u>\$ 1,007,692</u>
\$ 116	\$ 8,706	\$ 19,325
	9,586	151,839
		35,939
<u>116</u>	<u>18,292</u>	<u>207,103</u>
<u>451</u>		<u>1,540</u>
<u>451</u>	<u>0</u>	<u>1,540</u>
	13,085	21,586
		188,869
66,867		66,867
		300,000
		<u>221,727</u>
<u>66,867</u>	<u>13,085</u>	<u>799,049</u>
<u>\$ 67,434</u>	<u>\$ 31,377</u>	<u>\$ 1,007,692</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>REVENUES</u>			
Property Taxes	\$ 7,953		\$ 92,049
Property Tax Penalty and Interest	40		444
State Foundation Support	1,367,477		
Other State Support/Grants	101,036		4,660
Federal Revenue/Grants		\$ 57,887	
Other Local Revenue	53,528	8,756	
	<u>1,530,034</u>	<u>66,643</u>	<u>97,153</u>
<u>EXPENDITURES</u>			
Instruction	839,882		
Support	112,212		
General Administrative	251,255		
Custodial/Maintenance	153,896		
Student Transportation	93,176		
Non-Instructional - Food Service	1,230	69,827	
Capital Expenditures	1,028		
Debt Service - Principal			55,000
Debt Service - Interest & Costs			35,131
	<u>1,452,679</u>	<u>69,827</u>	<u>90,131</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>77,355</u>	<u>(3,184)</u>	<u>7,022</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments	2,421		382
Proceeds from Capital Leases			
Operating Transfers In (Out)	(54,545)		
	<u>(52,124)</u>	<u>0</u>	<u>382</u>
<u>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</u>	<u>25,231</u>	<u>(3,184)</u>	<u>7,404</u>
<u>FUND BALANCE - BEGINNING</u>	<u>496,496</u>	<u>11,685</u>	<u>181,465</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 521,727</u>	<u>\$ 8,501</u>	<u>\$ 188,869</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 40,296		\$ 140,298
206		690
		1,367,477
3,247	\$ 41,047	149,990
	93,479	151,366
	1,954	64,238
<u>43,749</u>	<u>136,480</u>	<u>1,874,059</u>
	124,678	964,560
	6,134	118,346
		251,255
22,722		176,618
		93,176
		71,057
90,940	15,268	107,236
31,701		86,701
269		35,400
<u>145,632</u>	<u>146,080</u>	<u>1,904,349</u>
<u>(101,883)</u>	<u>(9,600)</u>	<u>(30,290)</u>
7		2,810
90,940		90,940
49,728	4,817	0
<u>140,675</u>	<u>4,817</u>	<u>93,750</u>
38,792	(4,783)	63,460
<u>28,075</u>	<u>17,868</u>	<u>735,589</u>
<u>\$ 66,867</u>	<u>\$ 13,085</u>	<u>\$ 799,049</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total Governmental Fund Balances \$ 799,049

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, \$12,000 of non-depreciated assets plus \$2,955,536 net of accumulated depreciation of \$1,541,417. \$ 1,426,119

Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements. (15,485)

Bond premiums are financial resources to fund statements but are reported as earned for government-wide reporting. Bond premiums of \$31,014 net of amortization of \$13,959. (13,953)

Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds:

- Bond (715,000)
- Capital Lease (59,239)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 1,540

Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:

- Deferred Outflows Pension Obligations 278,788
- Deferred Inflows Pension Sources (265,869)
- Net Pension Liability (412,190)

Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements. 9,486

Net Changes 234,197

Net Position of Governmental Activities \$ 1,033,246

See accompanying notes to the basic financial statements

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Governmental Fund Balances \$ 63,460

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

- Depreciation	\$ (77,093)
- Capital Expenditures	96,417

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(1,922)
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Proceeds from bond premiums are listed as other financing sources in the funds but are reported as earned in the Statement of Activities	1,551
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Payments of bond and capital lease principal are considered as an expenditure for the funds statement but as a reduction of liability for the Statement of Activities.	86,701
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Proceeds obtained from capital lease transactions are not other financing resources for the Statement of Activities.	(90,940)
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Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	22,942
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In the Statement of Activities, interest is accrued on outstand bonds, whereas in governmental funds, an interest expenditure is reported when due.	(309)
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<u>Net Changes</u>	<u>37,347</u>
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<u>Change in Net Position of Governmental Activities</u>	<u>\$ 100,807</u>
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See accompanying notes to the basic financial statements

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	<u>\$ 37,489</u>
<u>Total Assets</u>	<u><u>\$ 37,489</u></u>
<u>Liabilities</u>	
Due to Student Groups	<u>\$ 37,489</u>
<u>Total Liabilities</u>	<u><u>\$ 37,489</u></u>

See accompanying notes to the basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Bliss Joint School District No. 234 are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2016.

The District is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. All operations controlled by the Board are included within these financial statements.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

B - REPORTING ENTITY

These financial statements present the District (the primary government) and any component units of the District. As defined by GASB No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on this definition, the District has no component units.

The District was established in 1921 under the laws and regulations of the State of Idaho. Idaho Code 33-301 *School Districts Bodies Corporate* states that each school district, now or hereafter established, when validly organized and existing, is declared to be a body corporate and politic, and in its corporate capacity may sue and be sued and may acquire, hold and convey real and personal property necessary to its establishment, extension and existence. It shall have authority to issue negotiable coupon bonds and incur such other debt, in the amounts and manner, as provided by law. Title 33 of Idaho statutes dictates the laws that the District must operate under. The District is governed by a Board of Trustees.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's federal grants, state grants, debt service, capital projects, plant facilities, and general administrative services are classified as governmental activities. The District has no services classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (local revenue, education foundation support, grants, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instruction, support, administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs. All interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. *GASBS No. 34* sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District can electively add funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for all financial resources restricted, committed or assigned for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The District has no enterprise funds.

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund maintained by the District is the student body account.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

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

1. Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

1. Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits of the District.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as "due to/from other funds." Short-term interfund loans are reported as "interfund receivable/payable ." Long-term interfund loans (noncurrent portion) are reported as "advances to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 7 for details of interfund transactions, including receivables and payables at year-end. All interfund activity has been eliminated in the government-wide statement of activity.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the District and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the District uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The District does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are decreases in net assets that relate to future periods and are reported in a separate section of its government-wide and governmental funds financial statements. Deferred outflows of resources from pension obligations affect the government-wide statements and no deferred outflows effect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

Deferred inflows of resources reflects an increase in net assets that applies to a future period(s) and is because the District will not recognize the related revenues until a future event occurs. The District's governmental funds report a separate section for deferred inflows of resources and has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The deferred outflows of resources reported in its government-wide financial statements is a deferred amount arising from the bond premium arising from when the bond was issued and pension sources. This deferred premium amount is being amortized over the remaining life of the bond as part of investment income.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the District has maintained a \$500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the District's financial statements and the District has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Description</u>	<u>Life</u>	<u>Capitalization Amount</u>
Aggregate Cost of Library Books	3	\$5,000
Automobiles	5 - 10	\$5,000
Office and Light-weight Equipment	5 - 10	\$5,000
Heavy Equipment	7 - 20	\$10,000
Buildings and Improvements	40	\$15,000
Infrastructure	50	\$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue 5 days personal leave each year. At the end of the year, the employees are paid for all unused personal days. The days are paid at the rate paid to substitutes and is included in their June pay check. Therefore, no liability for compensated absences has been incurred or recorded at year end.

Vacation and sick days are not allowed to be carried over at the District level. Therefore, there is no liability associated with vacation or sick leave days.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method. Bond premiums are reported in the deferred inflows of resources section in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and 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.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (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.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

1. At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
2. At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
3. The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
4. The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Investment in Capital Assets, Net of Related Debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable Fund Balance - 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.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority, the Board of Trustees.

Assigned Fund Balance - Includes amounts intended to be used by the District 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 - Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of Idaho Code Sections 33-701 and 67-1210. Under Idaho Code, the District, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At June 30, 2016, the District had a carrying value of cash deposits of \$109,515 and a bank balance of \$116,225. Of the total bank balance, all was insured through the Federal Depository Insurance Corporation (FDIC). Based on the above definitions, the District is subject to \$0 of concentration of credit risk.

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was \$826,689 (Idaho State Local Government Investment Pool) which approximates market value. The Idaho State Local Government Investment Pool has no credit rating.

Investments by the City in the State Treasury Pool are specifically excluded from reporting for custodial credit risk and concentration of credit risk by GASB 40.

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all 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 list of January 1, 2015, upon which the 2015 levy was based was \$79,186,106.

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2016, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

<u>Type</u>	<u>Rate</u>	<u>Maximum Rate</u>
General	0.0000	Not Allowed
Tort	0.0083	No Limit
Debt Service	0.1137	Voter Approved
Plant Facility	0.0505	Voter Approved

At June 30, 2016, the components of taxes receivable are as follows:

<u>Property Tax year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Plant Facilities</u>	<u>Total</u>
2015	\$ 1,441	\$ 19,843	\$ 8,827	\$ 30,111
2014	36	479	208	723
2013	15	161	72	248
2012	7	7	7	7
<u>Total</u>	<u>\$ 1,492</u>	<u>\$ 20,490</u>	<u>\$ 9,107</u>	<u>\$ 31,089</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2016, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2016, are deferred inflows of resources (deferred revenue). The components of deferred inflows of resources are as follows:

Fund	Amount
General Fund	\$ 74
Debt Service	1,015
Plant Facilities	451
<u>Total</u>	<u>\$ 1,540</u>

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount. Also, the above deferred amounts are not included in the government-wide statements.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho through the School Foundation Program. All federal grants received by the District are passed through the State Department of Education. Amounts due from federal and state governments at June 30, 2016, are as follows:

Source - Description	General Fund	Special Revenue	Total
State - Foundation	\$ 33,229		\$ 33,229
State - Drivers Education		\$ 750	750
State - Professional Technical		7,970	7,970
<u>Total</u>	<u>\$ 33,229</u>	<u>\$ 8,720</u>	<u>\$ 41,949</u>

NOTE 5 - 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 reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 - RISK MANAGEMENT (Continued)

The District controls risk of loss by having adequate insurance coverage. The type and coverage amount is listed below:

Workers Compensation Insurance	Limited by State Law
General Liability	\$ 2,000,000
Building	10,000,000
Auto	3,000,000
Criminal Acts	500,000
Errors and Omissions	2,000,000
Chemical Spraying	500,000
Equipment Breakdown	5,000,000

The District believes that the above coverage is proper to protect the District from any losses.

NOTE 6 - CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2016, was as follows:

	Primary Government - Governmental Activities			
	Beginning Balance	Additions	Retirements	Ending Balance
Not being depreciated:				
Land	\$ 12,000			\$ 12,000
Subtotal	12,000	\$ 0	\$ 0	12,000
Other capital assets:				
Buildings and Improvements	2,267,418			2,267,418
Library	322,745	5,477		328,222
Heavy Equipment and Busses	254,349	90,940	51,323	293,966
Equipment	65,930			65,930
Subtotal	2,910,442	96,417	51,323	2,955,536
Less accumulated depreciation for:				
Buildings and Improvements	(920,802)	(45,612)		(966,414)
Library	(322,736)	(1,826)		(324,562)
Heavy Equipment and Busses	(210,414)	(28,244)	(51,323)	(187,335)
Equipment	(61,695)	(1,411)		(63,106)
Subtotal	(1,515,647)	(77,093)	(51,323)	(1,541,417)
Net Other Capital Assets	1,394,795	19,324	0	1,414,119
Net Capital Assets	<u>\$ 1,406,795</u>	<u>\$ 19,324</u>	<u>\$ 0</u>	<u>\$ 1,426,119</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 45,969
Support	0
General Administrative	1,802
Transportation	28,244
Non-Instructional	<u>1,078</u>
Total	<u>\$ 77,093</u>

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2016, are summarized below:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
Transfers:			
To cover current expenditures	Capital Projects	General Fund	\$ 49,728
To cover current expenditures	Special Revenue	General Fund	\$ 4,817
Due To/From:			
To cover past over expenditures	General Fund	Special Revenue	\$ 22,657
To cover past over expenditures	General Fund	Capital Projects	\$ 22,657

NOTE 8 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2016, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements are contained on pages 56 to 57. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 9 - RETIREMENT PLAN

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.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 - RETIREMENT PLAN (Continued)

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

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

Retirees and beneficiaries currently receiving benefits	42,657
Terminated employees entitled to but not yet receiving benefits	11,859
Active plan members	<u>67,008</u>
Total	<u><u>121,524</u></u>

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% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. The District's employer contributions required and paid were \$101,881, \$109,447 and \$100,845 for the three years ended June 30, 2016, 2015, and 2014, respectively.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 - RETIREMENT PLAN (Continued)

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2015, the District's proportion was .0313015 percent.

For the year ended June 30, 2016, the District recognized pension expense (revenue) of \$82,139. At June 30, 2016, 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	\$ -	\$ 49,413
Changes in assumptions or other inputs	15,011	-
Net difference between projected and actual earnings on pension plan investments	151,697	216,456
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	10,199	-
District contributions subsequent to the measurement date	<u>101,881</u>	<u>-</u>
Total	<u>\$ 278,788</u>	<u>\$ 265,869</u>

\$101,881 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 and 5.6 for the measurement period ended June 30, 2014.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 - RETIREMENT PLAN (Continued)

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

Year ended		
<u>June 30,</u>		
2016	\$	(42,282)
2017	\$	(42,282)
2018	\$	(42,282)
2019	\$	30,689
2020	\$	(3,003)
Thereafter	\$	-

Actuarial Assumptions

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

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

Inflation	3.25%
Salary increases	4.5 – 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 experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation for that date.

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.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 - RETIREMENT PLAN (Continued)

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%	6.90%
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			<u>0.40%</u>
Long-Term Expected Rate of Return, Net of Investment Expenses			<u><u>7.10%</u></u>

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 District'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:

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 - RETIREMENT PLAN (Continued)

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,003,945	\$ 412,190	\$ (79,776)

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, 2016, 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.

NOTE 10 - DEBT

The following is a summary of the District's long-term debt obligations and transactions for the year ended June 30, 2016:

	Outstanding Amount Beginning	Issued	Retired	Outstanding Amount Ending
Capital Lease - Thomas School Bus	\$ 0	\$ 90,940	\$ 31,701	\$ 59,239
Bond Issue - Series 2005	770,000		55,000	715,000
<u>Total</u>	\$ 977,396	\$ 90,940	\$ 86,701	\$ 774,239

Bond premium is being amortized over the life of the bond. Original amount of premium was \$31,014 with \$15,510 amortized to date. Current amount amortized was \$1,551.

The annual requirements to amortize the capital lease at 2.98% as of June 30, 2016, is as follows:

Year Ended June 30,	Principal	Interest	Total
2017	\$ 14,179	\$ 1,766	\$ 15,945
2018	14,602	1,343	15,945
2019	15,037	908	15,945
2020	15,421	524	15,945
	\$ 59,239	\$ 4,541	\$ 63,780

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - DEBT (Continued)

The annual requirements to amortize the bond issue at 4.36% as of June 30, 2016, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 55,000	\$ 32,963	\$ 87,963
2018	60,000	30,360	90,360
2019	65,000	27,500	92,500
2020	65,000	24,412	89,412
2021	70,000	21,325	91,325
2022	75,000	18,000	93,000
2023	75,000	14,625	89,625
2024	80,000	11,250	91,250
2025	85,000	7,650	92,650
2026	85,000	3,825	88,825
<u>Total</u>	<u>\$ 715,000</u>	<u>\$ 191,910</u>	<u>\$ 906,910</u>

NOTE 11 - REQUIRED DISCLOSURE - DEFICIT FUND BALANCES

The following nonmajor funds had deficit fund balances at June 30, 2016:

Title I-A Local Program	\$ (18,835)
Title II Improving Teacher Quality	(2,136)
REAP Program	(5,207)
Special Education—Grants to States (IDEA, Part B)	(4,510)

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Bliss Joint School District No. 234 has not implemented Governmental Accounting Standards Board (GASB) Statement 45. Statement 45 is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other postemployment benefits (OPEB) other than pensions. Reported OPEBs may include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Typically an actuary (or actuaries) with both pension and health experience must perform the calculations following generally accepted actuarial methods. GASB 45 was instigated by the Governmental Accounting Standards Board (GASB) in July, 2004, because of the growing concern over the potential magnitude of government employer obligations for postemployment benefits.

Plan Description

The District participates in a postretirement health insurance program administered by Public Employee Retirement System of Idaho (PERSI). PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave.

Funding Policy

Payment to the Fund is done monthly and is based on a percentage of salary. The percentage is determined by PERSI and reported and paid by the District on a monthly basis.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of *GASB 45* is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 456,011	\$ 456,011	\$ 496,496	\$ 40,485
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	8,845	8,845	7,953	(892)
Property Tax Penalty and Interest			40	40
Earnings on Investments	1,000	1,000	2,421	1,421
Other Local Revenue			53,528	53,528
<u>Total Local Revenue</u>	<u>9,845</u>	<u>9,845</u>	<u>63,942</u>	<u>54,097</u>
<u>State Revenue</u>				
Base Support Program	1,119,635	1,119,635	1,145,732	26,097
Transportation Support	61,537	61,537	65,788	4,251
Benefit Apportionment	152,628	152,628	155,957	3,329
Other State Support	106,919	106,919	101,036	(5,883)
<u>Total State Revenue</u>	<u>1,440,719</u>	<u>1,440,719</u>	<u>1,468,513</u>	<u>27,794</u>
<u>Federal Revenue</u>				
Indirect Federal Revenue	0	0	0	0
<u>Total Federal Revenue</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Transfers From Other Funds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Amounts Available for Appropriations</u>	<u>1,906,575</u>	<u>1,906,575</u>	<u>2,028,951</u>	<u>122,376</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	297,396	297,396	297,124	272
Benefits	99,145	99,145	90,068	9,077
Purchased Services	200	200	27,261	(27,061)
Supplies	8,950	8,950	8,246	704
<u>Total Elementary School Program</u>	<u>405,691</u>	<u>405,691</u>	<u>422,699</u>	<u>(17,008)</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Secondary School Program</u>				
Salaries	\$ 273,783	\$ 273,783	\$ 274,277	\$ (494)
Benefits	82,779	82,779	83,242	(463)
Purchased Services	200	200	535	(335)
Supplies	4,850	4,850	3,710	1,140
<u>Total Secondary School Program</u>	<u>361,612</u>	<u>361,612</u>	<u>361,764</u>	<u>(152)</u>
<u>Exceptional Child Program</u>				
Salaries	24,900	24,900	24,894	6
Benefits	9,018	9,018	8,981	37
Supplies			102	(102)
<u>Total Exceptional Child Program</u>	<u>33,918</u>	<u>33,918</u>	<u>33,977</u>	<u>(59)</u>
<u>Interscholastic</u>				
Salaries	16,500	16,500	14,425	2,075
Benefits	3,404	3,404	2,143	1,261
Purchased Services	3,100	3,100	2,065	1,035
Supplies	2,000	2,000	2,809	(809)
Capital Expenditures			523	(523)
<u>Total Interscholastic</u>	<u>25,004</u>	<u>25,004</u>	<u>21,965</u>	<u>3,039</u>
<u>School Activity</u>				
Supplies	1,100	1,100	0	1,100
<u>Total School Activity</u>	<u>1,100</u>	<u>1,100</u>	<u>0</u>	<u>1,100</u>
<u>Total Instructional</u>	<u>827,325</u>	<u>827,325</u>	<u>840,405</u>	<u>(13,080)</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Support</u>				
<u>Guidance</u>				
Salaries	\$ 16,268	\$ 16,268	\$ 21,892	\$ (5,624)
Benefits	5,866	5,866	1,837	4,029
Purchased Services	830	830	0	830
Supplies	100	100	20	80
<u>Total Guidance</u>	<u>23,064</u>	<u>23,064</u>	<u>23,749</u>	<u>(685)</u>
<u>Special Services</u>				
Purchased Services	8,300	8,300	8,300	0
<u>Total Special Services</u>	<u>8,300</u>	<u>8,300</u>	<u>8,300</u>	<u>0</u>
<u>Instruction Improvement Program</u>				
Purchased Services	15,000	15,000	11,532	3,468
Supplies	44,275	44,275	15,416	28,859
<u>Total Instruction Improvement Program</u>	<u>59,275</u>	<u>59,275</u>	<u>26,948</u>	<u>32,327</u>
<u>Educational Media Program</u>				
Salaries	5,166	5,166	5,166	0
Benefits	2,248	2,248	3,610	(1,362)
Purchased Services	250	250	0	250
Supplies	500	500	219	281
<u>Total Educational Media Program</u>	<u>8,164</u>	<u>8,164</u>	<u>8,995</u>	<u>(831)</u>
<u>Instructional Technology Program</u>				
Purchased Services	46,112	46,112	44,155	1,957
Supplies			65	(65)
<u>Total Instructional Technology Program</u>	<u>46,112</u>	<u>46,112</u>	<u>44,220</u>	<u>1,892</u>
<u>Total Support</u>	<u>144,915</u>	<u>144,915</u>	<u>112,212</u>	<u>32,703</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>General Administrative</u>				
<u>Board of Education</u>				
Benefits	\$ 1,175	\$ 1,175	\$ 1,000	\$ 175
Purchased Services	9,300	9,300	9,124	176
Supplies	500	500	1,240	(740)
Insurance	5,100	5,100	5,100	0
<u>Total Board of Education</u>	<u>16,075</u>	<u>16,075</u>	<u>16,464</u>	<u>(389)</u>
<u>District Administration</u>				
Salaries	98,083	98,083	98,083	0
Benefits	31,282	31,282	33,072	(1,790)
Purchased Services	1,480	1,480	1,569	(89)
Supplies	100	100	100	100
<u>Total District Administration</u>	<u>130,945</u>	<u>130,945</u>	<u>132,724</u>	<u>(1,779)</u>
<u>School Administration</u>				
Salaries	19,785	19,785	19,789	(4)
Benefits	8,949	8,949	8,886	63
Purchased Services	3,700	3,700	3,655	45
Supplies	4,884	4,884	4,054	830
<u>Total School Administration</u>	<u>37,318</u>	<u>37,318</u>	<u>36,384</u>	<u>934</u>
<u>Business Operations</u>				
Salaries	48,740	48,740	48,449	291
Benefits	14,868	14,868	14,663	205
Purchased Services	4,000	4,000	1,605	2,395
Supplies	500	500	966	(466)
Capital Expenditure	500	500	505	(505)
<u>Total Business Operations</u>	<u>68,108</u>	<u>68,108</u>	<u>66,188</u>	<u>1,920</u>
<u>Total General Administrative</u>	<u>252,446</u>	<u>252,446</u>	<u>251,760</u>	<u>686</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	\$ 22,832	\$ 22,832	\$ 26,864	\$ (4,032)
Benefits	17,061	17,061	22,783	(5,722)
Purchased Services	63,591	63,591	56,629	6,962
Supplies	6,000	6,000	6,752	(752)
Liability Insurance	7,666	7,666	7,666	0
<u>Total Custodians</u>	<u>117,150</u>	<u>117,150</u>	<u>120,694</u>	<u>(3,544)</u>
<u>Non-student Maintenance</u>				
Salaries	5,238	5,238	7,587	(2,349)
Benefits	2,463	2,463	2,929	(466)
<u>Total Non-student Maintenance</u>	<u>7,701</u>	<u>7,701</u>	<u>10,516</u>	<u>(2,815)</u>
<u>Maintenance</u>				
Salaries	15,712	15,712	14,091	1,621
Benefits	7,473	7,473	7,799	(326)
Purchased Services			43	(43)
Supplies	1,300	1,300	146	1,154
<u>Total Non-student Maintenance</u>	<u>24,485</u>	<u>24,485</u>	<u>22,079</u>	<u>2,406</u>
<u>Maintenance - Grounds</u>				
Purchased Services	400	400	130	270
Supplies			477	(477)
<u>Total NonMaintenance - Grounds</u>	<u>400</u>	<u>400</u>	<u>607</u>	<u>(207)</u>
<u>Total Custodial / Maintenance</u>	<u>149,736</u>	<u>149,736</u>	<u>153,896</u>	<u>(4,160)</u>
<u>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	34,821	34,821	43,166	(8,345)
Benefits	19,224	19,224	20,167	(943)
Purchased Services	15,600	15,600	13,163	2,437
Supplies	16,200	16,200	12,547	3,653
Insurance	0	0	0	0
<u>Total School Transportation</u>	<u>85,845</u>	<u>85,845</u>	<u>89,043</u>	<u>(3,198)</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Activity Transportation</u>				
Salaries	3,165	3,165	3,595	(430)
Benefits	300	300	0	300
Supplies	1,000	1,000	538	462
<u> Total Activity Transportation</u>	<u>4,465</u>	<u>4,465</u>	<u>4,133</u>	<u>332</u>
<u> Total Transportation</u>	<u>90,310</u>	<u>90,310</u>	<u>93,176</u>	<u>(2,866)</u>
<u>Non-Instructional</u>				
Benefits	1,607	1,607	1,230	377
<u> Total Non-Instructional</u>	<u>1,607</u>	<u>1,607</u>	<u>1,230</u>	<u>377</u>
<u>Interfund Transfers</u>	<u>6,396</u>	<u>6,396</u>	<u>54,545</u>	<u>(48,149)</u>
<u> Total Charges to Appropriations</u>	<u>1,472,735</u>	<u>1,472,735</u>	<u>1,507,224</u>	<u>(34,489)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 433,840</u>	<u>\$ 433,840</u>	<u>\$ 521,727</u>	<u>\$ 87,887</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 11,685</u>	<u>\$ (315)</u>
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	6,600	6,600	6,095	(505)
Adult Meal Sales	2,400	2,400	1,807	(593)
Other Local Revenue			854	854
<u>Total Local Revenue</u>	<u>9,000</u>	<u>9,000</u>	<u>8,756</u>	<u>(244)</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	67,400	67,400	57,887	(9,513)
<u>Total Federal Revenue</u>	<u>67,400</u>	<u>67,400</u>	<u>57,887</u>	<u>(9,513)</u>
<u>Amounts Available for Appropriations</u>	<u>88,400</u>	<u>88,400</u>	<u>78,328</u>	<u>(10,072)</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	19,767	19,767	19,697	70
Benefits	11,242	11,242	9,348	1,894
Purchased Services	371	371	1,340	(969)
Supplies	45,020	45,020	39,442	5,578
<u>Total Non-Instructional</u>	<u>76,400</u>	<u>76,400</u>	<u>69,827</u>	<u>6,573</u>
<u>Total Charges to Appropriations</u>	<u>76,400</u>	<u>76,400</u>	<u>69,827</u>	<u>6,573</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 8,501</u>	<u>\$ (3,499)</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered- employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.0313015%	\$ 412,190	\$ 900,008	45.80%	91.38%
2015	0.0314911%	\$ 231,824	\$ 966,486	23.99%	94.95%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*
2007	*	*	*	*	*

Data reported is measured as of July 1, 2015

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Statutorily required	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2016	\$ 101,881	\$ 101,881	\$ -	\$ 900,008	11.32%
2015	\$ 109,447	\$ 109,447	\$ -	\$ 966,486	11.32%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*
2007	*	*	*	*	*

Data reported is measured as of June 30, 2016

* 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.

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	<u>General Fund</u>	<u>Food Service</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,028,951	\$ 78,328
<u>Differences - Budget to GAAP</u>		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(496,496)	(11,685)
Earnings from investments are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,421)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,530,034</u>	<u>\$ 66,643</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,507,224	\$ 69,827
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>(54,545)</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,452,679</u>	<u>\$ 69,827</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 2 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund	\$ 1,472,735	\$ 1,507,224	\$ (34,489)

NOTE 3 - BUDGETING PROCEDURES

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

1. At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
2. At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
3. The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
4. The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

NOTE 4 - PENSION DISCLOSURES

The following information is required to be disclosed as it relates to the pension:

- Changes of benefit terms: None
- Changes in composition of the population covered by the benefit terms: None
- Changes of assumptions: None

SUPPLEMENTAL INFORMATION SECTION

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Driver's Education</u>	<u>State Professional Technical</u>	<u>Basic Technology Grant</u>	<u>Title I-A Local Program</u>
<u>ASSETS</u>				
Interfund Receivable		\$ 1,759	\$ 41,366	
Due From Other Governments	\$ 750	7,970		
<u>TOTAL ASSETS</u>	<u>\$ 750</u>	<u>\$ 9,729</u>	<u>\$ 41,366</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable		\$ 8,204		\$ 102
Interfund Payable	\$ 750			13,212
Contracts and Benefits Payable		719		5,521
<u>TOTAL LIABILITIES</u>	<u>750</u>	<u>8,923</u>	<u>\$ 0</u>	<u>18,835</u>
<u>FUND BALANCES</u>				
Unreserved	<u>0</u>	<u>806</u>	<u>41,366</u>	<u>(18,835)</u>
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>806</u>	<u>41,366</u>	<u>(18,835)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 750</u>	<u>\$ 9,729</u>	<u>\$ 41,366</u>	<u>\$ 0</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Title I-C Migrant</u>	<u>Title VI-B School Age</u>	<u>Title VI-B Preschool</u>	<u>REAP Grant</u>
<u>ASSETS</u>				
Interfund Receivable			\$ 47	
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable				
Interfund Payable		\$ 1,909		\$ 5,207
Contracts and Benefits Payable		2,601		
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>4,510</u>	<u>\$ 0</u>	<u>5,207</u>
<u>FUND BALANCES</u>				
Unreserved	0	(4,510)	47	(5,207)
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>(4,510)</u>	<u>47</u>	<u>(5,207)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47</u>	<u>\$ 0</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Improving Teacher Quality</u>	<u>State Drug Free</u>	<u>Total</u>
<u>ASSETS</u>			
Interfund Receivable		\$ 1,954	\$ 45,126
Due From Other Governments			8,720
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 1,954</u>	<u>\$ 53,846</u>
 <u>LIABILITIES</u>			
Accounts Payable		\$ 400	\$ 8,706
Interfund Payable	\$ 1,391		22,469
Contracts and Benefits Payable	745		9,586
<u>TOTAL LIABILITIES</u>	<u>2,136</u>	<u>\$ 400</u>	<u>40,761</u>
 <u>FUND BALANCES</u>			
Unreserved	(2,136)	1,554	13,085
<u>TOTAL FUND BALANCES</u>	<u>(2,136)</u>	<u>1,554</u>	<u>13,085</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>			
	<u>\$ 0</u>	<u>\$ 1,954</u>	<u>\$ 53,846</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Driver's Education</u>	<u>State Professional Technical</u>	<u>Basic Technology Grant</u>	<u>Title I-A Local Program</u>
<u>REVENUES</u>				
Local		\$ 1,954		
State	\$ 750	20,925	\$ 15,715	
Federal				\$ 50,052
	<u>750</u>	<u>22,879</u>	<u>15,715</u>	<u>50,052</u>
<u>TOTAL REVENUES</u>				
	<u>750</u>	<u>22,879</u>	<u>15,715</u>	<u>50,052</u>
<u>EXPENDITURES</u>				
Instructional	900	17,843		58,876
Support			5,938	
Administrative				
Non-Instructional - Food Service				
Capital Expenditures		4,773	4,500	5,995
	<u>900</u>	<u>22,616</u>	<u>10,438</u>	<u>64,871</u>
<u>TOTAL EXPENDITURES</u>				
	<u>900</u>	<u>22,616</u>	<u>10,438</u>	<u>64,871</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>				
	<u>(150)</u>	<u>263</u>	<u>5,277</u>	<u>(14,819)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers	3,322			
	<u>3,322</u>			
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>				
	<u>3,322</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	3,172	263	5,277	(14,819)
<u>FUND BALANCE - BEGINNING</u>				
	<u>(3,172)</u>	<u>543</u>	<u>36,089</u>	<u>(4,016)</u>
<u>FUND BALANCE - ENDING</u>				
	<u>\$ 0</u>	<u>\$ 806</u>	<u>\$ 41,366</u>	<u>\$ (18,835)</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Title I-C Migrant</u>	<u>Title VI-B School Age</u>	<u>Title VI-B Preschool</u>	<u>REAP Grant</u>
<u>REVENUES</u>				
Local				
State				
Federal		\$ 32,837	\$ 45	\$ 5,436
	<u>0</u>	<u>32,837</u>	<u>45</u>	<u>5,436</u>
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>32,837</u>	<u>45</u>	<u>5,436</u>
<u>EXPENDITURES</u>				
Instructional		26,572		10,642
Support				
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				
	<u>0</u>	<u>26,572</u>	<u>0</u>	<u>10,642</u>
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>26,572</u>	<u>0</u>	<u>10,642</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>6,265</u>	<u>45</u>	<u>(5,206)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers	1,495			
	<u>1,495</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>1,495</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	1,495	6,265	45	(5,206)
<u>FUND BALANCE - BEGINNING</u>	<u>(1,495)</u>	<u>(10,775)</u>	<u>2</u>	<u>(1)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ (4,510)</u>	<u>\$ 47</u>	<u>\$ (5,207)</u>

Continued

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Improving Teacher Quality</u>	<u>State Drug Free</u>	<u>Total</u>
<u>REVENUES</u>			
Local			\$ 1,954
State		\$ 3,657	41,047
Federal	\$ 5,109		93,479
	<u>5,109</u>	<u>3,657</u>	<u>136,480</u>
<u>EXPENDITURES</u>			
Instructional	4,929	4,916	124,678
Support	196		6,134
Administrative			0
Non-Instructional - Food Service			0
Capital Expenditures			15,268
	<u>5,125</u>	<u>4,916</u>	<u>146,080</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>			
	<u>(16)</u>	<u>(1,259)</u>	<u>(9,600)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund Transfers			4,817
	<u>0</u>	<u>0</u>	<u>4,817</u>
<u>NET CHANGE IN FUND BALANCE</u>			
	(16)	(1,259)	(4,783)
<u>FUND BALANCE - BEGINNING</u>			
	<u>(2,120)</u>	<u>2,813</u>	<u>17,868</u>
<u>FUND BALANCE - ENDING</u>			
	<u>\$ (2,136)</u>	<u>\$ 1,554</u>	<u>\$ 13,085</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	<u>Capital Construction Fund</u>	<u>Plant Facilities Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash		\$ 45,037	\$ 45,037
Investments		8	8
Property Taxes Receivable		9,107	9,107
Interfund Receivable		13,282	13,282
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 67,434</u>	<u>\$ 67,434</u>
 <u>LIABILITIES</u>			
Accounts Payable		\$ 116	\$ 116
Interfund Payable			0
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>116</u>	<u>116</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows From Property Taxes		451	451
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>0</u>	<u>451</u>	<u>451</u>
 <u>FUND BALANCES</u>			
Restricted	0	66,867	66,867
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>66,867</u>	<u>66,867</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
	<u>\$ 0</u>	<u>\$ 67,434</u>	<u>\$ 67,434</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Capital Construction Fund</u>	<u>Plant Facilities Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Property Taxes		\$ 40,296	\$ 40,296
Property Tax Penalty and Interest		206	206
Other State Support/Grants		3,247	3,247
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>43,749</u>	<u>43,749</u>
 <u>EXPENDITURES</u>			
Purchased Services		10,318	10,318
Supplies		12,404	12,404
Capital Outlay		90,940	90,940
Debt Service - Principal		31,701	31,701
Debt Service - Interest		269	269
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>145,632</u>	<u>145,632</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	 <u>0</u>	 <u>(101,883)</u>	 <u>(101,883)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Earnings from Investments		7	7
Proceeds from Capital Leases		90,940	90,940
Interfund Transfers	(2,434)	52,162	49,728
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(2,434)</u>	<u>143,109</u>	<u>140,675</u>
 <u>NET CHANGE IN FUND BALANCE</u>	 <u>(2,434)</u>	 <u>41,226</u>	 <u>38,792</u>
 <u>FUND BALANCE - BEGINNING</u>	 <u>2,434</u>	 <u>25,641</u>	 <u>28,075</u>
 <u>FUND BALANCE - ENDING</u>	 <u>\$ 0</u>	 <u>\$ 66,867</u>	 <u>\$ 66,867</u>

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
SCHEDULE OF CHANGE IN NET POSITION - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers In (Out)</u>	<u>Ending Balance</u>
Student Body	\$ 4,172.58	\$ 775.37	\$ 1,332.64	\$	\$ 3,615.31
Mona Maag Scholarship	2,874.38	1,125.00	1,600.00		2,399.38
SB Class Trip	8,650.95	8,109.59	5,495.95	(248.00)	11,016.59
Box Tops	521.53	262.00	216.58		566.95
Annual	744.14	725.00			1,469.14
Assembly	1,611.21	485.00			2,096.21
IDLA	125.00	450.00	675.00		(100.00)
Activity Cards	0.00	603.50		(298.00)	305.50
Athletics	(1,190.66)	4,830.16	4,573.17	88.00	(845.67)
RCD Raffle	1,605.00	500.00	1,500.00		605.00
Future Farmers of America	1,226.60	7,865.87	6,272.83	(60.00)	2,759.64
Greenhouse	1,944.32	1,683.75	1,120.33		2,507.74
Shop	410.22	46.70			456.92
Music	226.68	39.50	150.69		115.49
Library	77.22				77.22
Cheerleading	72.43				72.43
Sunshine Club	567.72	190.00	76.97		680.75
Book Damage	982.00				982.00
Driver's Education	400.00	500.00	750.00		150.00
Girls Basketball	750.00		535.47		214.53
Girls Soccer	246.83				246.83
Boys Basketball	810.16		546.80		263.36
Wood Shop	2,100.60				2,100.60
Idaho Lottery	539.00		539.00		0.00
Ski Club	182.44				182.44
Bear Factory - Home Ec	2,005.57	5,574.79	6,386.69	518.00	1,711.67
Bear Factory - Ag	2,336.70	1,440.00	51.78		3,724.92
Bear Factory - Business	114.31				114.31
Total	<u>\$ 34,106.93</u>	<u>\$ 35,206.23</u>	<u>\$ 31,823.90</u>	<u>\$ 0.00</u>	<u>\$ 37,489.26</u>

R. MICHAEL BURR

Certified Public Accountant

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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

Chairman and Board of Trustees
Bliss Joint School District No. 234
Bliss, ID 83314

September 10, 2016

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bliss Joint School District No. 234, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bliss Joint School District No. 234's basic financial statements and have issued my report thereon dated September 10, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Bliss Joint School District No. 234's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bliss Joint School District No. 234's internal control. Accordingly, I do not express an opinion on the effectiveness of Bliss Joint School District No. 234's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be material weaknesses, 2016-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bliss Joint School District No. 234's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Bliss Joint School District No. 234's Response to Findings

Bliss Joint School District No. 234's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Bliss Joint School District No. 234's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

BLISS JOINT SCHOOL DISTRICT NO. 234
BLISS, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016

FINDING 2016-001: Lack of Segregation of Duties

Condition: Only one person is employed by the District in the accounting department which does not allow for a strict segregation of duties.

Criteria: Segregation of duties is an internal control that should be in place to provide reasonable assurance that one person does not have complete control over the entire accounting system.

Cause: There are not enough personnel hired to segregate the accounting functions.

Effect: May allow for misstatement of general purpose financial statements and misuse of assets.

Recommendation: Hire additional staff to provide a proper segregation of duties.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, due to a lack of financial resources to pay for the additional staff and other controls currently in place, no action will be taken at this point.

Summary Schedule of Prior Audit Findings

Finding 2015-001 Lack of Segregation of Duties

The District believes that this finding applies only to the financial reporting and does not effect the federal award programs. No corrective action was taken.