

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended June 30, 2014

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Salmon River Joint School District No. 243

Title Page

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
133 North Main
P.O. Box 50
Riggins, ID 83549

Board of Trustees

Richard Friend

Chairman

Seth Allen

Vice-Chairman

Barbara Hawkins

Trustee

Eric Hook

Trustee

Administrators

James Doramus

Superintendent

Michelle Hollon

Business Manager/Treasurer



Certified Public Accountants

James Washburn, CPA
Weston Flamm, CPA
Cassie Zattiero, CPA
Leroy Loomis, CPA

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Independent Auditor's Report

To the Board of Trustees
Salmon River Joint School District No. 243
Riggins, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Salmon River Joint School District No. 243** as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Salmon River Joint School District No. 243**, as of June 30, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining balance sheet – nonmajor governmental funds and the combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet – nonmajor governmental funds and the combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental funds, 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 our opinion the combining balance sheet – nonmajor governmental funds and the combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental schedules of revenues by source and expenditures by object – budget and actual – General fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2014, on our consideration of **Salmon River Joint School District No. 243's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bailey & Co.

Nampa, Idaho
September 15, 2014

Salmon River Joint School District No. 243
Statement of Net Position
For the Year Ended June 30, 2014

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 1,216,725
Receivables, Net:	
Property Taxes	242,990
Intergovernmental	125,996
Capital Assets:	
Land	25,126
Buildings, Net	87,408
Equipment, Net	51,516
Vehicles, Net	56,860
Total Capital Assets	220,910
Total Assets	1,806,621
 Deferred Outflows	
	0
 Liabilities	
Accounts Payable and Other Current Liabilities	65,063
Salaries and Benefits Payable	180,630
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	8,525
Due in More Than One Year:	
Compensated Absences	0
Total Liabilities	254,218
 Deferred Inflows	
	0
 Net Position	
Investment in Capital Assets	220,910
Restricted for:	
Capital Projects	95,904
Special Revenue	736,813
Unrestricted (Deficit) Surplus	498,776
Total Net Position	\$ 1,552,403

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues				Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions			
Primary Government:						
Governmental Activities:						
Instruction	\$ 1,032,467	\$ 0	\$ 150,880	\$ 0		\$ (881,587)
Support Services	963,048	17,186	283,358	0		(662,504)
Food Service	91,705	14,071	50,776	0		(26,858)
Total Governmental Activities	\$ 2,087,220	\$ 31,257	\$ 485,014	\$ 0		(1,570,949)
General Revenues:						
						532,325
						1,151,737
						12,754
						1,696,816
						125,867
						1,426,536
						\$ 1,552,403

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
 Balance Sheet -
 Governmental Funds
 For the Year Ended June 30, 2014

	General	Forest Fund	Capital Projects
Assets			
Cash and Cash Equivalents	\$ 367,162	\$ 721,672	\$ 95,904
Receivables:			
Property Taxes	242,990	0	0
Intergovernmental	35,883	0	0
Internal Balances	33,776	0	0
Total Assets	679,811	721,672	95,904
Deferred Outflows	0	0	0
Total Assets and Deferred Outflows	\$ 679,811	\$ 721,672	\$ 95,904
Liabilities			
Accounts Payable	\$ 14,359	\$ 0	\$ 0
Salaries and Benefits Payable	160,781	0	0
Total Liabilities	175,140	0	0
Deferred Inflows			
Unavailable Property Taxes	107,408	0	0
Fund Balances			
Restricted	0	721,672	95,904
Unassigned	397,263	0	0
Total Fund Balances	397,263	721,672	95,904
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 679,811	\$ 721,672	\$ 95,904

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
 Balance Sheet -
 Governmental Funds (continued)
 For the Year Ended June 30, 2014

	21 CCLC Grant	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 12,039	\$ 19,948	\$ 1,216,725
Receivables:			
Property Taxes	0	0	242,990
Intergovernmental	40,991	49,122	125,996
Internal Balances	0	0	33,776
Total Assets	<u>53,030</u>	<u>69,070</u>	<u>1,619,487</u>
Deferred Outflows	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows	<u>\$ 53,030</u>	<u>\$ 69,070</u>	<u>\$ 1,619,487</u>
Liabilities			
Accounts Payable	\$ 50,126	\$ 578	\$ 65,063
Internal Balances	0	33,776	33,776
Salaries and Benefits Payable	0	19,849	180,630
Total Liabilities	<u>50,126</u>	<u>54,203</u>	<u>279,469</u>
Deferred Inflows			
Unavailable Property Taxes	<u>0</u>	<u>0</u>	<u>107,408</u>
Fund Balances			
Restricted	2,904	15,141	835,621
Unassigned	0	(274)	396,989
Total Fund Balances	<u>2,904</u>	<u>14,867</u>	<u>1,232,610</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 53,030</u>	<u>\$ 69,070</u>	<u>\$ 1,619,487</u>

The accompanying notes are an integral
 part of the financial statements.

Salmon River Joint School District No. 243
 Reconciliation of the Balance Sheet of the Governmental
 Funds to the Statement of Net Position
 For the Year Ended June 30, 2014

Total Fund Balances - Governmental Funds \$ 1,232,610

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:

Land	\$ 25,126	
Buildings, Net of \$1,039,043 Accumulated Depreciation	87,408	
Equipment, Net of \$76,843 Accumulated Depreciation	51,516	
Vehicles, Net of \$312,150 Accumulated Depreciation	<u>56,860</u>	
		220,910

Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred inflows in the funds. 107,408

Compensated absences applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. (8,525)

Total Net Position-Governmental Activities \$ 1,552,403

The accompanying notes are an integral
 part of the financial statements.

Salmon River Joint School District No. 243
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014

	General	Forest Fund	Capital Projects
Revenues			
Property Taxes	\$ 509,303	\$ 0	\$ 0
Federal Sources	2,688	117,103	0
State Sources	1,147,726	0	0
Charges for Services	17,186	0	0
Other	10,064	298	42
Total Revenues	<u>1,686,967</u>	<u>117,401</u>	<u>42</u>
Expenditures			
Current:			
Instruction	841,559	0	0
Support Services	779,893	33,644	0
Food Service	2,275	0	0
Capital Outlay	705	26,644	0
Total Expenditures	<u>1,624,432</u>	<u>60,288</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>62,535</u>	<u>57,113</u>	<u>42</u>
Other Financing Sources (Uses)			
Transfers In	0	0	10,622
Transfers Out	(13,005)	(22,096)	0
Total Other Financing Sources (Uses)	<u>(13,005)</u>	<u>(22,096)</u>	<u>10,622</u>
Net Change in Fund Balances	49,530	35,017	10,664
Fund Balances - Beginning	347,733	686,655	85,240
Fund Balances - Ending	<u>\$ 397,263</u>	<u>\$ 721,672</u>	<u>\$ 95,904</u>

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds (continued)
For the Year Ended June 30, 2014

	21 CCLC Grant	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 509,303
Federal Sources	147,399	217,824	485,014
State Sources	0	4,011	1,151,737
Charges for Services	0	14,071	31,257
Other	0	2,350	12,754
Total Revenues	<u>147,399</u>	<u>238,256</u>	<u>2,190,065</u>
Expenditures			
Current:			
Instruction	0	150,824	992,383
Support Services	147,400	19,365	980,302
Food Service	0	89,430	91,705
Capital Outlay	0	3,890	31,239
Total Expenditures	<u>147,400</u>	<u>263,509</u>	<u>2,095,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(25,253)</u>	<u>94,436</u>
Other Financing Sources (Uses)			
Transfers In	0	24,479	35,101
Transfers Out	0	0	(35,101)
Total Other Financing Sources (Uses)	<u>0</u>	<u>24,479</u>	<u>0</u>
Net Change in Fund Balances	(1)	(774)	94,436
Fund Balances - Beginning	2,905	15,641	1,138,174
Fund Balances - Ending	<u>\$ 2,904</u>	<u>\$ 14,867</u>	<u>\$ 1,232,610</u>

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of the
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Total Net Change in Fund Balance - Governmental Funds \$ 94,436

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation expense. In the current period these amounts are:

Capital Outlay	\$ 41,324	
Depreciation Expense	<u>(35,461)</u>	
Net		5,863

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows. They are, however, recorded as revenues in the Statement of Activities. 23,022

Compensated absences applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. This represents the change in compensated absences. 2,546

Change in Net Position of Governmental Activities \$ 125,867

The accompanying notes are an integral
 part of the financial statements.

Salmon River Joint School District No. 243
Statement of Fiduciary Net Position
For the Year Ended June 30, 2014

	Agency Funds	Private- Purpose Trust Fund	Total
Assets			
Cash and Cash Equivalents	\$ 32,058	\$ 5,290	\$ 37,348
Total Assets	32,058	5,290	37,348
Deferred Outflows	0	0	0
Liabilities			
Due to Student Groups	32,058	0	32,058
Accounts Payable	0	0	0
Total Liabilities	32,058	0	32,058
Deferred Inflows	0	0	0
Net Position			
Restricted for Scholarships	0	5,290	5,290
Total Net Position	\$ 0	\$ 5,290	\$ 5,290

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Private-Purpose Trust Fund
Additions	
Investment Income	\$ 6
Total Additions	6
Deductions	
Scholarships Awarded	0
Total Deductions	0
Changes in Net Position	6
Net Position - Beginning	5,284
Net Position - Ending	\$ 5,290

The accompanying notes are an integral
part of the financial statements.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Salmon River Joint School District No. 243 (the “District”) is governed by the School District Board of Education (the “Board”), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District’s reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses— expenses of the District related to the administration and support of the District’s programs, such as personnel and accounting are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The District reports the following major governmental funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Forest fund.* This fund accounts for the resources accumulated and expenditures made in the forest funds.
- *Capital Projects fund.* This fund accounts for the resources accumulated and expenditures made for capital projects.
- *21 CCLC Grant fund.* This fund accounts for a pass-through grant that supports a non-profit that runs an after-school learning program.

The District reports the following fiduciary fund types:

- *Private-Purpose Trust funds.* These funds report a trust arrangement under which principal and income benefit a college scholarship program.
- *Agency funds.* These funds account for assets held by the District as an agent for various student groups and clubs.

Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

C. Assets and Liabilities

Cash Equivalents

The District requires all cash belonging to the District to be placed in custody of the Clerk/Business Manager. A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Property Tax Calendar

The District levies its real property taxes through the county by the 2nd Monday in September of each year based upon the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below:

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization <u>Policy</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings and Improvements	\$5,000	Straight-Line	15 – 40 Years
Equipment and Buses	\$5,000	Straight-Line	5 – 15 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

The District is a Phase Three entity and is not required to report infrastructure acquired prior to June 30, 1980, and has not acquired or constructed any since that time.

Compensated Absences

The District provides sick leave and vacation to the full time non-certified employees. Sick leave is not payable upon termination. Vacation leave is payable upon termination. See Note 12.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fund Balance Reporting for Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The District uses the following fund balance categories in the governmental fund Balance Sheet:

- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (nonspendable, committed, and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trustees, the District's highest level of decision making authority, through a formal action. The Board of Trustees would also have the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the District's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

All special revenue funds are restricted by the federal government and must be spent according to the stipulations of the corresponding federal program. The State of Idaho requires that capital projects be accounted for in their own fund and, therefore, the capital projects fund is also restricted.

2. CASH DEPOSITS AND INVESTMENTS

Summary of Deposit and Investment Balances

The District maintains a cash and investment pool for use by all funds. The District also had \$1,024 in petty cash.

Deposits

As of June 30, 2014, the carrying amount of the District's deposits was \$503,863 and the respective bank balances totaled \$496,265. \$250,000 of the total bank balance was insured or collateralized with pooled securities held by the pledging financial institution in the name of the District.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

2. CASH DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. As of June 30, 2014, \$246,265 of the District’s deposits were not covered by the federal depository insurance or by collateral held by the District’s agent or pledging financial institution’s trust department or agent in the name of the District, and thus were exposed to custodial credit risk. The District does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The District voluntarily participates in the State of Idaho Investment Pool which has not been rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the District’s investment in the pool is the same as the value of the pool shares.

The District follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the District to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The District’s investments at June 30, 2014, are summarized below:

Investment	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
External Investment Pool	\$ 749,186	\$ 749,186	\$ 0

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

2. CASH DEPOSITS AND INVESTMENTS (continued)

At year-end, cash and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 472,829	\$ 32,058	\$ 504,887
Investments categorized as deposits	743,896	5,290	749,186
	\$ 1,216,725	\$ 37,348	\$ 1,254,073

3. RECEIVABLES - LOCAL SOURCES AND DEFERRED REVENUE

The District receives tax revenue from Adams and Idaho Counties. The counties are responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the District by the county as of June 30, 2014, are considered by the District as a receivable.

Taxes not collected within 60 days after June 30, 2014, are not considered available for use by the District and are recorded as deferred inflows in the fund financial statements.

4. RECEIVABLE - INTERGOVERNMENTAL

Intergovernmental amounts due consist of \$35,883 from the State of Idaho for state support, and \$90,113 due from federal programs passed-through the State of Idaho for a total due of \$125,996. The total amount is considered collectible.

5. SALARIES AND BENEFITS PAYABLE

The District follows the practice of paying contracted salaries and related benefits over a 12-month period which differs from the 9-month earned school-year period which runs from approximately September 1 to May 31 of each year. Teacher contracts payable, as reflected at June 30, 2014, represent amounts unpaid at that date on teacher contracts and related benefits. Since the amount of salaries and related benefits due to teachers are pertinent to the school year, such amounts have been accrued as salaries payable and related liabilities in the governmental fund types of the District with related expenditures recorded in the current fiscal year's operations.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

6. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, and the District expects such amounts, if any, to be immaterial.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2014</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 25,126	\$ 0	\$ 0	\$ 25,126
Capital Assets Being Depreciated:				
Buildings and Improvements	1,117,331	9,121	0	1,126,452
Equipment	96,156	32,203	0	128,359
Vehicles	<u>369,010</u>	<u>0</u>	<u>0</u>	<u>369,010</u>
Total Historical Cost	<u>1,582,497</u>	<u>41,324</u>	<u>0</u>	<u>1,623,821</u>
Less: Accumulated Depreciation				
Buildings and Improvements	1,031,043	8,001	0	1,039,044
Equipment	71,992	4,851	0	76,843
Vehicles	<u>289,541</u>	<u>22,609</u>	<u>0</u>	<u>312,150</u>
Total Accumulated Depreciation	<u>1,392,576</u>	<u>35,461</u>	<u>0</u>	<u>1,428,037</u>
Net Depreciable Assets	<u>189,921</u>	<u>5,863</u>	<u>0</u>	<u>195,784</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 215,047</u>	<u>\$ 5,863</u>	<u>\$ 0</u>	<u>\$ 220,910</u>

Depreciation expense was charged to the functions of the District as follows:

Instruction	\$ 8,845
Support Services	<u>26,616</u>
	<u>\$ 35,461</u>

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

8. INTERFUND BALANCES

Balances due to/from other funds at June 30, 2014, consist of the following:

Due to the General fund from other nonmajor governmental funds
\$ 33,776 representing cash overdrafts.

9. TRANSFERS TO/FROM OTHER FUNDS

Transfers between funds during the year occurred as follows:

\$ 10,622 From the General fund to the Capital Projects fund for bus depreciation.
From the General fund to nonmajor governmental funds to cover prior
2,383 year deficits.
From the Forest fund to nonmajor governmental funds to cover prior year
22,096 deficits.
\$ 35,101

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The District has transferred most of its risk by purchasing commercial insurance.

Workman's Compensation insurance is purchased through the Idaho State Insurance Fund. Employee health and accident insurance is purchased through Blue Cross of Idaho. All other insurance has been purchased through Fred A. Moreton and Company.

11. PENSION PLAN

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

11. PENSION PLAN (continued)

subdivisions to participate by contractual agreement with PERSI. After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand-alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov.

The actuarially determined contribution requirements of the District and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2014, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.36% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. The District employer contributions required and paid were \$107,685, \$103,506, and \$105,921 for the three years ended June 30, 2014, 2013, and 2012, respectively.

12. COMPENSATED ABSENCES

Vacation leave is granted to all classified and administrative employees of the District. In the event of termination, an employee is reimbursed for accumulated vacation leave up to 30 days. Up to 30 days may carry over at the end of each year. Changes in compensated absences for the year ended June 30, 2014, are as follows:

	<u>6/30/2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/2014</u>	<u>Current</u>
Governmental Activities	<u>\$ 11,071</u>	<u>\$ 8,174</u>	<u>\$ (10,720)</u>	<u>\$ 8,525</u>	<u>\$ 8,525</u>

13. LEASE COMMITMENTS

The District leases copy machines located throughout the District. The lease periods are for four to five years and it is anticipated that the copiers will be returned at the end of the lease periods, which are at various times.

Salmon River Joint School District No. 243
Notes to Financial Statements
For the Year Ended June 30, 2014

13. LEASE COMMITMENTS (continued)

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 4,204
2016	2,418
2017	2,418
2018	2,418
2019	<u>1,007</u>
	<u>\$ 12,465</u>

Rent expenditures for the year ended June 30, 2014, were \$4,352.

14. OTHER COMMITMENTS

The District has credit cards with a total credit limit of \$10,000. As of June 30, 2014, \$8,728 of that credit was available.

15. DEFICIT FUND BALANCE

The following nonmajor funds reported deficit fund balances as of June 30, 2014:

- Title I \$272
- Carl Perkins \$2

REQUIRED SUPPLEMENTARY INFORMATION

Salmon River Joint School District No. 243
 Budgetary (GAAP Basis) Comparison Schedule
 General Fund
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 554,129	\$ 554,129	\$ 509,303	\$ (44,826)
Federal Sources	8,000	8,000	2,688	(5,312)
State Sources	1,161,737	1,161,737	1,147,726	(14,011)
Charges for Services	0	0	17,186	17,186
Other	0	0	10,064	10,064
Total Revenues	<u>1,723,866</u>	<u>1,723,866</u>	<u>1,686,967</u>	<u>(36,899)</u>
Expenditures				
Current:				
Instruction	884,969	884,969	841,559	43,410
Support Services	822,322	822,322	779,893	42,429
Food Service	3,660	3,660	2,275	1,385
Capital Outlay	915	915	705	210
Contingency Reserve	0	0	0	0
Total Expenditures	<u>1,711,866</u>	<u>1,711,866</u>	<u>1,624,432</u>	<u>87,434</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,000</u>	<u>12,000</u>	<u>62,535</u>	<u>50,535</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(12,000)	(12,000)	(13,005)	(1,005)
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(13,005)</u>	<u>(1,005)</u>
Net Change in Fund Balances	0	0	49,530	49,530
Fund Balances - Beginning	132,499	132,499	347,733	215,234
Fund Balances - Ending	<u>\$ 132,499</u>	<u>\$ 132,499</u>	<u>\$ 397,263</u>	<u>\$ 264,764</u>

Salmon River Joint School District No. 243
 Budgetary (GAAP Basis) Comparison Schedule
 Forest Fund
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Federal Sources	\$ 0	\$ 0	\$ 117,103	\$ 117,103
Other	450	450	298	(152)
Total Revenues	<u>450</u>	<u>450</u>	<u>117,401</u>	<u>116,951</u>
Expenditures				
Current:				
Support Services	43,000	43,000	33,644	9,356
Capital Outlay	115,000	115,000	26,644	88,356
Contingency Reserve	0	0	0	0
Total Expenditures	<u>158,000</u>	<u>158,000</u>	<u>60,288</u>	<u>97,712</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(157,550)</u>	<u>(157,550)</u>	<u>57,113</u>	<u>214,663</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(13,469)	(13,469)	(22,096)	(8,627)
Total Other Financing Sources (Uses)	<u>(13,469)</u>	<u>(13,469)</u>	<u>(22,096)</u>	<u>(8,627)</u>
Net Change in Fund Balances	(171,019)	(171,019)	35,017	206,036
Fund Balances - Beginning	376,334	376,334	686,655	310,321
Fund Balances - Ending	<u>\$ 205,315</u>	<u>\$ 205,315</u>	<u>\$ 721,672</u>	<u>\$ 516,357</u>

Salmon River Joint School District No. 243
 Budgetary (GAAP Basis) Comparison Schedule
 21 CCLC Grant
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Federal Sources	\$ 110,000	\$ 110,000	\$ 147,399	\$ 37,399
Other	0	0	0	0
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>147,399</u>	<u>37,399</u>
Expenditures				
Current:				
Support Services	110,000	110,000	147,400	(37,400)
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>147,400</u>	<u>(37,400)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>(1)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	(1)	(1)
Fund Balances - Beginning	0	0	2,905	2,905
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,904</u>	<u>\$ 2,904</u>

Salmon River Joint School District No. 243
Notes to Required Supplementary Information
For the Year Ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Prior to June 1, the Superintendent and Board of Trustees prepare a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to July 1, the budget is legally enacted through passage at a board meeting.
- D. Formal budgetary integration is employed as a management control device during the year for all the funds.
- E. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- F. Budgeted amounts are as originally adopted or amended by the Board of Trustees.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The 21 CCLC Grant fund had expenditures in excess of appropriations in the amount of \$37,400.

SUPPLEMENTAL INFORMATION

Salmon River Joint School District No. 243
 Supplemental Schedule of Revenues by Source -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2014

	Budget	Actual	Variance
Revenue			
Property Taxes	\$ 554,129	\$ 509,303	\$ (44,826)
Federal Sources	8,000	2,688	(5,312)
State Sources	1,161,737	1,147,726	(14,011)
Charges for Services	0	17,186	17,186
Other	0	10,064	10,064
Total Revenues	\$ 1,723,866	\$ 1,686,967	\$ (36,899)

Salmon River Joint School District No. 243
 Supplemental Schedule of Expenditures by Object of Expenditure -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2014

	Budget	Actual	Variance
Instruction			
Elementary:			
Salaries	\$ 149,940	\$ 155,845	\$ (5,905)
Benefits	66,570	59,585	6,985
Services	3,200	2,828	372
Supplies	4,000	6,641	(2,641)
	<u>223,710</u>	<u>224,899</u>	<u>(1,189)</u>
Secondary:			
Salaries	345,575	323,571	22,004
Benefits	153,360	140,302	13,058
Services	3,000	2,710	290
Supplies	4,000	4,513	(513)
	<u>505,935</u>	<u>471,096</u>	<u>34,839</u>
Exceptional Program:			
Salaries	82,490	79,314	3,176
Benefits	45,634	39,166	6,468
	<u>128,124</u>	<u>118,480</u>	<u>9,644</u>
School Activity Program:			
Salaries	23,600	22,907	693
Benefits	1,900	1,678	222
Services	1,200	2,037	(837)
Capital Outlay	915	705	210
Insurance	500	462	38
	<u>28,115</u>	<u>27,789</u>	<u>326</u>
Total Instruction	<u>885,884</u>	<u>842,264</u>	<u>43,620</u>
Support Services			
Guidance and Health:			
Salaries	20,475	20,661	(186)
Benefits	6,200	6,258	(58)
Services	0	153	(153)
	<u>26,675</u>	<u>27,072</u>	<u>(397)</u>
Special Services:			
Services	22,000	7,439	14,561
	<u>22,000</u>	<u>7,439</u>	<u>14,561</u>

Salmon River Joint School District No. 243
Supplemental Schedule of Expenditures by Object of Expenditure -
Budget and Actual - General Fund (continued)
For the Year Ended June 30, 2014

	Budget	Actual	Variance
Instruction Improvement Program:			
Services	0	7,133	(7,133)
	<u>0</u>	<u>7,133</u>	<u>(7,133)</u>
Educational Media Program:			
Salaries	14,764	15,976	(1,212)
Benefits	8,522	7,448	1,074
Services	4,800	7,246	(2,446)
Supplies	1,000	800	200
	<u>29,086</u>	<u>31,470</u>	<u>(2,384)</u>
Technology Instruction:			
Salaries	26,235	32,422	(6,187)
Benefits	14,465	21,737	(7,272)
Services	10,500	6,671	3,829
Supplies	0	39	(39)
	<u>51,200</u>	<u>60,869</u>	<u>(9,669)</u>
Board of Education:			
Benefits	30	0	30
Services	9,500	7,976	1,524
	<u>9,530</u>	<u>7,976</u>	<u>1,554</u>
District Administration:			
Salaries	53,550	49,187	4,363
Benefits	9,986	15,936	(5,950)
Services	16,250	10,259	5,991
Supplies	2,000	2,994	(994)
Insurance	9,000	8,895	105
	<u>90,786</u>	<u>87,271</u>	<u>3,515</u>
School Administration:			
Salaries	119,622	120,735	(1,113)
Benefits	37,470	42,208	(4,738)
	<u>157,092</u>	<u>162,943</u>	<u>(5,851)</u>
Business Operations:			
Salaries	37,500	37,500	0
Benefits	20,924	20,829	95
Services	3,950	2,425	1,525
Supplies	1,500	405	1,095
	<u>63,874</u>	<u>61,159</u>	<u>2,715</u>

Salmon River Joint School District No. 243
 Supplemental Schedule of Expenditures by Object of Expenditure -
 Budget and Actual - General Fund (continued)
 For the Year Ended June 30, 2014

	Budget	Actual	Variance
Administrative Technology			
Salaries	52,085	0	52,085
Benefits	20,144	1,368	18,776
Services	1,700	1,676	24
Supplies	5,000	7,003	(2,003)
	<u>78,929</u>	<u>10,047</u>	<u>68,882</u>
Buildings Care:			
Salaries	20,500	27,362	(6,862)
Benefits	12,532	20,490	(7,958)
Services	87,590	91,315	(3,725)
Supplies	15,000	11,876	3,124
Insurance	11,000	10,000	1,000
	<u>146,622</u>	<u>161,043</u>	<u>(14,421)</u>
Maintenance:			
Salaries	30,000	31,428	(1,428)
Benefits	20,528	13,625	6,903
Services	250	1,247	(997)
Supplies	14,750	26,557	(11,807)
	<u>65,528</u>	<u>72,857</u>	<u>(7,329)</u>
Pupil to School Transportation:			
Salaries	32,250	38,944	(6,694)
Benefits	6,150	5,165	985
Services	17,800	19,345	(1,545)
Supplies	20,000	16,689	3,311
	<u>76,200</u>	<u>80,143</u>	<u>(3,943)</u>
General Transportation Program:			
Supplies	4,800	2,471	2,329
	<u>4,800</u>	<u>2,471</u>	<u>2,329</u>
Total Support Services	<u>822,322</u>	<u>779,893</u>	<u>42,429</u>

Salmon River Joint School District No. 243
 Supplemental Schedule of Expenditures by Object of Expenditure -
 Budget and Actual - General Fund (continued)
 For the Year Ended June 30, 2014

	Budget	Actual	Variance
Food Service Program			
Salaries	3,400	2,116	1,284
Benefits	260	159	101
Total Food Service Program	<u>3,660</u>	<u>2,275</u>	<u>1,385</u>
Non-Instructional			
Contingency	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u><u>\$ 1,711,866</u></u>	<u><u>\$ 1,624,432</u></u>	<u><u>\$ 87,434</u></u>

Salmon River Joint School District No. 243
Combining Balance Sheet - Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Driver Education	Professional Technology	State Tech Grant	Title I	Title VI-B
Assets					
Cash and Cash Equivalents	\$ 0	\$ 83	\$ 15,180	\$ 0	\$ 0
Receivables:					
Intergovernmental	1,000	0	0	31,073	11,372
Total Assets	1,000	83	15,180	31,073	11,372
Deferred Outflows					
	0	0	0	0	0
Total Assets and Deferred Outflows	\$ 1,000	\$ 83	\$ 15,180	\$ 31,073	\$ 11,372
Liabilities					
Accounts Payable	\$ 0	\$ 83	\$ 452	\$ 0	\$ 0
Internal Balances	1,000	0	0	20,633	6,464
Salaries and Benefits Payable	0	0	0	10,712	4,496
Total Liabilities	1,000	83	452	31,345	10,960
Deferred Inflows					
	0	0	0	0	0
Fund Balances					
Restricted	0	0	14,728	0	412
Unassigned	0	0	0	(272)	0
Total Fund Balances	0	0	14,728	(272)	412
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,000	\$ 83	\$ 15,180	\$ 31,073	\$ 11,372

Salmon River Joint School District No. 243
Combining Balance Sheet - Nonmajor Governmental Funds (continued)
For the Year Ended June 30, 2014

	Title VI-B Preschool	ISEE Grant	Carl Perkins	Title II-A	Food Service	Total
Assets						
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0	4,685	\$ 19,948
Receivables:						
Intergovernmental	5,677	0	0	0	0	49,122
Total Assets	5,677	0	0	0	4,685	69,070
Deferred Outflows						
	0	0	0	0	0	0
Total Assets and Deferred Outflows	\$ 5,677	\$ 0	\$ 0	\$ 0	\$ 4,685	\$ 69,070
Liabilities						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43	\$ 578
Internal Balances	5,677	0	2	0	0	33,776
Salaries and Benefits Payable	0	0	0	0	4,641	19,849
Total Liabilities	5,677	0	2	0	4,684	54,203
Deferred Inflows						
	0	0	0	0	0	0
Fund Balances						
Restricted	0	0	0	0	1	15,141
Unassigned	0	0	(2)	0	0	(274)
Total Fund Balances	0	0	(2)	0	1	14,867
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,677	\$ 0	\$ 0	\$ 0	\$ 4,685	\$ 69,070

Salmon River Joint School District No. 243
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Driver Education	Professional Technology	State Tech Grant	Title I Title I	Title VI-B
Revenues					
Federal Sources	\$ 0	\$ 16,758	\$ 0	\$ 73,485	\$ 42,952
State Sources	1,000	0	2,996	0	0
Charges for Services	0	0	0	0	0
Other	1,600	0	0	0	0
Total Revenues	2,600	16,758	2,996	73,485	42,952
Expenditures					
Instruction:					
Salaries	1,600	4,786	0	38,651	15,907
Benefits	611	0	0	29,191	11,528
Services	0	2,336	3,268	1,622	14,124
Supplies	500	7,030	0	2,817	981
Total Instruction	2,711	14,152	3,268	72,281	42,540
Support Services:					
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Services	0	0	0	0	0
Supplies	0	0	0	0	0
Total Support Services	0	0	0	0	0
Food Service	0	0	0	0	0
Capital Outlay	0	2,606	0	0	0
Total Expenditures	2,711	16,758	3,268	72,281	42,540
Excess (Deficiency) of Revenues Over Expenditures	(111)	0	(272)	1,204	412
Other Financing Sources (Uses)					
Transfers In	111	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	111	0	0	0	0
Net Change in Fund Balances	0	0	(272)	1,204	412
Fund Balances - Beginning	0	0	15,000	(1,476)	0
Fund Balances - Ending	\$ 0	\$ 0	\$ 14,728	\$ (272)	\$ 412

Salmon River Joint School District No. 243
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds (continued)
For the Year Ended June 30, 2014

	Title V1-B Preschool	ISEE Grant	Carl Perkins	Title II-A	Food Service	Total
Revenues						
Federal Sources	\$ 5,677	\$ 16,168	\$ 2,163	\$ 9,845	\$ 50,776	\$ 217,824
State Sources	0	0	0	0	15	4,011
Charges for Services	0	0	0	0	14,071	14,071
Other	0	0	0	0	750	2,350
Total Revenues	5,677	16,168	2,163	9,845	65,612	238,256
Expenditures						
Instruction:						
Salaries	0	0	0	0	0	60,944
Benefits	0	0	0	0	0	41,330
Services	499	0	0	8,723	0	30,572
Supplies	5,178	0	1,275	197	0	17,978
Total Instruction	5,677	0	1,275	8,920	0	150,824
Support Services:						
Salaries	0	11,900	0	0	0	11,900
Benefits	0	4,935	0	0	0	4,935
Services	0	1,605	0	925	0	2,530
Supplies	0	0	0	0	0	0
Total Support Services	0	18,440	0	925	0	19,365
Food Service	0	0	0	0	89,430	89,430
Capital Outlay	0	0	890	0	394	3,890
Total Expenditures	5,677	18,440	2,165	9,845	89,824	263,509
Excess (Deficiency) of Revenues Over Expenditures	0	(2,272)	(2)	0	(24,212)	(25,253)
Other Financing Sources (Uses)						
Transfers In	0	2,272	0	0	22,096	24,479
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	2,272	0	0	22,096	24,479
Net Change in Fund Balances	0	0	(2)	0	(2,116)	(774)
Fund Balances - Beginning	0	0	0	0	2,117	15,641
Fund Balances - Ending	\$ 0	\$ 0	\$ (2)	\$ 0	\$ 1	\$ 14,867

FEDERAL REPORTS



Certified Public Accountants

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

To the Board of Trustees
Salmon River Joint School District No. 243
Riggins, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Salmon River Joint School District No. 243**, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated September 15, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bailey & Co.

Nampa, Idaho
September 15, 2014