

**COUNCIL SCHOOL DISTRICT NO. 13**

**AUDITED FINANCIAL STATEMENTS**

**Year Ended June 30, 2018**

# COUNCIL SCHOOL DISTRICT NO. 13

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## **FINANCIAL SECTION**

Audits  
Taxes  
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## Independent Auditor's Report

Board of Trustees  
Council School District No. 13

### 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 Council School District No. 13 (the School) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### **Basis for Qualified Opinion on Governmental Activities**

Management believes the costs of implementing GASB 75 (having actuarial calculations performed for other post-employment benefits) cannot be justified at this time. Accounting principles generally accepted in the United States of America require that a liability and related expense be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2018, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

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

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

### *Other Information*

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

### ***Quest CPAs PLLC***

Payette, Idaho  
August 13, 2018

## **BASIC FINANCIAL STATEMENTS**

**COUNCIL SCHOOL DISTRICT NO. 13**

## Statement of Net Position

June 30, 2018

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets	
Cash & Investments	\$521,773
Receivables:	
Local Sources	80,662
State Sources	48,290
Federal Sources	90,130
Total Current Assets	<u>740,855</u>
Noncurrent Assets	
Nondepreciable Capital Assets	12,500
Depreciable Net Capital Assets	2,600,671
Total Noncurrent Assets	<u>2,613,171</u>
<b>Total Assets</b>	<u>3,354,026</u>
<b>Deferred Outflows of Resources</b>	
Pension Sources	<u>260,726</u>
<b>Total Deferred Outflows of Resources</b>	<u>260,726</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$3,614,752</u></u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$1,523
Salaries & Benefits Payable	215,499
Unspent Grant Allocation	10,534
Long-Term Debt, Current	204,267
Total Current Liabilities	<u>431,823</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	456,037
Net Pension Liability	684,580
Total Noncurrent Liabilities	<u>1,140,617</u>
<b>Total Liabilities</b>	<u>1,572,440</u>
<b>Deferred Inflows of Resources</b>	
Pension Sources	<u>102,691</u>
<b>Total Deferred Inflows of Resources</b>	<u>102,691</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,675,131</u>
<b>Net Position</b>	
Net Investment in Capital Assets	1,952,867
Restricted:	
Special Programs	295,423
Debt Service	83,801
Capital Projects	54,040
Unrestricted	<u>(446,510)</u>
<b>Total Net Position</b>	<u>1,939,621</u>
<b>Total Liabilities and Deferred Inflows of Resources and Net Position</b>	<u><u>\$3,614,752</u></u>

See Accompanying Notes



# COUNCIL SCHOOL DISTRICT NO. 13

## Statement of Activities Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instructional Programs					
Elementary School	\$487,646		\$63,760		(\$423,886)
Secondary School	492,123		10,000		(482,123)
Vocational-Technical	54,645		54,645		0
Special Education	193,910		57,301		(136,609)
Special Education Preschool	3,507		3,507		0
Gifted & Talented	0				0
Interscholastic	43,090				(43,090)
Support Service Programs					
Attendance - Guidance - Health	5,507				(5,507)
Special Education Support Services	21,236				(21,236)
Instruction Improvement	74,897		38,238		(36,659)
Educational Media	0				0
Instruction-Related Technology	45,584		56,879		11,295
Board of Education	3,843				(3,843)
District Administration	109,763				(109,763)
School Administration	174,945				(174,945)
Central Service	0				0
Buildings - Care	191,097				(191,097)
Maintenance - Non-Student Occupied	0				0
Maintenance - Student Occupied	101,864		25,405		(76,459)
Maintenance - Grounds	46,197		128,517		82,320
Security	220		5,231		5,011
Pupil-To-School Transportation	107,625				(107,625)
Pupil-Activity Transportation	6,308				(6,308)
General Transportation	1,399				(1,399)
Non-Instructional Programs					
Child Nutrition	85,570	\$23,940	62,982		1,352
Capital Assets - Student Occupied	94,239				(94,239)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	0				0
<b>Total</b>	<u>\$2,345,215</u>	<u>\$23,940</u>	<u>\$506,465</u>	<u>\$0</u>	<u>(1,814,810)</u>
<b>General Revenues</b>					
Local Taxes					196,931
Other Local Revenues					66,269
State Revenues					2,026,860
Federal Revenues					0
Pension Revenue (Expense)					(98,730)
<b>Total</b>					<u>2,191,330</u>
<b>Change in Net Position</b>					376,520
<b>Net Position - Beginning</b>					<u>1,563,101</u>
<b>Net Position - Ending</b>					<u><u>\$1,939,621</u></u>

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## Balance Sheet - Governmental Funds

June 30, 2018

	<b>General Fund</b>	<b>Forest Reserve Fund</b>	<b>Child Nutrition Fund</b>	<b>Bond R &amp; I Fund</b>
<b>Assets</b>				
Cash & Investments	\$111,468	\$181,344	\$29,795	\$57,057
Receivables:				
Local Sources	37,837			33,539
State Sources	48,290			
Federal Sources			2,513	
Due From Other Funds	67,037			
<b>Total Assets</b>	<u>\$264,632</u>	<u>\$181,344</u>	<u>\$32,308</u>	<u>\$90,596</u>
<b>Liabilities</b>				
Accounts Payable	\$696			
Due To Other Funds				
Salaries & Benefits Payable	190,696			
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>191,392</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	8,848			6,795
<b>Total Deferred Inflows of Resources</b>	<u>8,848</u>	<u>0</u>	<u>0</u>	<u>6,795</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs		181,344	32,308	
Debt Service				83,801
Capital Projects				
Unassigned	64,392			
<b>Total Fund Balances</b>	<u>64,392</u>	<u>181,344</u>	<u>32,308</u>	<u>83,801</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$264,632</u>	<u>\$181,344</u>	<u>\$32,308</u>	<u>\$90,596</u>

**COUNCIL SCHOOL DISTRICT NO. 13**

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## Balance Sheet - Governmental Funds

June 30, 2018

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash & Investments	\$142,109	\$521,773
Receivables:		
Local Sources	9,286	80,662
State Sources	0	48,290
Federal Sources	87,617	90,130
Due From Other Funds	0	67,037
<b>Total Assets</b>	<b>\$239,012</b>	<b>\$807,892</b>
<b>Liabilities</b>		
Accounts Payable	\$827	\$1,523
Due To Other Funds	67,037	67,037
Salaries & Benefits Payable	24,803	215,499
Unspent Grant Allocation	10,534	10,534
<b>Total Liabilities</b>	<b>103,201</b>	<b>294,593</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenues	0	15,643
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>15,643</b>
<b>Fund Balances</b>		
Restricted:		
Special Programs	81,771	295,423
Debt Service	0	83,801
Capital Projects	54,040	54,040
Unassigned	0	64,392
<b>Total Fund Balances</b>	<b>135,811</b>	<b>497,656</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$239,012</b>	<b>\$807,892</b>

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

<b>Total Governmental Fund Balances</b>	<b>\$497,656</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,613,171
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	15,643
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	(660,304)
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(526,545)
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<b>Net Position of Governmental Activities</b>	<b><u><u>\$1,939,621</u></u></b>
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**COUNCIL SCHOOL DISTRICT NO. 13**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2018

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	<b>General Fund</b>	<b>Forest Reserve Fund</b>	<b>Child Nutrition Fund</b>	<b>Bond R &amp; I Fund</b>
<b>Revenues</b>				
Local Taxes	\$98,213			\$96,464
Other Local Revenue	22,748		\$23,940	607
State Revenue	2,015,703			11,157
Federal Revenue		\$94,268	62,982	
<b>Total Revenues</b>	<u>2,136,664</u>	<u>94,268</u>	<u>86,922</u>	<u>108,228</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	507,953			
Secondary School	559,088			
Vocational-Technical				
Special Education	136,609			
Special Education Preschool				
Gifted & Talented				
Interscholastic	43,090			
Support Service Programs				
Attendance - Guidance - Health	5,507			
Special Education Support Services	21,236			
Instruction Improvement	36,659			
Educational Media				
Instruction-Related Technology	31,861			
Board of Education	3,843			
District Administration	109,763			
School Administration	174,945			
Central Service				
Buildings - Care	191,097			
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied	101,765			
Maintenance - Grounds	11,345	7,000		
Security				
Pupil-To-School Transportation	93,629			
Pupil-Activity Transportation	6,308			
General Transportation	1,399			
Non-Instructional Programs				
Child Nutrition	1,441		84,129	
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal	33,339			75,625
Debt Service - Interest				
<b>Total Expenditures</b>	<u>2,070,877</u>	<u>7,000</u>	<u>84,129</u>	<u>75,625</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	65,787	87,268	2,793	32,603
<b>Other Financing Sources (Uses)</b>				
Proceeds from Capital Lease				
Transfers In	12,500			
Transfers Out	(15,525)			
<b>Total Other Financing Sources (Uses)</b>	<u>(3,025)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	62,762	87,268	2,793	32,603
<b>Fund Balances - Beginning</b>	1,630	94,076	29,515	51,198
<b>Fund Balances - Ending</b>	<u>\$64,392</u>	<u>\$181,344</u>	<u>\$32,308</u>	<u>\$83,801</u>

See Accompanying Notes

**COUNCIL SCHOOL DISTRICT NO. 13**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2018

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	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Local Taxes	\$0	\$194,677
Other Local Revenue	50,625	97,920
State Revenue	118,791	2,145,651
Federal Revenue	175,939	333,189
<b>Total Revenues</b>	<b>345,355</b>	<b>2,771,437</b>
<b>Expenditures</b>		
Instructional Programs		
Elementary School	55,958	563,911
Secondary School	10,000	569,088
Vocational-Technical	54,645	54,645
Special Education	57,301	193,910
Special Education Preschool	3,507	3,507
Gifted & Talented	0	0
Interscholastic	0	43,090
Support Service Programs		
Attendance - Guidance - Health	0	5,507
Special Education Support Services	0	21,236
Instruction Improvement	38,238	74,897
Educational Media	0	0
Instruction-Related Technology	13,723	45,584
Board of Education	0	3,843
District Administration	0	109,763
School Administration	0	174,945
Central Service	0	0
Buildings - Care	0	191,097
Maintenance - Non-Student Occupied	0	0
Maintenance - Student Occupied	99	101,864
Maintenance - Grounds	34,852	53,197
Security	220	220
Pupil-To-School Transportation	194,787	288,416
Pupil-Activity Transportation	0	6,308
General Transportation	0	1,399
Non-Instructional Programs		
Child Nutrition	0	85,570
Capital Assets - Student Occupied	0	0
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	108,964
Debt Service - Interest	0	0
<b>Total Expenditures</b>	<b>463,330</b>	<b>2,700,961</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(117,975)</b>	<b>70,476</b>
<b>Other Financing Sources (Uses)</b>		
Proceeds from Capital Lease	147,065	147,065
Transfers In	15,525	28,025
Transfers Out	(12,500)	(28,025)
<b>Total Other Financing Sources (Uses)</b>	<b>150,090</b>	<b>147,065</b>
<b>Net Change in Fund Balances</b>	<b>32,115</b>	<b>217,541</b>
<b>Fund Balances - Beginning</b>	<b>103,696</b>	<b>280,115</b>
<b>Fund Balances - Ending</b>	<b>\$135,811</b>	<b>\$497,656</b>

See Accompanying Notes

**COUNCIL SCHOOL DISTRICT NO. 13**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2018

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$217,541</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period.	76,891
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Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	2,254
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	25,334
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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.	54,500
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<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$376,520</u></u></b>
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**COUNCIL SCHOOL DISTRICT NO. 13**

Statement of Fiduciary Net Position

June 30, 2018

	<b>Agency Funds - Student Activity</b>
<b>Assets</b>	
Cash & Investments	\$160,076
<b>Total Assets</b>	<u>\$160,076</u>
<b>Liabilities</b>	
Due to Student Groups	\$160,076
<b>Total Liabilities</b>	<u>160,076</u>
<b>Net Position</b>	
<b>Total Net Position</b>	<u>0</u>
<b>Total Liabilities and Net Position</b>	<u>\$160,076</u>



## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – Council School District No. 13 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Adams County.

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

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

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

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

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

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

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

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

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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

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

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

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

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

*Debt Service Funds* – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

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

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

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

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

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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

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

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

**Inventories** – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

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

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

**Other Post-Employment Benefits** – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that liabilities and related expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

**Pensions** – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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Base Plan (the Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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

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

**Interfund Activity** – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

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

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

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

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

#### B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Cash - Deposits	\$82,446	\$160,076	\$242,522
Investments - Local Gov't Investment Pool	439,327		439,327
<b>Total</b>	<b>\$521,773</b>	<b>\$160,076</b>	<b>\$681,849</b>

**Deposits** – At year end, the carrying amounts of the School's deposits were \$242,522 and the bank balances were \$264,024. Of the bank balances, \$250,000 was insured and the remainder was uninsured and uncollateralized.

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

#### Interest rate risk:

Investment Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$439,327	\$439,327
<b>Total</b>	<b>\$439,327</b>	<b>\$439,327</b>

#### Credit rate risk:

Investment Type	Investment Rating Schedule	
	Not Rated	Total
Local Gov't Invest Pool	\$439,327	\$439,327
<b>Total</b>	<b>\$439,327</b>	<b>\$439,327</b>

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

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. More information on the local governmental investment pool including regulatory information, restriction on withdrawals, and rating and risk information can be found at [sto.idaho.gov](http://sto.idaho.gov).

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## Notes to Financial Statements

**C. RECEIVABLES**

Receivables consist of the following at year end:

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total</b>
Local Sources				
Local Taxes	\$36,028		\$33,539	\$69,567
Other Local Sources	1,809	\$9,286		11,095
<b>Total</b>	<u>\$37,837</u>	<u>\$9,286</u>	<u>\$33,539</u>	<u>\$80,662</u>
State Sources				
Foundation Program	\$48,290			\$48,290
<b>Total</b>	<u>\$48,290</u>			<u>\$48,290</u>
Federal Sources				
Special Programs		\$90,130		\$90,130
<b>Total</b>		<u>\$90,130</u>		<u>\$90,130</u>

**COUNCIL SCHOOL DISTRICT NO. 13**

## Notes to Financial Statements

**D. CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Nondepreciable Capital Assets				
Land	\$12,500			\$12,500
<b>Total</b>	<u>12,500</u>	<u>\$0</u>	<u>\$0</u>	<u>12,500</u>
Depreciable Capital Assets				
Buildings	4,596,599			4,596,599
Equipment	616,291	7,000		623,291
Transportation	470,881	177,065		647,946
Subtotal	<u>5,683,771</u>	<u>184,065</u>	<u>0</u>	<u>5,867,836</u>
Accumulated Depreciation				
Buildings	2,266,147	91,932		2,358,079
Equipment	605,046	2,307		607,353
Transportation	288,798	12,935		301,733
Subtotal	<u>3,159,991</u>	<u>107,174</u>	<u>0</u>	<u>3,267,165</u>
<b>Total</b>	<u>2,523,780</u>	<u>76,891</u>	<u>0</u>	<u>2,600,671</u>
<b>Net Capital Assets</b>	<u>\$2,536,280</u>	<u>\$76,891</u>	<u>\$0</u>	<u>\$2,613,171</u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$94,239
Pupil-To-School Transportation	<u>12,935</u>
<b>Total</b>	<u>\$107,174</u>

**E. LONG-TERM DEBT**

**Bonded Debt** – At year end, the School's bonded debt was as follows:

On November 16, 2004, by special election, the qualified voters of the School approved issuance of a \$2,200,000 bond for the purpose of capital additions and betterments. The bond is a general obligation qualified zone academy bond (QZAB) of which \$1,000,000 will be serviced by the School, and \$1,200,000 by the patrons via a tax levy.

The QZAB differs remarkably from traditional bond financing in a number of aspects. It is a single fully registered bond, without interest. It has a stated maturity of 16 years from closing and



**COUNCIL SCHOOL DISTRICT NO. 13**

## Notes to Financial Statements

delivery, being March 11, 2021, and is not subject to optional redemption and payment prior to the stated maturity.

The bondholder's return is not in the form of interest but rather is a tax credit as provided in Section 1397E of the U.S. Internal Revenue Code. Retirement of the bond is accomplished via a "Forward Delivery Agreement" between the School, U.S. Bank N.A. as custodian, and Bank of America, N.A. as provider whereby the School shall make sixteen (16) annual deposits payable through the debt service and general fund, starting on March 11, 2006 in equal amounts of \$108,964. The School shall receive earnings on the installment deposit account, or sinking fund, at a rate of 3.00% which, with the annual payments, will be sufficient to retire the par amount (\$2,200,000) of the bond on March 11, 2021. Shown below are the scheduled deposits and sinking fund maturity amounts:

<b>Fiscal Year</b>	<b>Fund Deposit</b>	<b>Scheduled Interest Earned</b>	<b>Scheduled Accumulated Interest</b>	<b>Accumulated Fund Amount</b>
6/30/06	\$108,964	\$0	\$0	\$108,964
6/30/07	108,964	3,281	3,281	221,209
6/30/08	108,964	6,665	9,946	336,838
6/30/09	108,964	10,169	20,115	455,971
6/30/10	108,964	13,758	33,873	578,693
6/30/11	108,964	17,483	51,356	705,140
6/30/12	108,964	21,296	72,652	835,400
6/30/13	108,964	25,227	97,879	969,591
6/30/14	108,964	29,291	127,170	1,107,846
6/30/15	108,964	33,473	160,643	1,250,283
6/30/16	108,964	37,789	198,432	1,397,036
6/30/17	108,964	42,207	240,639	1,548,207
6/30/18	108,964	46,774	287,413	1,703,945
6/30/19	108,964	51,488	338,901	1,864,397
6/30/20	108,964	56,335	395,236	2,029,696
6/30/21	108,964	61,340	456,576	2,200,000
<b>Total</b>	<b>\$1,743,424</b>	<b>\$456,576</b>		

As the bond bears no interest and as the School's annual fund deposits will be less than the face amount of the bond, an original issue premium has been recorded on the government-wide financial statements, which will be amortized over the life of the fund deposits at the same rate the interest is earned in the sinking fund.

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## Notes to Financial Statements

**Capital Leases** – The School leases buses that qualify as capital lease obligations. The buses cost \$260,991 and at year end, related accumulated depreciation was \$34,958.

Capital leases due in annual installments of \$51,662 with interest at 4.86% - 5.68% through 2022/23, secured by buses, paid through the bus depreciation fund

	<u>\$164,249</u>
<b>Total</b>	<u><u>\$164,249</u></u>

Maturities on the capital lease are estimated as follows:

<b>Year Ended</b>	
6/30/19	\$51,663
6/30/20	33,941
6/30/21	33,940
6/30/22	33,940
6/30/23	<u>33,940</u>
Total Future Minimum Lease Payments	187,424
Amount Representing Interest	<u>(23,175)</u>
<b>Present Value of Future Minimum Lease Payments</b>	<u><u>\$164,249</u></u>

Changes in long-term debt are as follows:

<b>Description</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Q.Z.A. Bond	\$435,856		\$108,964	\$326,892	\$108,964
Orig. Issue. Premium	215,937		46,774	169,163	51,488
Capital Lease	33,845	\$147,065	16,661	164,249	43,815
<b>Total</b>	<u>\$685,638</u>	<u>\$147,065</u>	<u>\$172,399</u>	<u>\$660,304</u>	<u>\$204,267</u>

Interest and related costs during the year amounted to \$1,061 and were charged to the pupil-to-school transportation program.

### F. PENSION PLAN

#### *Plan Description*

The School contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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

#### *Pension Benefits*

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

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

#### *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. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The School's contributions were \$153,230 for the year ended June 30, 2018.

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

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### Notes to Financial Statements

At June 30, 2018, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the School's proportion was 0.0435531 percent.

For the year ended June 30, 2018, the School recognized pension revenue (expense) of (\$98,730). At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$94,836	\$61,675
Changes in assumptions or other inputs	12,660	
Net difference between projected and actual earnings on pension plan investments		41,016
Employer contributions subsequent to the measurement date	153,230	
<b>Total</b>	<b>\$260,726</b>	<b>\$102,691</b>

\$153,230 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2016 the beginning of the measurement period ended June 30, 2017 is 4.9 and 5.5 for the measurement period June 30, 2016.

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

<b>Year Ended</b>	
6/30/19	(\$37,216)
6/30/20	64,317
6/30/21	18,249
6/30/22	(40,545)
<b>Total</b>	<b>\$4,805</b>

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### Notes to Financial Statements

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#### *Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The total pension liability as of June 30, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

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

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

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## Notes to Financial Statements

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

<b>Capital Market Assumptions</b>				
<b>Asset Class</b>	<b>Expected Return*</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equities	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
			<b>Expected</b>	
	<b>Expected</b>	<b>Expected</b>	<b>Real</b>	<b>Expected</b>
<b>Total Fund</b>	<b>Return*</b>	<b>Inflation</b>	<b>Return</b>	<b>Risk</b>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\*Expected arithmetic return net of fees and expenses

**Actuarial Assumptions**

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

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

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the School's proportionate share of the net pension

## COUNCIL SCHOOL DISTRICT NO. 13

### Notes to Financial Statements

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:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
School's proportionate share of the net pension liability (asset)	\$1,591,105	\$684,580	(\$68,766)

#### *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](http://www.persi.idaho.gov).

#### *Impacts on the School's net position*

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan whenever deemed necessary), such deficits are not deemed to be of substantial concern.

## G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

<b>Due To Fund</b>	<b>Due From Fund</b>	
	<b>Nonmajor Governmental</b>	<b>Total</b>
General	\$67,037	\$67,037
<b>Total</b>	<b>\$67,037</b>	<b>\$67,037</b>

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

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## Notes to Financial Statements

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Interfund transfers during the year consist of the following:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>	<b>Purpose</b>
General	\$12,500	\$15,525	Maintenance, Depreciation, Indirect Costs
Nonmajor Governmental	15,525	12,500	Maintenance, Depreciation, Indirect Costs
<b>Total</b>	<u>\$28,025</u>	<u>\$28,025</u>	



## **REQUIRED SUPPLEMENTARY INFORMATION**

# COUNCIL SCHOOL DISTRICT NO. 13

Page 1 of 3

## Budgetary Comparison Schedule - General and Major Special Revenue Funds

Year Ended June 30, 2018

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$99,763	\$99,763	\$98,213	(\$1,550)
Other Local Revenue	12,700	12,700	22,748	10,048
State Revenue	1,928,081	1,928,081	2,015,703	87,622
Federal Revenue	0	0	0	0
<b>Total Revenues</b>	<b>2,040,544</b>	<b>2,040,544</b>	<b>2,136,664</b>	<b>96,120</b>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	509,803	509,803	507,953	1,850
Secondary School	559,566	559,566	559,088	478
Vocational-Technical	0	0	0	0
Special Education	139,238	139,238	136,609	2,629
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	44,496	44,496	43,090	1,406
Support Service Programs				
Attendance - Guidance - Health	5,383	5,383	5,507	(124)
Special Education Support Services	19,000	19,000	21,236	(2,236)
Instruction Improvement	52,812	52,812	36,659	16,153
Educational Media	0	0	0	0
Instruction-Related Technology	34,079	34,079	31,861	2,218
Board of Education	500	500	3,843	(3,343)
District Administration	98,716	98,716	109,763	(11,047)
School Administration	173,477	173,477	174,945	(1,468)
Central Service	0	0	0	0
Buildings - Care	178,427	178,427	191,097	(12,670)
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	76,966	76,966	101,765	(24,799)
Maintenance - Grounds	15,750	15,750	11,345	4,405
Security	0	0	0	0
Pupil-To-School Transportation	85,385	85,385	93,629	(8,244)
Pupil-Activity Transportation	6,400	6,400	6,308	92
General Transportation	2,000	2,000	1,399	601
Non-Instructional Programs				
Child Nutrition	2,182	2,182	1,441	741
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	33,339	33,339	33,339	0
Debt Service - Interest	0	0	0	0
<b>Total Expenditures</b>	<b>2,037,519</b>	<b>2,037,519</b>	<b>2,070,877</b>	<b>(33,358) *</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,025</b>	<b>3,025</b>	<b>65,787</b>	<b>62,762</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	12,500	12,500	12,500	0
Transfers Out	(15,525)	(15,525)	(15,525)	0 *
<b>Total Other Financing Sources (Uses)</b>	<b>(3,025)</b>	<b>(3,025)</b>	<b>(3,025)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>0</b>	<b>62,762</b>	<b>62,762</b>
<b>Fund Balances - Beginning</b>	<b>0</b>	<b>0</b>	<b>1,630</b>	<b>1,630</b>
<b>Fund Balances - Ending</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,392</b>	<b>\$64,392</b>

\*Total expenditures (over) under appropriations are: (\$33,358)

**COUNCIL SCHOOL DISTRICT NO. 13**

Page 2 of 3

Budgetary Comparison Schedule - General and Major Special Revenue Funds

Year Ended June 30, 2018

	<b>Budgeted Amounts (GAAP Basis)</b>		<b>Actual Amounts</b>	<b>Final Budget Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Forest Reserve Fund</b>				
<b>Revenues</b>				
Other Local Revenue	\$0	\$0	\$0	\$0
Federal Revenue	0	0	94,268	94,268
<b>Total Revenues</b>	0	0	94,268	94,268
<b>Expenditures</b>				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
<b>Total Expenditures</b>	0	0	0	0 *
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	94,268	94,268
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
<b>Total Other Financing Sources (Uses)</b>	0	0	0	0
<b>Net Change in Fund Balances</b>	0	0	94,268	94,268
<b>Fund Balances - Beginning</b>	111,772	111,772	94,076	(17,696)
<b>Fund Balances - Ending</b>	\$111,772	\$111,772	\$188,344	\$76,572
<i>*Total expenditures (over) under appropriations are:</i>				\$0

**COUNCIL SCHOOL DISTRICT NO. 13**

Page 3 of 3

Budgetary Comparison Schedule - General and Major Special Revenue Funds

Year Ended June 30, 2018

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Child Nutrition Fund</b>				
<b>Revenues</b>				
Other Local Revenue	\$23,000	\$23,000	\$23,940	\$940
Federal Revenue	49,000	49,000	62,982	13,982
<b>Total Revenues</b>	<u>72,000</u>	<u>72,000</u>	<u>86,922</u>	<u>14,922</u>
<b>Expenditures</b>				
Non-Instructional Programs				
Child Nutrition	93,400	93,400	84,129	9,271
<b>Total Expenditures</b>	<u>93,400</u>	<u>93,400</u>	<u>84,129</u>	<u>9,271</u> *
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(21,400)	(21,400)	2,793	24,193
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(21,400)	(21,400)	2,793	24,193
<b>Fund Balances - Beginning</b>	21,400	21,400	29,515	8,115
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$32,308</u>	<u>\$32,308</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u>\$9,271</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
**Schedule of Employer's Share of Net Pension Liability**  
**PERSI - Base Plan**  
**Last 10 - Fiscal Years\***

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
School's portion of the net pension liability	0.0435531%	0.0442690%	0.0456409%	0.0467246%
School's proportionate share of the net pension liability	\$684,580	\$897,400	\$601,016	\$343,966
School's covered payroll	\$1,352,730	\$1,294,735	\$1,278,383	\$1,265,830
School's proportional share of the net pension liability as a percentage of its	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

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

Data reported is measured as of June 30.

**COUNCIL SCHOOL DISTRICT NO. 13****Schedule of Employer Contributions****PERSI - Base Plan****Last 10 - Fiscal Years\***

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily required contribution	\$153,230	\$153,129	\$146,564	\$144,713
Contributions in relation to the statutorily required contribution	\$153,230	\$153,129	\$146,564	\$144,713
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$1,353,622	\$1,352,730	\$1,294,735	\$1,278,383
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

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

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

## **SUPPLEMENTARY INFORMATION**

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2018

Page 1 of 5

	<b>Special Revenue Funds</b>		
	<b>Summer Youth Forest Grant</b>	<b>Positive Action</b>	<b>School Building Maintenance</b>
<b>Assets</b>			
Cash & Investments		\$1,231	\$25,405
Receivables:			
Local Sources	\$9,286		
State Sources			
Federal Sources			
Due From Other Funds			
<b>Total Assets</b>	<u>\$9,286</u>	<u>\$1,231</u>	<u>\$25,405</u>
<b>Liabilities</b>			
Accounts Payable	\$230	\$385	
Due To Other Funds	9,056		
Salaries & Benefits Payable		846	
Unspent Grant Allocation			
<b>Total Liabilities</b>	<u>9,286</u>	<u>1,231</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Restricted:			
Special Programs			25,405
Debt Service			
Capital Projects			
Unassigned			
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>25,405</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$9,286</u>	<u>\$1,231</u>	<u>\$25,405</u>



**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2018

Page 2 of 5

	<b>Special Revenue Funds</b>		
	<b>Professional Technical</b>	<b>Technology</b>	<b>Substance Abuse</b>
<b>Assets</b>			
Cash & Investments	\$2,192	\$42,512	\$13,854
Receivables:			
Local Sources			
State Sources			
Federal Sources			
Due From Other Funds			
<b>Total Assets</b>	<u>\$2,192</u>	<u>\$42,512</u>	<u>\$13,854</u>
<b>Liabilities</b>			
Accounts Payable	\$104		
Due To Other Funds			
Salaries & Benefits Payable	2,088		
Unspent Grant Allocation			
<b>Total Liabilities</b>	<u>2,192</u>	<u>\$0</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Restricted:			
Special Programs		42,512	13,854
Debt Service			
Capital Projects			
Unassigned			
<b>Total Fund Balances</b>	<u>0</u>	<u>42,512</u>	<u>13,854</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$2,192</u>	<u>\$42,512</u>	<u>\$13,854</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2018

Page 3 of 5

	<b>Special Revenue Funds</b>		
	<b>Title I-A ESSA IBP</b>	<b>IDEA Part B 611 School Age 3-21</b>	<b>IDEA Part B 619 Pre-School Age 3-5</b>
<b>Assets</b>			
Cash & Investments			
Receivables:			
Local Sources			
State Sources			
Federal Sources	\$24,900	\$29,691	\$3,484
Due From Other Funds			
<b>Total Assets</b>	<u>\$24,900</u>	<u>\$29,691</u>	<u>\$3,484</u>
<b>Liabilities</b>			
Accounts Payable			
Due To Other Funds	\$12,288	\$14,281	\$3,266
Salaries & Benefits Payable	8,223	9,483	
Unspent Grant Allocation	4,389	5,927	218
<b>Total Liabilities</b>	<u>24,900</u>	<u>29,691</u>	<u>3,484</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Restricted:			
Special Programs			
Debt Service			
Capital Projects			
Unassigned			
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$24,900</u>	<u>\$29,691</u>	<u>\$3,484</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2018

Page 4 of 5

	<b>Special Revenue Funds</b>			
	<b>Title IV-A ESSA SS&amp;AE</b>	<b>Title V-B ESSA REI</b>	<b>Perkins III Professional Technical Act</b>	<b>Title II-A ESSA SEI</b>
<b>Assets</b>				
Cash & Investments		\$2,875		
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$4,087		\$23,369	\$2,086
Due From Other Funds				
<b>Total Assets</b>	<u>\$4,087</u>	<u>\$2,875</u>	<u>\$23,369</u>	<u>\$2,086</u>
<b>Liabilities</b>				
Accounts Payable			\$108	
Due To Other Funds	\$4,087		23,261	\$798
Salaries & Benefits Payable		\$2,875		1,288
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>4,087</u>	<u>2,875</u>	<u>23,369</u>	<u>2,086</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$4,087</u>	<u>\$2,875</u>	<u>\$23,369</u>	<u>\$2,086</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2018

Page 5 of 5

	<b>Capital Projects Funds</b>		
	<b>Plant</b>	<b>Bus</b>	
	<b>Facilities</b>	<b>Depreciation</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash & Investments	\$34,771	\$19,269	\$142,109
Receivables:			
Local Sources			9,286
State Sources			0
Federal Sources			87,617
Due From Other Funds			0
<b>Total Assets</b>	<b>\$34,771</b>	<b>\$19,269</b>	<b>\$239,012</b>
<b>Liabilities</b>			
Accounts Payable			\$827
Due To Other Funds			67,037
Salaries & Benefits Payable			24,803
Unspent Grant Allocation			10,534
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>103,201</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Restricted:			
Special Programs			81,771
Debt Service			0
Capital Projects	34,771	19,269	54,040
Unassigned			0
<b>Total Fund Balances</b>	<b>34,771</b>	<b>19,269</b>	<b>135,811</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$34,771</b>	<b>\$19,269</b>	<b>\$239,012</b>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Page 1 of 5

	Special Revenue Funds		
	Summer Youth Forest Grant	Positive Action	School Building Maintenance
<b>Revenues</b>			
Local Taxes			
Other Local Revenue	\$34,249	\$11,376	
State Revenue			\$25,405
Federal Revenue			
<b>Total Revenues</b>	<u>34,249</u>	<u>11,376</u>	<u>25,405</u>
<b>Expenditures</b>			
Instructional Programs			
Elementary School	1,058		
Secondary School			
Vocational-Technical			
Special Education			
Special Education Preschool			
Gifted & Talented			
Interscholastic			
Support Service Programs			
Attendance - Guidance - Health			
Special Education Support Services			
Instruction Improvement		11,376	
Educational Media			
Instruction-Related Technology			
Board of Education			
District Administration			
School Administration			
Central Service			
Buildings - Care			
Maintenance - Non-Student Occupied			
Maintenance - Student Occupied			
Maintenance - Grounds	34,852		
Security			
Pupil-To-School Transportation			
Pupil-Activity Transportation			
General Transportation			
Non-Instructional Programs			
Child Nutrition			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<u>35,910</u>	<u>11,376</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,661)	0	25,405
<b>Other Financing Sources (Uses)</b>			
Proceeds from Capital Lease			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(1,661)	0	25,405
<b>Fund Balances - Beginning</b>	1,661	0	0
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$25,405</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Page 2 of 5

	<b>Special Revenue Funds</b>		
	<b>Professional Technical</b>	<b>Technology</b>	<b>Substance Abuse</b>
<b>Revenues</b>			
Local Taxes			
Other Local Revenue			
State Revenue	\$31,276	\$56,879	\$5,231
Federal Revenue			
<b>Total Revenues</b>	<u>31,276</u>	<u>56,879</u>	<u>5,231</u>
<b>Expenditures</b>			
Instructional Programs			
Elementary School			
Secondary School			
Vocational-Technical	31,276		
Special Education			
Special Education Preschool			
Gifted & Talented			
Interscholastic			
Support Service Programs			
Attendance - Guidance - Health			
Special Education Support Services			
Instruction Improvement			
Educational Media			
Instruction-Related Technology		13,723	
Board of Education			
District Administration			
School Administration			
Central Service			
Buildings - Care			
Maintenance - Non-Student Occupied			
Maintenance - Student Occupied			
Maintenance - Grounds			
Security			220
Pupil-To-School Transportation			
Pupil-Activity Transportation			
General Transportation			
Non-Instructional Programs			
Child Nutrition			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<u>31,276</u>	<u>13,723</u>	<u>220</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	43,156	5,011
<b>Other Financing Sources (Uses)</b>			
Proceeds from Capital Lease			
Transfers In			
Transfers Out		(12,500)	
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(12,500)</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	30,656	5,011
<b>Fund Balances - Beginning</b>	0	11,856	8,843
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$42,512</u>	<u>\$13,854</u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Page 3 of 5

	<b>Special Revenue Funds</b>		
	<b>Title I-A ESSA IBP</b>	<b>IDEA Part B 611 School Age 3-21</b>	<b>IDEA Part B 619 Pre-School Age 3-5</b>
<b>Revenues</b>			
Local Taxes			
Other Local Revenue			
State Revenue			
Federal Revenue	\$54,900	\$57,301	\$3,507
<b>Total Revenues</b>	<u>54,900</u>	<u>57,301</u>	<u>3,507</u>
<b>Expenditures</b>			
Instructional Programs			
Elementary School	54,900		
Secondary School			
Vocational-Technical			
Special Education		57,301	
Special Education Preschool			3,507
Gifted & Talented			
Interscholastic			
Support Service Programs			
Attendance - Guidance - Health			
Special Education Support Services			
Instruction Improvement			
Educational Media			
Instruction-Related Technology			
Board of Education			
District Administration			
School Administration			
Central Service			
Buildings - Care			
Maintenance - Non-Student Occupied			
Maintenance - Student Occupied			
Maintenance - Grounds			
Security			
Pupil-To-School Transportation			
Pupil-Activity Transportation			
General Transportation			
Non-Instructional Programs			
Child Nutrition			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<u>54,900</u>	<u>57,301</u>	<u>3,507</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	0
<b>Other Financing Sources (Uses)</b>			
Proceeds from Capital Lease			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Page 4 of 5

	<b>Special Revenue Funds</b>			
	<b>Title IV-A</b>	<b>Title V-B</b>	<b>Perkins III</b>	<b>Title II-A</b>
	<b>ESSA</b>	<b>ESSA</b>	<b>Professional</b>	<b>ESSA</b>
	<b>SS&amp;AE</b>	<b>REI</b>	<b>Technical Act</b>	<b>SEI</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$10,000	\$18,217	\$23,369	\$8,645
<b>Total Revenues</b>	<u>10,000</u>	<u>18,217</u>	<u>23,369</u>	<u>8,645</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School	10,000			
Vocational-Technical			23,369	
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement		18,217		8,645
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Central Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>10,000</u>	<u>18,217</u>	<u>23,369</u>	<u>8,645</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Proceeds from Capital Lease				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



**COUNCIL SCHOOL DISTRICT NO. 13**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2018

Page 5 of 5

	<b>Capital Projects Funds</b>		
	<b>Plant</b>	<b>Bus</b>	
	<b>Facilities</b>	<b>Depreciation</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
<b>Revenues</b>			
Local Taxes			\$0
Other Local Revenue		\$5,000	50,625
State Revenue			118,791
Federal Revenue			175,939
<b>Total Revenues</b>	<b>\$0</b>	<b>5,000</b>	<b>345,355</b>
<b>Expenditures</b>			
Instructional Programs			
Elementary School			55,958
Secondary School			10,000
Vocational-Technical			54,645
Special Education			57,301
Special Education Preschool			3,507
Gifted & Talented			0
Interscholastic			0
Support Service Programs			0
Attendance - Guidance - Health			0
Special Education Support Services			0
Instruction Improvement			38,238
Educational Media			0
Instruction-Related Technology			13,723
Board of Education			0
District Administration			0
School Administration			0
Central Service			0
Buildings - Care			0
Maintenance - Non-Student Occupied			0
Maintenance - Student Occupied	99		99
Maintenance - Grounds			34,852
Security			220
Pupil-To-School Transportation		194,787	194,787
Pupil-Activity Transportation			0
General Transportation			0
Non-Instructional Programs			0
Child Nutrition			0
Capital Assets - Student Occupied			0
Capital Assets - Non-Student Occupied			0
Debt Service - Principal			0
Debt Service - Interest			0
<b>Total Expenditures</b>	<b>99</b>	<b>194,787</b>	<b>463,330</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>(99)</b>	<b>(189,787)</b>	<b>(117,975)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Capital Lease		147,065	147,065
Transfers In		15,525	15,525
Transfers Out			(12,500)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>162,590</b>	<b>150,090</b>
<b>Net Change in Fund Balances</b>	<b>(99)</b>	<b>(27,197)</b>	<b>32,115</b>
<b>Fund Balances - Beginning</b>	<b>34,870</b>	<b>46,466</b>	<b>103,696</b>
<b>Fund Balances - Ending</b>	<b>\$34,771</b>	<b>\$19,269</b>	<b>\$135,811</b>

## **OTHER REPORTS**

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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***

Board of Trustees  
Council School District No. 13

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Council School District No. 13 (the School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 13, 2018.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

## ***Quest CPAs PLLC***

Payette, Idaho  
August 13, 2018