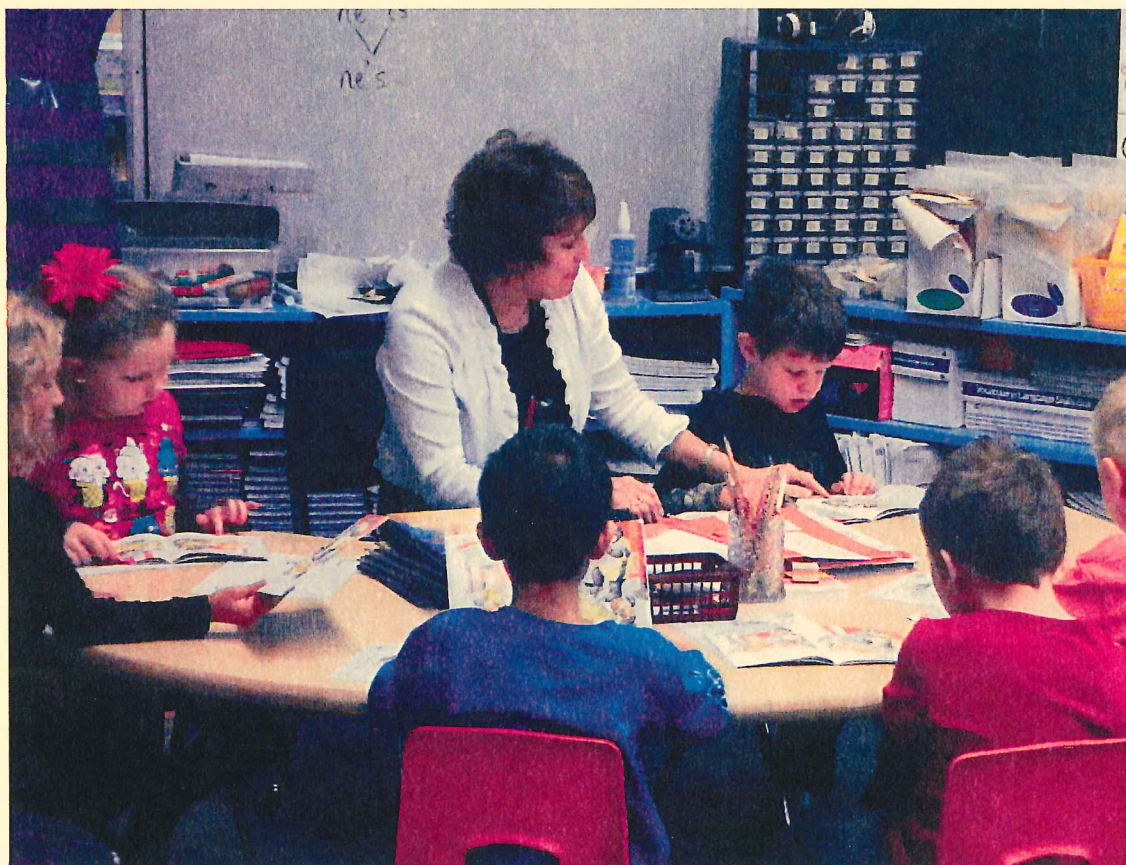


MOSCOW SCHOOL DISTRICT NO. 281

Moscow, Idaho

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



Moscow School District No. 281

Moscow, Idaho

Annual Financial Report for the Fiscal Year Ended June 30, 2015

Board of Trustees

Dawna C. Fazio, Chair

Kim Campbell, Vice Chair

Margaret Dibble

Jim Frenzel

Eric Torok

Issued by:

Susan L. Clark, Business Manager
Business and Finance Department

Introductory Section

Moscow School District No. 281

Moscow, Idaho

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Moscow School District #281

650 N. Cleveland St. Moscow, ID 83843 (208) 882-1120 fax (208) 883-4440 www.msd281.org

Dr. Gregory Bailey, Superintendent
Susan L. Clark, Business Manager

Carrie Brooks, Director of Curriculum
Shannon Richards, Director of Special Services

October 22, 2015

Board of Trustees
Moscow School District No. 281
650 N. Cleveland Street
Moscow, ID 83843

Idaho State Code requires that each school district publish, within 120 days of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and an audit report in accordance with auditing standards generally accepted in the United States of America by certified public accountants. Pursuant to that requirement, we hereby issue the Annual Financial Report of the Moscow School District for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Moscow School District. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Moscow School District's financial statements have been audited by Hayden Ross, PLLC, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Moscow School District was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the audited internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

Profile of Moscow School District

The Moscow School District is located in Latah County, Idaho. The hub of the District is the City of Moscow, home to over 23,000 residents and students. The area outside the city limits comprises the Palouse region which is rich farmland that produces the vast majority of America's seed peas, split peas, and lentils. Other agricultural commodities produced are barley, malting barley, hay, grass seed, livestock, and soft white wheat, which is the area's largest cash crop.

Moscow is the home of the University of Idaho with a student enrollment of 11,500 and over 5,500 employees. The University is the largest employer in the Moscow community. In addition to Moscow's fine businesses and the University of Idaho, Moscow is just 10 miles away from Pullman, Washington. Pullman is home of Washington State University and Schweitzer Engineering Laboratories, both of which employ many of our community members.

The District provides a program of public education from a developmental preschool through grade 12. Fall enrollment for the 2014/2015 school year was 2,323, an increase of 6 students from the previous year. Fall student population included 1003 kindergarten through fifth grade students housed in four elementary schools. The middle school population is housed in one building with an enrollment of 519 students sixth through eighth grades and one high school building with an enrollment of 752 students ninth through twelfth grades. The District also includes an alternative high school with an average enrollment of 19 students for the 2014/2015 school year. The developmental preschool program is housed at the largest elementary school and reached a total student enrollment of 38 students during the 2014/2015 school year. Enrollment figures for 2014/2015 are based on the October 31, 2014 enrollment report.

The educational programs include an extensive gifted/talented program K-12, a developmental preschool program for qualified children ages 3 to 5, professional technical programs at the secondary school, and a regional alternative high school serving students from ninth to twelfth grades from throughout Latah county. The District is the charter authorizer for Moscow Charter School, which serves students K-7 with a 2014/2015 enrollment of 175 students.

The District consists of four elementary school buildings ranging in age from 87 years to the newest building at age 47, one middle school building constructed in 1958, one high school building constructed in 1938, one administrative building constructed in 1997, and one support services facility constructed in 2000. This facility contains the district warehouse, bus garage, maintenance shop, and office space for support services personnel.

The District is governed by a Board of Trustees consisting of five members. District Trustees are elected for four-year terms. The trustees represent the patrons in their respective zones within the school district and are elected by the electors in those zones.

The annual budget serves as the foundation for the District's financial planning and control. The Board is required to hold a public hearing prior to adopting a budget. Budget to actual comparisons are included in the financial statements of this report.

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body and is fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes. The District is an independent school district and is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, pupil transportation, construction and maintenance of facilities, and food service.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the District operates.

Idaho Code provides that the Board of Trustees of any school district that has, for at least seven consecutive years, been authorized through an election to certify a supplemental levy that has annually been equal to or greater than twenty percent of the total general maintenance and operation fund, may submit the question of an indefinite term supplemental levy to the electors of the district. In 1991, the Board of Trustees submitted the question of an indefinite levy and electors voted positively. Voters approved increases to the indefinite term supplemental levy in 1995, 2002, 2007 and 2011.

General Fund Balance

The general fund balance increased by \$125,840 resulting in a June 30, 2015 fund balance of \$4,535,972.

Cash Management

The District deposits cash on a daily basis into a demand account. Cash in excess of monthly operating needs is invested with the State Treasurer's Local Government Investment Pool which purchases fully collateralized securities, and local banks' governmental investment pools are uncollateralized. The state investment pool earned an average of .16 percent interest. The District earned interest revenue of \$5,628 on all investments for the year ended June 30, 2015. The District's investment policy is to minimize credit and market risk while maintaining a competitive yield.

Debt Administration

Under current state statutes, the District's general obligation bonded debt issuances are subject to the legal limitation based on five percent (5%) of the total assessment of all taxable property in the district. Legal debt margin on June 30, 2015 was \$56,503,804. Legal debt margin is based on five percent of the assessed value of all property in the District's boundaries less bonded indebtedness.

An election held May 2013 authorized the sale of bonds to generate \$10.8M for school renovation projects. Said bond sale closed August 15, 2013. The District assumed long-term debt of \$10,470,000.

Risk Management

The District is not a member of any insurance pool. The District purchases individual coverage through an insurance agency which solicits competitive bids. The District Safety Officer and the Directors of Facilities and Transportation routinely review all accident reports and make recommendations for change to lower risk. In addition, the District utilizes the services of risk control specialists employed by its liability insurance carrier.

Retirement Program

The District participates in the State operated Public Employee Retirement System of Idaho. The District's responsibility to the system is the payment of a predetermined percentage of the salaries paid.

Each member of the business office staff has our sincere appreciation for the contributions made in the preparation of this report. Appreciation also goes to the members of the Audit Committee for their time and expertise. Their contribution to this report is invaluable.

In closing, without the leadership and support of the Board of Trustees, preparation of this report would not have been possible.

Sincerely,

Gregory J. Bailey, Ph.D.
Superintendent

Susan L. Clark
Business Manager

Moscow School District No. 281

Moscow, Idaho

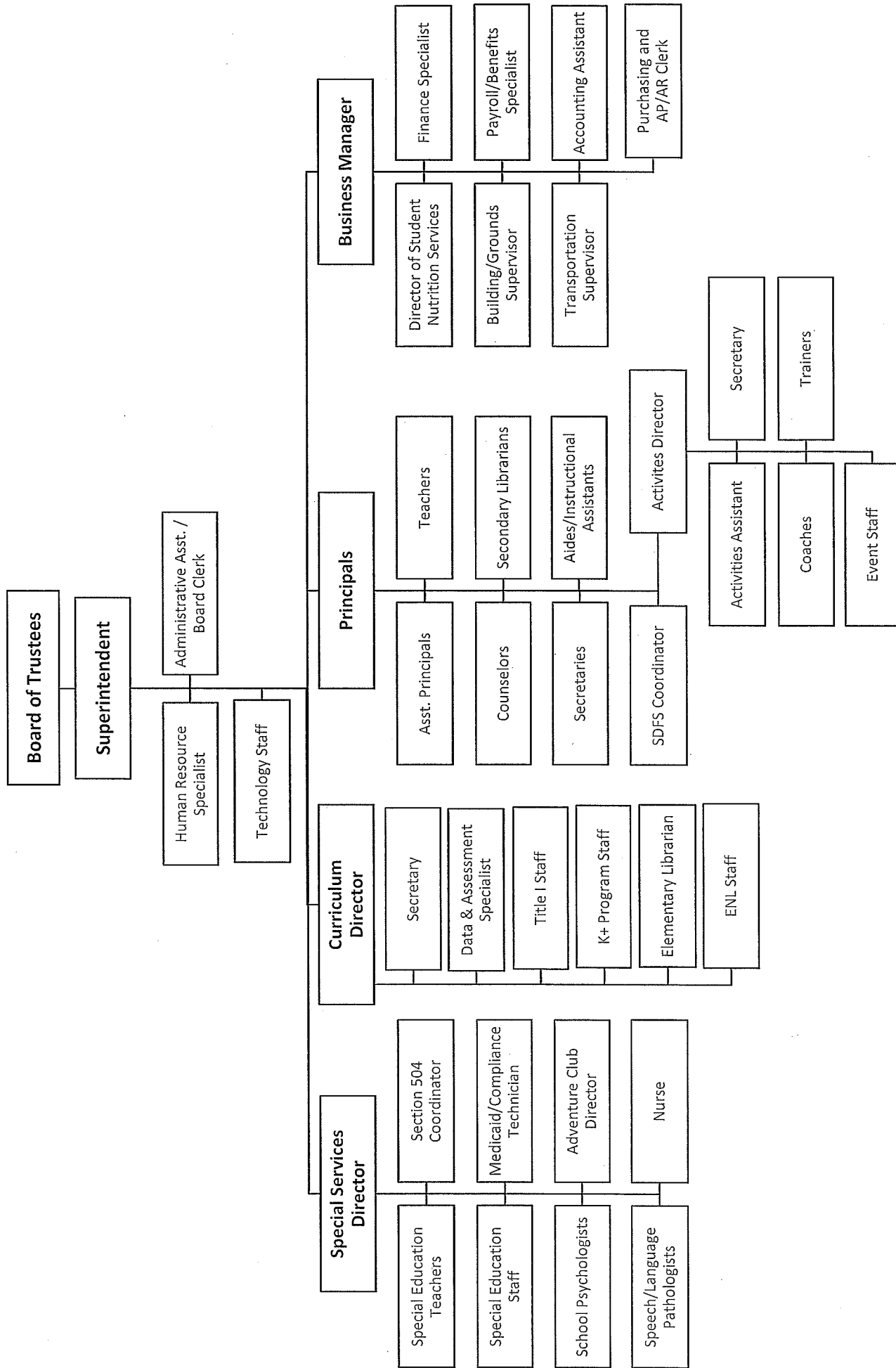
List of Principal Officials

June 30, 2015

Gregory J. Bailey, Ph.D	Superintendent
Susan L. Clark	Business Manager / Treasurer
Carrie Brooks	Director, Curriculum
Shannon Richards	Director, Special Services
Angela Packard	Clerk, Board of Trustees
Erik Perryman	Principal, Moscow High School
Brett Clevenger	Asst Principal, Moscow High School
Lance Abendroth	Asst Principal / Activities Dir, Moscow High School
Bill Marineau	Principal, Paradise Creek Regional High School
Kevin Hill	Principal, Moscow Middle School
Kendra McMillan	Principal, Lena Whitmore Elementary School
Kim Mikolajczyk	Principal, McDonald Elementary School
Craig Allen	Principal, Russell Elementary School
Bill Marineau	Principal, West Park Elementary School
Marian S. (Mimi) Pengilly	Director, Student Nutrition Services
Lorne Barr	Director, Building / Grounds Supervisor
Greg Harris	Director, Transportation

Moscow School District No. 281

Organizational Chart



Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Moscow School District No. 281
Moscow, Idaho 83843

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Moscow School District No. 281, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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.

Summary of Opinions

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

Basis for Qualified Opinion on Governmental Activities

Moscow School District No. 281 was required to update Other Post-Employment Benefits liability pursuant to the requirements of GASB Statement 45. The District believes that the future cost of the increase to the liability previously calculated in 2011 is not material to the financial statements and the cost of updating the estimated cost cannot be justified at the current time.

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 above present fairly, in all material respects, the financial position of governmental activities of Moscow School District No. 281, as of June 30, 2015, and the changes in financial position and for the year then ended in accordance 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 Moscow School District No. 281, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows, and the respective budget comparison for the General Fund, Debt Service Fund and Capital Projects Funds, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the respective budgetary comparison information on pages 4-9 and 41-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moscow School District No. 281's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2015 on our consideration of the Moscow School District No. 281's internal control over financial reporting and 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 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 Moscow School District No. 281's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
October 16, 2015

Management's Discussion and Analysis

For the Year Ended June 30, 2015

The discussion and analysis of the Moscow School District No. 281's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2015. Readers are encouraged to consider this information in conjunction with additional information furnished in the letter of transmittal.

Economic Conditions and Outlook

The State has taken a number of actions in the last five fiscal years to manage the school appropriations in reaction to the 2008 recession and the continuing weakness in the economy which adversely affected State General Fund revenues. These actions include utilizing one-time moneys from federal American Recovery and Reinvestment Act (ARRA) and State endowment funds and they withdrew funds from the Stabilization Fund to partially offset the reduction in appropriations from the State General Fund in order to sustain School Appropriations. Notwithstanding these actions, the overall Schools Appropriations have declined in absolute dollars from Fiscal Year 2009 to Fiscal Year 2013 even though the statewide student population increased.

At the district level, State budget reductions included maintenance, transportation, textbooks, classroom supplies and salaries. Moscow School District responded to these reductions by cutting positions through attrition, reducing administrator's contract days, reducing discretionary spending, eliminating furniture budgets and deferring many capital maintenance projects.

The Governor formed a broad-based task force to make recommendations on education reform proposals including public school funding beginning 2014. Slight economic recovery enabled the State to increase public school funding for the first time since 2008.

In November, 2011 Moscow School District taxpayers voted to approve an increase to the Indefinite Supplemental Levy by \$1.97 million.

In an effort to meet Idaho's constitutional mandate to provide for safe school facilities, the 2006 legislature passed legislation requiring districts to allocate two percent of the replacement value of student occupied school buildings to be used exclusively for the maintenance and repair of student occupied buildings. Local resources of \$497,264 were needed to cover the mandate for fiscal year 2014/2015.

Financial Highlights

- Assets and deferred outflows of resources of the district exceeded liabilities and deferred inflows of resources at the close of 2014/2015 by 6,014,210.
- Total net position decreased by \$5,486,703 from prior year.

- At the close of the current fiscal year, governmental funds reported combined ending fund balances of \$8,248,011, a decrease of \$5,349,545 over prior year.
- The District had bonded indebtedness at the end of fiscal year 2014/2015 of \$10,165,000.

Major Initiatives

Bond construction projects have been in progress across the District, going into the second year of the bond. They included:

<u>Project</u>	<u>Budget</u>
Various classroom remodels	\$ 75,000
Boiler upgrades at two schools	\$ 300,444
Middle School field house and press box remodel	\$ 2,174,630
Roof replacements at three schools	\$ 1,070,938
Window replacements at four schools	\$ 752,895
Restroom upgrades at five schools	\$ 1,189,401
High School science lab remodel	\$ 962,200
Electrical and technical upgrades district wide	\$ 569,664

Moscow School District and the City of Moscow entered into a joint agreement to develop the Moscow School District Community Playfields. Construction started in May, 2014 with expected substantial completion early November. Toward the development, the District pledged up to \$1,623,172 and the City pledged up to \$1,869,517. Ongoing maintenance costs and usage will be shared between the District and the City of Moscow. Since the District owns the property, development costs are paid by the District and the City reimburses their share of the expense to the District. The City's reimbursement is reflected as local revenue.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Moscow School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued uncollected taxes and earned but unused vacation leave).

The statements present an aggregate view of the District's finances. Government-wide statements contain useful long-term information as well as information for the just-completed fiscal year. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, should be considered.

In the government-wide financial statements, the District's activities are all classified as government activities. Government activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation, and child nutrition service. Most of these activities are supported by property taxes and formula aide from the State of Idaho.

Fund financial statements: Funds are accounting devices the District uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund financial statements generally report operation in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the District as a whole.

Governmental funds: Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported on the "modified accrual" basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Fiduciary funds: The District serves as trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These assets are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

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

Financial Information

Accounting System and Budgetary Control: In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls.

Internal control is a process affected by Moscow School District's governing board, administration, faculty and staff, designed to provide reasonable assurance, not absolute, regarding the achievements of objectives in the following categories: 1) effectiveness and efficiency of operations, 2) reliability of financial reporting; and 3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefit likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The financial statements meet requirements as set forth by the Governmental Accounting Standards Board and the Idaho Financial Accounting Reporting Management System of the Idaho Department of Education. Generally accepted accounting principles promulgated by GASB as appropriate for school districts have been followed in handling financial transactions and in preparation of reports.

Activities of the general fund, special revenue funds, debt service fund, and capital projects fund are included in the annual budget. Budgetary control is maintained by the issuance of monthly financial statements which reflect current and year-to-date expenditures and encumbrances in comparison to budgeted amounts. Anticipated expenditures are reviewed to determine that sufficient funds are available prior to issuance of purchase orders or other commitments. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a district's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,014,210 for fiscal year end June 30, 2015.

STATEMENT OF NET POSITION

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
ASSETS		
Current assets	\$ 28,700,021	\$ 23,040,519
Capital assets (net of depreciation)	8,397,110	15,438,526
TOTAL ASSETS	\$ 37,097,131	\$ 38,479,045
DEFERRED OUTFLOWS OF RESOURCES	0	2,020,542
LIABILITIES		
Current liabilities	5,254,019	\$ 5,172,049
Noncurrent liabilities	10,165,000	13,695,773
TOTAL LIABILITIES	\$ 15,419,019	\$ 18,867,822

DEFERRED INFLOWS OF RESOURCES	\$ 10,177,198	15,617,556
NET POSITION		
Net investment in capital assets	\$ (2,149,234)	\$ 5,107,925
Restricted	8,386,843	2,471,544
Unrestricted	5,263,305	(1,565,259)
TOTAL NET POSITION	\$ 11,500,913	\$ 6,014,210

Liabilities – Current liabilities are accounts payable, other post-employment retirement benefits and accrued compensated absences. Noncurrent liabilities are general obligation bonds.

Changes in Net Position – The tables below illustrate the changes in net position for the fiscal year 2014/2015. The District relies on state and federal support for 46% of its governmental activities. The District had total revenues of \$25,473,715 and total net expenses of \$21,899,806 that generated an increase in net position of \$3,573,909. There was a prior period adjustment of \$9,060,612 to result in a net decrease in net position of \$5,486,703.

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

**CHANGES IN NET POSITION
FROM OPERATING RESULTS
All Governmental Activities**

	<u>2014</u>	<u>2015</u>	Total % Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$ 723,353	\$ 789,985	9.21%
Grants	2,202,367	2,309,741	4.88%
General Revenues			
Property Taxes Levied	\$ 10,400,800	\$ 10,275,474	-1.20%
State/Federal Funding	9,967,735	10,582,310	6.16%
Other	1,238,386	1,516,205	22.43%
Total Revenues	\$ 24,532,641	\$ 25,473,715	3.83%
<u>Expenses</u>			
Instructional	\$ 12,254,542	\$ 11,292,908	-7.84%
Support Services	8,726,075	7,643,060	-12.41%
Child Nutrition	788,319	709,906	-9.94%
Community Service	267,012	743,335	178.39%
Capital Objects	0	224,630	100.00%
Debt service and issuance	263,627	456,234	73.06%

Depreciation – unallocated	44,116	829,734	1780.80%
Total Expenses	\$ 22,343,690	\$ 21,899,806	1.98%
Increase (Decrease) in Net Position	\$ 2,188,951	\$ 3,573,909	

DISTRICT'S FUNDS FINANCIAL ANALYSIS

General Fund – The general fund is the maintenance and operation fund for the District. At the end of the current fiscal year, the general fund balance was \$4,535,972 which is up 2.85% from the ending balance in fiscal year 2014 of \$4,410,132.

For the second time in several years, funding levels slightly increased over prior year. The District continued to monitor expenditures carefully and continued to reduce where possible. Historical experience has proven that as time passes, the indefinite levy dollars lose buying power. When this occurs, fund balance is used to cover the difference between revenues and expenditures until the levy is increased.

Expenditures in the general fund totaled \$19,979,954, an increase of 4.32% from the prior year. Most of the increase can be attributed to salary/benefit increases and Capital Object purchases. The 2014/2015 general fund salaries totaled \$12,312,130 while the associated benefits of retirement, social security, workers compensation, and health care costs added \$5,022,914 to arrive at 87% of the District's general fund expenditures.

Capital Projects Funds – The capital projects funds are used for capital construction, building and site improvement, remodeling, equipment and vehicle replacement, and to maintain and update the District's technology infrastructure. At the end of the current fiscal year, the balances in the capital projects funds total \$2,335,294. Year-end construction in progress projects are listed on page 5. The District has three years to spend bond dollars. We are currently in year two of the bond projects. In addition to the construction in progress, projects next year will include completion of security enhancements in all schools and asphalt replacement. Network upgrades, ADA bleacher seating and flooring replacement has begun this year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances. Any questions or requests for additional information should be directed to the District's Business Manager, Susan L. Clark, at the District's Administrative Building, 650 N. Cleveland Street, Moscow, ID 83843, by phone at (208) 892-1110, or by email at clarks@msd281.org.

Financial Statements

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

STATEMENT OF NET POSITION
June 30, 2015

Assets

Current assets

Cash	3,641,431
Investments	2,576,789
Due from other funds	1,349,301
Taxes receivable	311,973
Unbilled taxes receivable	10,178,849
Due from other governmental units	4,712,943
Inventory and prepaid expenses	269,233
Total current assets	<u>23,040,519</u>

Noncurrent assets

Non-depreciated capital assets	4,640,531
Depreciated capital assets	20,511,541
Less: accumulated depreciation	<u>(9,713,546)</u>
Total noncurrent assets	<u>15,438,526</u>

Total Assets 38,479,045

Deferred Outflows of Resources

Pension related items 2,020,542

Liabilities

Current liabilities

Due to other funds	1,635,389
Accounts payable and other current liabilities	2,804,033
Other post retirement benefits	217,563
Accrued compensated absences	95,064
Current portion of long-term debt	420,000
Total current liabilities	<u>5,172,049</u>

Noncurrent liabilities

Noncurrent portion of long-term debt	9,745,000
Net pension liability	<u>3,950,773</u>
Total noncurrent liabilities	<u>13,695,773</u>

Total Liabilities 18,867,822

Deferred Inflows of Resources

Unavailable property tax revenue	10,178,849
Pension related items	<u>5,438,707</u>

Total Deferred Inflows of Resources 15,617,556

Net Position

Net investment in capital assets	5,107,925
Restricted for:	
Debt service	651,289
Bond Capital Projects	1,642,287
Grant programs	177,968
Unrestricted	<u>(1,565,259)</u>
Total Net Position	<u>\$ 6,014,210</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities
Functions/Programs					
Governmental activities:					
Preschool- grade K-12 instruction	11,292,908	14,580	691,461		(10,586,867)
Support services:					
Pupil support	1,539,508		649,883		(889,625)
Staff support	1,060,839				(1,060,839)
General administration	787,352				(787,352)
School/business administration	1,887,785				(1,887,785)
Maintenance/custodial	1,680,005				(1,680,005)
Transportation	682,877	43,571	506,265		(133,041)
Other support	4,694				(4,694)
Community Service	743,335	449,811			(293,524)
Child nutrition	709,906	282,023	462,132		34,249
Capital objects	224,630				(224,630)
Debt service and issuance	456,234				(456,234)
Depreciation- unallocated	829,734				(829,734)
Total School District	<u>\$ 21,899,806</u>	<u>\$ 789,985</u>	<u>\$ 2,309,741</u>	<u>\$ -</u>	<u>(18,800,080)</u>
General Revenues					
Taxes					
Property taxes levied for general purposes					9,527,871
Property taxes levied for debt service					747,603
Federal and State aid not restricted to specific purpose					10,582,310
Other local revenue					1,500,577
Interest and investment earnings					15,628
Total General Revenues					<u>22,373,989</u>
Change in Net Position					3,573,909
Net Position - beginning					11,500,913
Prior period adjustment (see note 13)					<u>(9,060,612)</u>
Net Position - ending					<u>\$ 6,014,210</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
OF RESOURCES					
Assets:					
Cash	3,139,777		501,654		3,641,431
Investments	1,049,399	373,835	1,153,555		2,576,789
Due from other funds			682,160	667,141	1,349,301
Taxes receivable	293,318	18,655			311,973
Other receivables	3,901,098	276,008	169	535,668	4,712,943
Unbilled taxes receivable	9,437,849	741,000			10,178,849
Prepaid supplies and costs	213,382			55,851	269,233
Total assets	18,034,823	1,409,498	2,337,538	1,258,660	23,040,519
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS					
OF RESOURCES	<u>\$ 18,034,823</u>	<u>\$ 1,409,498</u>	<u>\$ 2,337,538</u>	<u>\$ 1,258,660</u>	<u>\$ 23,040,519</u>
LIABILITIES, DEFERRED INFLOWS					
OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	1,303,478	3,154		328,757	1,635,389
Accounts payable	197,943		2,244	19,376	219,563
Accrued payroll and benefits	2,235,792			183,076	2,418,868
Accrued compensated absences	93,069			1,995	95,064
Total liabilities	3,830,282	3,154	2,244	533,204	4,368,884
Deferred inflows of resources:					
Deferred revenue	230,720	14,055			244,775
Unavailable property tax revenue	9,437,849	741,000			10,178,849
Total deferred inflows of resources	9,668,569	755,055	-	-	10,423,624
Fund balances:					
Nonspendable:					
Inventories	48,490			55,851	104,341
Restricted for:					
Grant programs				177,968	177,968
Bond capital projects			1,642,287		1,642,287
Bond debt payments		651,289			651,289
Assigned to:					
Capital projects			693,007	153,374	846,381
Bond rating	550,000				550,000
Encumbrances	139,138				139,138
Unassigned:	3,798,344			338,263	4,136,607
Total fund balances	4,535,972	651,289	2,335,294	725,456	8,248,011
TOTAL LIABILITIES, DEFERRED INFLOWS					
OF RESOURCES AND FUND BALANCES	<u>\$ 18,034,823</u>	<u>\$ 1,409,498</u>	<u>\$ 2,337,538</u>	<u>\$ 1,258,660</u>	<u>\$ 23,040,519</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

Total Fund Balances- Governmental Funds	8,248,011
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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 as assets in governmental funds.

Cost of capital assets	25,152,072
Accumulated depreciation	(9,713,546)

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	244,775
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Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities (see note 6):

Deferred outflow of resources	2,020,542
Deferred inflow of resources	(5,438,707)

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	(165,601)
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Other post employment benefits are accrued and expensed in the statements of net assets and activities. However, in the government funds, the accrual and expense did not meet the same criteria.	(217,563)
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Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

General Obligation Bonds	
Series 2013A (Taxable)	(605,000)
Series 2013B (Tax Exempt)	(9,560,000)
Net pension liability	<u>(3,950,773)</u>

Total net position - governmental activities	<u>\$ 6,014,210</u>
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MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local	9,659,754	742,382	1,458,493	746,414	12,607,043
State	10,859,396	45,382		48,923	10,953,701
Federal	183,797			1,754,553	1,938,350
Total revenue	20,702,947	787,764	1,458,493	2,549,890	25,499,094
EXPENDITURES					
Instruction	11,973,649			1,096,952	13,070,601
Support	8,006,305			649,883	8,656,188
Non-instruction				746,506	746,506
Debt service		671,977			671,977
Capital outlay			7,703,369		7,703,369
Total expenditures	19,979,954	671,977	7,703,369	2,493,341	30,848,641
Excess (deficiency) of revenues over/under expenditures	722,993	115,787	(6,244,876)	56,549	(5,349,547)
Other financing sources (uses);					
Transfers in	29,847		601,000	26,000	656,847
Transfers out	(627,000)			(29,847)	(656,847)
Total other financing sources (uses)	(597,153)	-	601,000	(3,847)	0
Net change in fund balances	125,840	115,787	(5,643,876)	52,702	(5,349,547)
Fund balances- Beginning of year	4,410,132	535,502	7,979,170	672,754	13,597,558
Fund balances- End of year	\$ 4,535,972	\$ 651,289	\$ 2,335,294	\$ 725,456	\$ 8,248,011

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

Net change in fund balances- total governmental funds (5,349,547)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlays	7,871,150	
Depreciation expense	<u>(829,734)</u>	
		7,041,416

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid. (89,257)

Employer PERSI contributions made after the net pension liability measurement date are expenditures in the governmental funds but are recorded as a deferred outflow of resources for governmental activities. 1,691,675

Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. (25,379)

Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position. 305,000

Change in Net Position	<u>\$ 3,573,909</u>
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MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

ASSETS - DEFERRED OUTFLOWS OF RESOURCES

Current assets

Due from other funds	<u>286,088</u>
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Total assets	286,088
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Deferred outflows of resources	<u>-</u>
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Total assets and deferred outflows of resources	<u>286,088</u>
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LIABILITIES - DEFERRED INFLOWS OF RESOURCES

Due to student groups	<u>286,088</u>
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Total liabilities	286,088
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Deferred inflows of resources	<u>-</u>
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Total liabilities and deferred inflows of resources	<u>286,088</u>
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NET POSITION	<u><u>\$ -</u></u>
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Moscow School District No. 281
Moscow, Idaho

Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of the Moscow School District No. 281 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity - The Moscow School District No. 281 is the basic level of government which has financial accountability and control over all activities related to the public school education in the City of Moscow. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the District's reporting entity.

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. Only governmental-type activities are shown as there are no "business-type activities" within the school district.

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

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

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

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

The District reports the following major governmental funds:

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

The District reports the following fund types:

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

Basis of Accounting - The district-wide and fiduciary fund (excepting agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes, state support and grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments and

compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

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

Budgets - Budgets are adopted on a basis consistent with governmental accounting principles utilizing the modified accrual basis of accounting. Annual appropriated budgets are adopted for the general, special revenue, debt service funds, and capital project funds. All annual appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriation at the fund total level.

Encumbrances represent commitments relating to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be honored during the subsequent year and included in the following year's budgeted expenditures.

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

1. No later than 28 days prior to its Annual Meeting, the Board of Trustees shall have prepared a budget in a form prescribed by the State Superintendent of Public Instruction and shall have called and caused to be held a public hearing.
2. At such public hearing, or at a special meeting held no later than 14 days after the public hearing, shall adopt a budget for the ensuing year.
3. Notice of the hearing shall be posted for at least 10 days prior to the date of the hearing and published once in the newspaper of record for the County.
4. The public hearing is set to obtain taxpayer, patron and community comments.
5. The Annual Meeting shall be on the date of the District's regular July meeting of each year.

Management may amend the budget without seeking the approval of the Board for revisions that do not increase the total budget.

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

Interest income is defined as non-operating revenue.

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

Short-Term Inter-fund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term inter-fund loans are classified as "inter-fund receivables/payables."

Prepaid Supplies - Prepaid supplies are valued at cost on the first-in, first-out basis. Prepaid supplies in the General Fund consist of expendable supplies added to inventory at the time individual items are purchased. Reported prepaid supplies are equally offset by a fund balance reserve that indicates that they do not constitute resources available for expenditure even though they are a component of net current assets. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

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.

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

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

Accumulated Unpaid Vacation and Sick Pay - Under the terms of the "Moscow School District Personnel Manual," district employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, not to exceed 60 days. Accrued compensated absences total \$96,097. Employees are not paid for unused sick leave upon termination of employment with the District. The District has no responsibility for any other salary-related compensation when an employee leaves the District.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as a fund liability of the governmental fund that will pay it. The General Fund generally liquidates vested or accumulated vacation leave. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-Term Obligations - Long-term debt includes the amount of general obligation bonds outstanding.

Inter-fund Transactions - Inter-fund transactions, excluding inter-fund receivables and payables, are reported as operating transfers.

Fund Balance - Reserves represent those portions of fund equity not available for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Reserved balances are as follows:

Projects – The capital projects accounts for the acquisition of fixed assets or construction of major capital projects in various schools and grounds.

Special Programs – Special revenue funds restricted by grant award.

Encumbrances – Unliquidated obligations that will be expended upon vendor performances. Year ended June 30, 2015 budget commitments.

Prepaid Supplies and Costs – Principally paper, transportation parts, supplies and food.

Bond Rating - To improve and protect District future bond rating as recommended by the Bond Council.

Inventories - Supplies inventory.

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

Unavailable Property Taxes Revenue – Unavailable property tax revenue in the General Fund and Debt Service Fund represents the property taxes levied for 2015 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow or resources in both the governmental fund and the government-wide financial statements.

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.

Subsequent Events – Subsequent events have been evaluated through the date of the auditor's report. Management has concluded that no material subsequent events have occurred.

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

NOTE 2 – Property Tax

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. The market value for the district as of December 31, 2014 was \$1,333,376,092.

The District's tax levy rate for the year ending June 30, 2015 was 5.43865% for the payment of the principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt for the year ended June 30, 2015 was 70.76922% per \$100 of value. The total tax levy amount certified for the year ended June 30, 2015 was \$10,424,541 with total tax collections at \$10,240,543.

The lien date for taxes is January 1 for the current year. The assessment date is the fourth Monday in July. All taxing district budgets with corresponding levy rates are submitted by the County to the State Tax Commission on the second Monday in September.

Taxes are due in two equal installments, the first on December 20th and the second on June 20th. Due dates and collection dates are the same. Current supplemental levy tax collections for the year ended June 30, 2015 were 98.23% of the tax levy. Property taxes levied for 2014 are recorded as receivables if uncollected and a deferred revenue amount is recorded to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

	General Fund	Bond Debt Service Fund	Total
Taxes receivable at June 30, 2015	\$293,318	\$18,655	\$311,973
Less: Taxes collected by the County Treasurer by August 31, 2015	65,099	4,600	69,699
Deferred revenue	\$ 228,219	\$14,055	\$242,274

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2015 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The 2015 property tax levy funds are considered unavailable as of June 30, 2015. The total property taxes levy for 2015 of \$10,178,849 is recorded as uncollected but are not considered earned or available at June 30, 2015. The entire receivable is considered a deferred inflow of resources.

NOTE 3 – Cash and Investments (Short-Term)

Components of cash and investments at June 30, 2015 are as follows:

<u>Cash</u>	Bank <u>Balance</u>	Carrying <u>Balance</u>
Checking account- U.S. Bank	\$ 261,550	135,698
Savings account - Wells Fargo	<u>\$3,505,733</u>	<u>3,505,733</u>
	<u>\$3,767,283</u>	<u>3,641,431</u>

Deposits were with U.S. Bank and Wells Fargo Bank, of which up to \$250,000 at each bank was covered by Federal Deposit Insurance. The remaining balances of \$11,550 at U.S. Bank and \$3,255,733 at Wells Fargo Bank are in excess of the FDIC insured limits and are uncollateralized and unsecured.

<u>Investments</u>	Book Value	Market Value	Maturity – Less than 1 year
Invested with Idaho State Treasurer Local Government			
Investment Pool	\$2,576,789	\$2,576,789	\$2,576,789

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

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

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

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

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

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

NOTE 4 – Changes in Capital Assets

A summary of changes in general capital assets is as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjust</u>	<u>June 30, 2015</u>
Depreciated Capital Assets:					
Sites	547,356			-	547,356
Buildings	10,550,920	6,401,474		-	16,952,394
Equipment	770,447	176,884		-	947,331
Vehicles	2,016,975	173,760	126,275	-	2,064,460
Total	<u>13,885,698</u>	<u>6,752,118</u>	<u>126,275</u>	<u>-</u>	<u>20,511,541</u>
Non-Depreciated Capital Assets:					
Land	533,161	-	-	-	533,161
CIP – Sites	779,902	2,619,851	-	1,655	3,401,408
CIP – Buildings	<u>2,208,436</u>	<u>4,776,642</u>	<u>6,401,474</u>	<u>122,358</u>	<u>705,962</u>
Total	<u>3,521,499</u>	<u>7,396,493</u>	<u>6,401,474</u>	<u>124,013</u>	<u>4,640,531</u>
Total Assets	<u>17,407,197</u>	<u>14,148,611</u>	<u>6,527,749</u>	<u>124,013</u>	<u>25,152,072</u>
Less: Accumulated Depreciation:					
Sites	321,673	20,853	-	-	342,526
Buildings	7,354,433	506,682	-	-	7,861,115
Equipment	379,615	134,264	-	-	513,879
Vehicles	<u>954,366</u>	<u>167,935</u>	<u>126,275</u>	<u>-</u>	<u>996,026</u>
Total	<u>9,010,087</u>	<u>829,734</u>	<u>126,275</u>	<u>-</u>	<u>9,713,546</u>

Net Capital Assets \$ 8,397,110 \$ 13,318,877 \$ 6,401,474 \$124,013 \$15,438,526

NOTE 5 – Long-Term Debt

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

Bonds payable @ July 1, 2014	10,470,000
Debt acquired	0
Debt retired	305,000
Bonds payable @ June 30, 2015	<u>\$10,165,000</u>

Bonds payable at June 30, 2015 consisted of the following issue:

General Obligation Bonds

Series 2013A

Original issue of \$910,000 due August 15, 2016.

Interest ranges from 1.0% to 1.25%. 605,000

Series 2013B

Original issue of \$9,560,000 due August 15, 2033.

Interest ranges from 3.0% to 4.25%. 9,560,000

Total \$10,165,000

The annual requirements to amortize bond debt outstanding as of June 30, 2015 included interest as follows:

Date of Redemption	<u>Series 2013A (Taxable)</u>		Total Requirement
	<u>Bond Principal</u>	<u>Interest Requirement</u>	
8/15/15	420,000	3,781	423,781
2/15/16		1,156	1,156
8/15/16	185,000	1,156	186,156
Total	<u>\$605,000</u>	<u>\$ 6,093</u>	<u>\$611,093</u>

Series 2013B (Tax-Exempt)

<u>Date of Redemption</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/15		178,947	178,947
2/15/16		178,947	178,947
8/15/16	215,000	178,947	393,947
2/15/17		174,647	174,647
8/15/17	410,000	174,647	584,647
2/15/18		166,447	166,447
8/15/18	430,000	166,447	596,447
2/15/19		157,847	157,847
8/15/19	445,000	157,847	602,847
2/15/20		151,172	151,172
8/15/20	460,000	151,172	611,172
2/15/21		144,272	144,272
8/15/21	470,000	144,272	614,272
2/15/22		137,222	137,222
8/15/22	485,000	137,222	622,222
2/15/23		129,947	129,947
8/15/23	500,000	129,947	629,947
2/15/24		122,447	122,447
8/15/24	515,000	122,447	637,447
2/15/25		114,722	114,722
8/15/25	530,000	114,722	644,722
2/15/26		104,122	104,122
8/15/26	555,000	104,122	659,122
2/15/27		93,022	93,022
8/15/27	575,000	93,022	668,022
2/15/28		81,522	81,522
8/15/28	600,000	81,522	681,522
2/15/29		69,522	69,522
8/15/29	620,000	69,522	689,522
2/15/30		57,122	57,122
8/15/30	645,000	57,122	702,122
2/15/31		43,819	43,819
8/15/31	675,000	43,819	718,819
2/15/32		29,475	29,475
8/15/32	700,000	29,475	729,475
2/15/33		14,600	14,600
8/15/33	730,000	14,600	744,600
Total	\$9,560,000	\$4,120,690	\$13,680,690

Combined Totals

<u>Year Ending</u>	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2016	400,000	360,206	760,206
2017	410,000	349,294	759,294
2018	430,000	332,894	762,894
2019	445,000	315,694	760,694
2020	460,000	302,344	762,344
2021	470,000	288,544	758,544
2022	485,000	274,444	759,444
2023	500,000	259,894	759,894
2024	515,000	244,894	759,894
2025	530,000	229,444	759,044
2026	555,000	208,244	763,244
2027	575,000	186,044	761,044
2028	600,000	163,044	763,044
2029	620,000	139,044	759,444
2030	645,000	114,244	759,244
2031	675,000	87,637	762,637
2032	700,000	58,950	758,950
2033	730,000	29,200	759,200
Totals	<u>\$10,165,000</u>	<u>\$4,126,783</u>	<u>\$14,291,783</u>

During the year ended June 30, 2015, the following changes occurred in Liabilities:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Series 2013A	910,000	-	305,000	605,000
Series 2013B	9,560,000	-	-	9,560,000
Totals	<u>10,470,000</u>	<u>\$</u>	<u>305,000</u>	<u>\$10,165,000</u>

The District's legal debt limit is calculated at 5% of the fair market value of property located within the District, calculated as follows:

Market value at December 31, 2014	\$ 1,333,376,092
Debt limitation = 5% of assessed market value	5%
Debt Limitation	66,668,804
Less bonded debt at June 30, 2015	(10,165,000)
Legal Debt Margin	\$ 56,503,804

As of June 30, 2015 \$651,289 was available in the debt service fund to service the general obligation bonds.

NOTE 6 – Defined Benefit Pension Plan

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

Plan Description

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

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

Pension Benefits

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

credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2015 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The District's employer contributions required and paid were \$1,009,501, \$1,844,546 and \$1,759,316 for the three years ended June 30, 2015, 2014, and 2013, respectively.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2014. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2014, the District's proportion was 0.5366756 percent.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2015 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2014 was calculated at (\$1,206,376).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	490,427
Changes in assumptions or other inputs	328,867	-
Net difference between projected and actual earning on pension plan investments	-	4,948,280
Employer contributions subsequent to the measurement date	<u>1,691,675</u>	<u>-</u>
Total	<u>\$2,020,542</u>	<u>\$5,438,707</u>

\$1,691,675 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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

<u>Year Ending June 30, 2015</u>	<u>Amount to be Recognized</u>
2016	\$1,272,192
2017	\$1,272,192
2018	\$1,272,192
2019	\$1,272,192
Thereafter	\$21,073

Actuarial Assumptions

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

Inflation	3.25%
Salary Increases	4.5 – 10.25%
Salary Inflation	3.75%
Investment rate of return	7.10% net of investment expenses
Cost-of-living adjustments	1%

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

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	<u>1% Decrease</u> <u>(6.10%)</u>	<u>Current Discount</u> <u>Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
Employer's proportionate share of the net pension liability (asset)	\$13,719,878	\$3,950,772	(\$4,170,203)

Pension plan fiduciary net position

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

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

Payables to the pension plan

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

Required Supplementary Information

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

PERSI – Base Plan

As of June 30th

	<u>2014</u>
Employer's portion of the net pension liability	0.5366756%
Employer's proportionate share of the net pension liability	\$3,950,772
Employer's covered employee payroll	\$14,543,201
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	27.17%
Plan fiduciary net position as a percentage of the total	94.95%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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

Schedule of District Contributions*
PERSI – Base Plan
As of June 30th

	<u>2014</u>
Statutorily required contribution	\$1,645,842
Contributions in relation to the statutorily required contribution	\$(1,645,842)
Contribution (deficiency) excess	\$0
Employer's covered employee payroll	\$14,543,201
Contributions as a percentage of covered employee payroll	11.32%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Moscow School District 281, will present information for those years for which information is available.

Data reported is measured as of June 30, 2014.

Notes to the Required Supplementary Information – (attached)

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

NOTE 7 – Other Post-Employment Benefits

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

No assets of Moscow School District meet the definition of plan assets under GASB 43 or 45. The unfunded actuarial accrued liability is amortized over a 25-year period on an open basis beginning July 1, 2008.

The actuarial funding method used to determine the cost of the Moscow School District #281 Employee Group Benefits Plan is the projected unit credit funding method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

The Annual Required Contribution (ARC) for the plan has been determined under the projected unit credit cost method as of June 30, 2011. Several assumptions were made by the consulting actuaries in determining the ARC, including use of a 45 percent participation rate and a 4.25 percent discount rate for this valuation, which is considered reasonable for school districts. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year, and amortize any unfunded actuarial liabilities (or funding excess) over a period of twenty-five years. The District funds the benefits on a pay-as-you-go basis from the general assets. The following table shows the components of the District's net OPEB obligation to provide access to district healthcare benefits for those retirees who have not yet reached age 65 and become eligible for benefits under Medicare. The annual required contribution is recorded as a non current liability.

Valuation Results Highlights	FY Ending June 30, 2009	FY Ending June 30, 2011	Percentage Change
Annual Required Contribution (ARC)	\$154,438	\$217,563	40.9%
Accrued Liability	\$1,749,811	\$2,039,700	16.6%
Accrued Liability Assets	\$0	\$0	
Funded Status	0%	0%	
Total Participants	348	353	1.4%

After considering the cost of the actuarial study, the Board of Trustees at the May 28, 2013 Regular Board Meeting, voted to discontinue the GASB 45 actuarial valuation.

NOTE 8 – Risk Management

The District purchases commercial insurance to cover the risk of property loss and legal liability. Management feels the level of coverage is adequate to cover any risk of loss. A general summary of the insurance coverage in effect at June 30, 2015 is as follows:

Property - \$65,605,930 blanket limit. Replacement cost coverage with a \$2,500 deductible. In addition to the blanket limit, the following coverages are included in the plan:

Newly Acquired or Constructed Property Building	\$1,000,000
Newly Acquired or Constructed Property Business –	500,000

Personal Property	
Personal Effects	50,000
Property of Others	50,000
Restoration of Data – On Premises	100,000
Restoration of Data – Off Premises	15,000
Restoration of Valuable Papers – On Premises	100,000
Restoration of Valuable Papers – Off Premises	100,000
Property Off-Premises	
Property at Unscheduled Locations	100,000
Personal Property in Transit	100,000
Installation Coverage	15,000
Trees, Shrubs and Plants	25,000
Extra Expense	25,000
Reward Payments	5,000
Money and Securities	
Inside Premises	5,000
Outside Premises	5,000
Storage of Duplicate Data and Records	50,000
Accounts Receivable	
On Premises	100,000
Off Premises	100,000
Restoration of Valuable Papers and Records	
On Premises	100,000
Off Premises	100,000
Debris Removal – Additional Limit	500,000
Fire Department Service Charge	25,000
Pollutant Clean Up and Removal 12 Month – Aggregate	50,000
Inventory and Appraisals	10,000
Recharge of Fire Protection Equipment Resulting From Other Than a Covered Cause of Loss	10,000
Backup of Sewer or Drains	25,000
Business Income	250,000
General Liability	
Per Occurrence	2,000,000
Aggregate Limit	5,000,000
Liability, Automobiles	
Combined Single Limit	3,000,000
Auto Medical Payments	1,000

Uninsured Motorists	250,000
Underinsured Motorists	250,000

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

NOTE 9 – Contingent Liabilities

The District participates in a number of state and federally assisted grant programs, mainly Title I, IDEA Part B and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in OMB Circular No. A-133 during the course of the annual audit of the District's records and are subject to additional audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time; although the District expects such amounts, if any, to be immaterial.

NOTE 10 – Interfund Receivables, Payables and Transfers

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

Interfund Transfers

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

Transfers to the General Fund from:

Federal Grants	14,730
Title II-A ESEA	3,101
Title I-A ESEA	12,016
	<u>\$29,847</u>

Transfers from the General Fund to:

Plant Facilities	601,000
Arts in Education	3,000
Child Nutrition	23,000
	<u>\$627,000</u>

Summary	To	From
General	29,847	627,000
Child Nutrition	23,000	
Title II-A ESEA		3,101
Title I-A ESEA		12,016
Federal Grants		14,730
Plant Facilities	601,000	
Bond Capital Projects		
Arts in Education	3,000	
	<u>\$656,847</u>	<u>\$656,847</u>

The composition of interfund receivables and payables as of June 30, 2015 was as follows:

	Due from Other Funds	Due to Other Funds
General Fund		1,303,478
Special Revenue Funds:		
Federal Forest	153,374	
Local Special Projects	20,161	
After School Programs	183,202	
Activities	47,757	
Art in Education	444	
Health Education	3,158	
Insurance Excess Reserve and Broker	139,310	
Consulting		
Driver Education	17,977	
State Professional Technical		1,963
State Technology	6,788	
Title IA ESEA Improving Basic Programs		88,752
IDEA Part B Preschool	2,680	
IDEA Part B School Age		128,726
Perkins III Professional Technical Act		27,309
Title IIA ESEA Improving Teacher Quality		26,380
Federal Grants		55,626
Child Nutrition	92,289	
Bond Debt Service		3,154
Bond Capital Projects	48,956	
Capital Projects	633,204	
Agency Funds	286,088	
Total	<u>\$1,635,389</u>	<u>\$1,635,389</u>

NOTE 12 – GASB 54 – Fund Balance Definitions

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

NOTE 13 – PRIOR PERIOD ADJUSTMENT

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

Required Supplementary Information

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Variances				
	Favorable (Unfavorable)				
	Original Budget	Amended Budget	Actual	Original to Actual	Amended to Actual
REVENUES					
Local:					
Property taxes	9,824,485	9,824,485	9,558,834	(265,651)	(265,651)
Earnings on investments	10,000	10,000	10,687	687	687
Other	84,000	84,000	90,233	6,233	6,233
Total Local	9,918,485	9,918,485	9,659,754	(258,731)	(258,731)
State:					
Base support program	8,229,454	8,379,829	8,384,577	155,123	4,748
Transportation	490,000	490,000	506,265	16,265	16,265
Benefit apportionment	1,110,213	1,128,881	1,131,704	21,491	2,823
In lieu of taxes	-	-	187,454	187,454	187,454
Other	660,794	676,188	649,396	(11,398)	(26,792)
Total State	10,490,461	10,674,898	10,859,396	368,935	184,498
Federal:					
Other	-	-	183,797	183,797	183,797
Total Federal	0	0	183,797	183,797	183,797
Total revenue	20,408,946	20,593,383	20,702,947	294,001	109,564
EXPENDITURES					
Instruction:					
Salaries	8,008,696	8,238,149	8,098,735	(90,039)	139,414
Benefits	3,156,335	3,306,730	3,253,562	(97,227)	53,168
Purchased services	176,839	185,638	199,479	(22,640)	(13,841)
Supplies and materials	425,022	464,621	379,548	45,474	85,073
Capital outlay	37,147	48,455	39,856	(2,709)	8,599
Insurance	3,800	3,800	2,468	1,332	1,332
Total instruction	11,807,839	12,247,393	11,973,649	(165,810)	273,744
Support:					
Salaries	4,403,894	4,351,597	4,213,395	190,499	138,202
Benefits	1,782,472	1,785,377	1,769,352	13,120	16,025
Purchased services	1,373,921	1,500,611	1,212,295	161,626	288,316
Supplies and materials	401,388	426,194	324,135	77,253	102,059
Capital outlay	242,692	348,817	348,099	(105,407)	718
Insurance	139,069	139,069	139,029	40	40
Total support	8,343,436	8,551,665	8,006,305	337,131	545,360
Contingency	595,000	595,000	-	595,000	595,000
Total expenditures	20,746,275	21,394,058	19,979,954	766,321	1,414,104
Excess (deficiency) of revenues over/under expenditures	(337,329)	(800,675)	722,993	1,060,322	1,523,668
Other financing sources (uses):					
Transfers in	31,512	34,540	29,847	(1,665)	(4,693)
Transfers out	(627,000)	(627,000)	(627,000)	0	0
Total other financing sources (uses)	(595,488)	(592,460)	(597,153)	(1,665)	(4,693)
Net change in fund balance	\$ (932,817)	\$ (1,393,135)	125,840	\$ 1,058,657	\$ 1,518,975
Fund balance- Beginning of year			4,410,132		
Fund balance- End of year			\$ 4,535,972		

Note- The budget is adopted on a basis consistent with governmental accounting principals utilizing the modified accrual basis of accounting.

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

BOND DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local					
Property taxes	900,000	900,000	742,019	(157,981)	(157,981)
Earnings on investment	200	200	363	163	163
Total local	<u>900,200</u>	<u>900,200</u>	<u>742,382</u>	<u>(157,818)</u>	<u>(157,818)</u>
State:					
Support	45,382	45,382	45,382	0	0
Total State	<u>45,382</u>	<u>45,382</u>	<u>45,382</u>	<u>0</u>	<u>0</u>
Total revenues	<u>945,582</u>	<u>945,582</u>	<u>787,764</u>	<u>(157,818)</u>	<u>(157,818)</u>
EXPENDITURES					
Debt service					
Principal	1,124,889	1,114,103	305,000	819,889	809,103
Interest	366,981	366,981	366,977	4	4
Total	<u>1,491,870</u>	<u>1,481,084</u>	<u>671,977</u>	<u>819,893</u>	<u>809,107</u>
Total expenditures	<u>1,491,870</u>	<u>1,481,084</u>	<u>671,977</u>	<u>819,893</u>	<u>809,107</u>
Net change in fund balance	<u>\$ (546,288)</u>	<u>\$ (535,502)</u>	115,787	<u>\$ 662,075</u>	<u>\$ 651,289</u>
Fund balance- Beginning of year			<u>535,502</u>		
Fund balance- End of year			<u>\$ 651,289</u>		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

CAPITAL AND CONSTRUCTION PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Earnings on investments	7,000	7,000	4,578	(2,422)	(2,422)
Other	1,797,013	1,479,810	1,410,344	(386,669)	(69,466)
Total local	<u>1,804,013</u>	<u>1,486,810</u>	<u>1,414,922</u>	<u>(389,091)</u>	<u>(71,888)</u>
Total revenues	<u>1,804,013</u>	<u>1,486,810</u>	<u>1,414,922</u>	<u>(389,091)</u>	<u>(71,888)</u>
EXPENDITURES					
Support:					
Purchased services	242,348	145,730	168,591	73,757	(22,861)
Capital objects	8,837,142	8,964,937	7,227,902	1,609,240	1,737,035
Total support	<u>9,079,490</u>	<u>9,110,667</u>	<u>7,396,493</u>	<u>1,682,997</u>	<u>1,714,174</u>
Total expenditures	<u>9,079,490</u>	<u>9,110,667</u>	<u>7,396,493</u>	<u>1,682,997</u>	<u>1,714,174</u>
Excess (deficiency) of revenues over/under expenditures	<u>(7,275,477)</u>	<u>(7,623,857)</u>	<u>(5,981,571)</u>	<u>1,293,906</u>	<u>1,642,286</u>
Net change in fund balance	<u>\$ (7,275,477)</u>	<u>\$ (7,623,857)</u>	(5,981,571)	<u>\$ 1,293,906</u>	<u>\$ 1,642,286</u>
Fund balance- Beginning of year			<u>7,623,858</u>		
Fund balance- End of year			<u>\$ 1,642,287</u>		

Combining, Individual Fund and Account Group Financial Statements

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources or to finance specific activities as required by law or administrative regulations.

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

Driver Education Fund – To account for costs of providing a driver education program. Financing for the program is provided through the State Department of Education and by student fees.

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

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

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

IDEA Part B Preschool Fund – To account for designated Federal revenue spent on programs for preschool-aged special needs students. The District supplements the staffing for this program.

Perkins III Professional Technical Act Fund – To account for designated Federal revenue spent for educating students that are economically disadvantaged, handicapped or with limited English proficiency about opportunities available in vocational education.

State Technology Fund – State and Federal money spent toward technology improvements throughout the District.

State Professional Technical Fund – To account for designated State revenue spent on equipment and materials for vocational programs.

Title II A ESEA Fund – To account for designated Federal revenue spent on improving the skills of teachers and instruction in mathematics and science.

Other Special Revenue Funds:

After School Programs Fund – To account for locally funded after-school childcare programs.

Activities Fund – To account for locally funded activities accounts. Includes revenues such as gate fees and expenses such as game management.

Arts in Education Fund – To account for designated Federal revenue spent on bringing consultants and resident artists into the School District to enhance sequential and visual arts programs.

Health Education Network Fund – To account for Federal funds used to promote health awareness.

Local Special Projects – Local grant money to be spent on specific programs and projects.

Insurance Broker and Excess Reserve Fund – To negotiate medical insurance costs and to account for excess insurance reserves.

Special Projects Funds:

Title II-D Competitive Technology – To account for a grant awarded to improve technology in Special Education classrooms.

Other Grants – To account for grants such as the ISEE grant to assist the District in implementing the State Longitudinal Data System and a Child Nutrition garden grant.

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2015

	Child Nutrition	Driver Education	Federal Forest Reserve	Title I-A ESEA	IDEA Part B School Age	IDEA Part B Preschool	Perkins III
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Due from other funds	92,290	17,977	153,374		2,680		
Other receivables	13,359	2,875		132,646		198,346	28,078
Prepaid supplies and costs	55,851						
Total assets	161,500	20,852	153,374	132,646	2,680	198,346	28,078
Deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 161,500</u>	<u>\$ 20,852</u>	<u>\$ 153,374</u>	<u>\$ 132,646</u>	<u>\$ 2,680</u>	<u>\$ 198,346</u>	<u>\$ 28,078</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Due to other funds				88,752		128,726	27,309
Accounts payable	9,070	201		1,895	131	495	480
Accrued payroll and benefits	51,280			41,999	2,549	69,125	289
Total liabilities	60,350	201	-	132,646	2,680	198,346	28,078
Deferred inflows of resources	-	-	-	-	-	-	-
Fund balances:							
Nonspendable:							
Inventories	55,851						
Restricted for:							
Grant programs	45,299	20,651					
Assigned to:							
Capital objects			153,374				
Unassigned							
Total fund balances	101,150	20,651	153,374	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 161,500</u>	<u>\$ 20,852</u>	<u>\$ 153,374</u>	<u>\$ 132,646</u>	<u>\$ 2,680</u>	<u>\$ 198,346</u>	<u>\$ 28,078</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

	State Technology	Professional Technical	Title II-A ESEA	Special Projects	Other Funds	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Due from other funds	6,788				394,033	667,141
Other receivables		4,769	37,124	61,414	57,058	535,668
Prepaid supplies and costs						55,851
Total assets	6,788	4,769	37,124	61,414	451,091	1,258,660
Deferred outflows of resources	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,788</u>	<u>\$ 4,769</u>	<u>\$ 37,124</u>	<u>\$ 61,414</u>	<u>\$ 451,091</u>	<u>\$ 1,258,660</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Due to other funds		1,963	26,382	55,626		328,757
Accounts payable	473	1,542	5,698	1,044	(1,653)	19,376
Accrued payroll and benefits		1,264	5,044		11,526	183,076
Accrued compensated absences					1,995	1,995
Total liabilities	473	4,769	37,124	56,670	11,868	533,204
Deferred inflows of resources	0	0	0	0	0	0
Fund balances:						
Nonspendable:						
Inventories						55,851
Restricted for:						
Grant programs	6,315				105,703	177,968
Assigned to:						
Capital projects						153,374
Unassigned				4,744	333,519	338,263
Total fund balances	6,315	0	0	4,744	439,222	725,456
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,788</u>	<u>\$ 4,769</u>	<u>\$ 37,124</u>	<u>\$ 61,414</u>	<u>\$ 451,091</u>	<u>\$ 1,258,660</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

	Child Nutrition	Driver Education	Federal Forest Reserve	Title I-A ESEA	IDEA Part B School Age	IDEA Part B Preschool	Perkins III
Revenue							
Local	282,023	14,580					
State		13,250					
Federal	462,132		33,510	307,520	498,297	22,714	28,098
Total revenues	744,155	27,830	33,510	307,520	498,297	22,714	28,098
Expenditures							
Instruction		24,700		279,095	387,817	22,714	
Support				13,596	110,480		28,098
Non-instructional	743,377			3,129			
Total expenditures	743,377	24,700	-	295,820	498,297	22,714	28,098
Excess (deficiency) of revenues over/under expenditures	778	3,130	33,510	11,700	-	0	0
Other financing sources (uses):							
Transfers in	23,000						
Transfers out				(12,016)			
Total other financing sources (uses)	23,000	-	-	(12,016)	0	0	0
Net change in fund balances	23,778	3,130	33,510	(316)	0	0	0
Fund balance - Beginning of year	77,372	17,521	119,864	316	0	0	0
Fund balance - End of year	\$ 101,150	\$ 20,651	\$ 153,374	\$ -	-	\$ -	\$ -

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

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

	State Technology	State Professional Technical	Title II-A ESEA	Other Funds	Special Projects	Totals
Revenue						
Local				449,811		746,414
State	14,815	20,858				48,923
Federal			80,659		321,623	1,754,553
Total revenues	14,815	20,858	80,659	449,811	321,623	2,549,890
Expenditures						
Instruction		20,858	54,875		306,893	1,096,952
Support	17,016		22,722	457,971		649,883
Non-instructional						746,506
Total expenditures	17,016	20,858	77,597	457,971	306,893	2,493,341
Excess (deficiency) of revenues over/under expenditures	(2,201)	-	3,062	(8,160)	14,730	56,549
Other financing sources (uses):						
Transfers in				3,000		26,000
Transfers out			(3,101)		(14,730)	(29,847)
Total other financing sources (uses)	-	-	(3,101)	3,000	(14,730)	(3,847)
Net change in fund balances	(2,201)	-	(39)	(5,160)	-	52,702
Fund balance- Beginning of year	8,516	-	39	444,382	4,744	672,754
Fund Balance - End of year	\$ 6,315	\$ -	\$ -	\$ 439,222	\$ 4,744	\$ 725,456

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

CHILD NUTRITION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

			Variances	
			Favorable (Unfavorable)	
	Original Budget	Amended Budget	Original to Actual	Amended to Actual
REVENUES				
Local:				
Lunch sales	287,600	268,400	(5,577)	13,623
Total local	287,600	268,400	(5,577)	13,623
Federal:				
School lunch reimbursement	412,050	426,000	50,082	36,132
Total federal	412,050	426,000	50,082	36,132
Total revenues	699,650	694,400	44,505	49,755
EXPENDITURES				
Non-instruction:				
Salaries	272,950	274,800	7,509	9,359
Benefits	148,660	150,050	2,015	3,405
Purchased services	11,050	10,900	4,164	4,014
Materials and supplies	316,700	343,700	(6,936)	20,064
Capital outlay	17,044	15,321	16,275	14,552
Total non-instructional	766,404	794,771	23,027	51,394
Total expenditures	766,404	794,771	23,027	51,394
Excess (deficiency) of revenues over/under expenditures	(66,754)	(100,371)	67,532	101,149
Other financing sources (uses):				
Transfers in	23,000	23,000	-	-
Total other financing sources (uses)	23,000	23,000	-	-
Net change in fund balance	\$ (43,754)	\$ (77,371)	\$ 67,532	\$ 101,149
Fund balance- Beginning of year			77,372	
Fund balance- End of year			\$ 101,150	

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

DRIVER EDUCATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Other	13,000	15,000	14,580	1,580	(420)
State:					
Restricted grant	13,000	14,000	13,250	250	(750)
Total revenues	26,000	29,000	27,830	1,830	(1,170)
EXPENDITURES					
Instruction					
Salaries	18,800	19,800	19,375	(575)	425
Benefits	4,100	4,275	3,943	157	332
Purchased services	0	700	125	(125)	575
Materials and supplies	22,000	21,745	1,257	20,743	20,488
Total instruction	44,900	46,520	24,700	20,200	21,820
Total expenditures	44,900	46,520	24,700	20,200	21,820
Net change in fund balance	\$ (18,900)	\$ (17,520)	3,130	\$ 22,030	\$ 20,650
Fund balance- Beginning of year			17,521		
Fund balance- End of year			\$ 20,651		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

FEDERAL FOREST RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Federal:					
Other	32,000	32,000	33,510	1,510	1,510
Total revenues	32,000	32,000	33,510	1,510	1,510
EXPENDITURES					
Support:					
Capital outlay	151,864	151,864	-	151,864	151,864
Total expenditures	151,864	151,864	-	151,864	151,864
Net change in fund balance	<u>\$ (119,864)</u>	<u>\$ (119,864)</u>	33,510	<u>\$ 153,374</u>	<u>\$ 153,374</u>
Fund balance- Beginning of year			119,864		
Fund balance- End of year			<u>\$ 153,374</u>		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

TITLE IA ESEA IMPROVING BASIC PROGRAMS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
REVENUES					
Federal:					
Restricted grant	336,099	334,352	307,520	(28,579)	(26,832)
Total revenue	336,099	334,352	307,520	(28,579)	(26,832)
EXPENDITURES					
Instruction:					
Salaries	194,625	186,325	183,550	11,075	2,775
Benefits	89,320	82,675	82,750	6,570	(75)
Purchased services	-	1,500	1,216	(1,216)	284
Materials and supplies	13,450	17,950	6,035	7,415	11,915
Capital outlay	3,500	3,500	5,544	(2,044)	(2,044)
Total instruction	300,895	291,950	279,095	21,800	12,855
Support:					
Salaries	9,940	10,150	10,114	(174)	36
Benefits	3,161	3,220	3,089	72	131
Purchased services	6,331	500	393	5,938	107
Materials and supplies	-	9,532	-	-	9,532
Total support	19,432	23,402	13,596	5,836	9,806
Non-instructional					
Purchase Services	-	-	109	(109)	(109)
Materials and supplies	3,000	3,000	3,020	(20)	(20)
Total non-instructional	3,000	3,000	3,129	(129)	(129)
Total expenditures	323,327	318,352	295,820	27,507	22,532
Excess (deficiency) of revenues over/under expenditures	12,772	16,000	11,700	(1,072)	(4,300)
Other financing sources (uses):					
Transfers out	(12,772)	(16,000)	(12,016)	756	3,984
Total other financing sources (uses)					
Net change in fund balance	\$ -	\$ -	11,700	(11,700)	\$ (11,700)
Fund balance- Beginning of year			316		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

IDEA PART B SCHOOL AGE
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Federal:					
Restricted grant	510,667	482,534	498,297	(12,370)	15,763
Total revenues	510,667	482,534	498,297	(12,370)	15,763
EXPENDITURES					
Instruction:					
Salaries	242,205	224,672	227,375	14,830	(2,703)
Benefits	139,025	126,200	131,039	7,986	(4,839)
Purchased services	23,762	23,762	29,403	(5,641)	(5,641)
Total instruction	404,992	374,634	387,817	17,175	(13,183)
Support:					
Salaries	66,325	68,000	70,414	(4,089)	(2,414)
Benefits	16,350	39,900	40,066	(23,716)	(166)
Purchased services	23,000	0	0	23,000	0
Total support	105,675	107,900	110,480	(4,805)	(2,580)
Total expenditures	510,667	482,534	498,297	12,370	(15,763)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance- Beginning of year			0		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

IDEA PART B PRESCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Federal:					
Restricted grant	22,720	22,714	22,714	(6)	0
Total revenues	22,720	22,714	22,714	(6)	0
EXPENDITURES					
Instruction:					
Salaries	8,500	8,500	9,095	(595)	(595)
Benefits	6,225	6,225	6,203	22	22
Purchased services	7,495	7,489	6,904	591	585
Materials and supplies	500	500	512	(12)	(12)
Total instruction	22,720	22,714	22,714	6	0
Total expenditures	22,720	22,714	22,714	6	0
Net change in fund balance	\$ -	\$ -	0	\$ (12)	\$ -
Fund balance- Beginning of year			0		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

PERKINS III PROFESSIONAL TECHNICAL ACT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Federal:					
Restricted grant	28,609	28,609	28,098	(511)	(511)
Total revenues	28,609	28,609	28,098	(511)	(511)
EXPENDITURES					
Support:					
Salaries	18,490	18,790	18,736	(246)	54
Benefits	1,570	1,590	1,564	6	26
Materials and supplies	8,549	8,229	7,798	751	431
Total support	28,609	28,609	28,098	511	511
Total expenditures	28,609	28,609	28,098	511	511
Net change in fund balance	\$ -	\$ -	0	\$ -	\$ -
Fund balance- Beginning of year			0		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

STATE TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

				Variances	
				Favorable (Unfavorable)	
	Original Budget	Amended Budget	Actual	Original to Actual	Amended to Actual
REVENUES					
State:					
Restricted grant	14,767	14,767	14,815	48	48
Total revenues	14,767	14,767	14,815	48	48
EXPENDITURES					
Support:					
Purchased services	29,889	18,679	17,016	12,873	1,663
Supplies and materials	5,200	4,604	-	5,200	4,604
Total expenditures	35,089	23,283	17,016	18,073	6,267
Net change in fund balance	<u>\$ (20,322)</u>	<u>\$ (8,516)</u>	(2,201)	<u>\$ 18,121</u>	<u>\$ 6,315</u>
Fund balance- Beginning of year			8,516		
Fund balance- End of year			<u>\$ 6,315</u>		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

STATE PROFESSIONAL TECHNICAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

				Variances	
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Original to Actual	Amended to Actual
REVENUES					
State:					
Restricted grants	20,862	22,983	20,858	(4)	(2,125)
Total revenues	20,862	22,983	20,858	(4)	(2,125)
EXPENDITURES					
Instruction:					
Salaries	6,172	6,376	6,376	(204)	0
Benefits	1,331	1,391	1,329	2	62
Purchased services	4,600	4,600	3,684	916	916
Materials and supplies	4,959	8,116	6,633	(1,674)	1,483
Capital outlay	3,800	2,500	2,836	964	(336)
Total instruction	20,862	22,983	20,858	4	2,125
Total expenditures	20,862	22,983	20,858	4	2,125
Net change in fund balance	\$ -	\$ -	0	\$ -	\$ -
Fund balance- Beginning of year			0		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

TITLE II A ESEA FUND - IMPROVING TEACHER QUALITY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

			Variances		
			Favorable (Unfavorable)		
	Original Budget	Amended Budget	Actual	Original to Actual	Amended to Actual
REVENUES					
Federal:					
Restricted grant	104,254	90,941	80,659	(23,595)	(10,282)
Total revenues	104,254	90,941	80,659	(23,595)	(10,282)
EXPENDITURES					
Instruction:					
Salaries	22,720	20,971	20,709	2,011	262
Benefits	12,570	12,750	12,557	13	193
Purchased services	22,500	20,500	20,573	1,927	(73)
Materials and supplies	2,500	-	1,036	1,464	(1,036)
Total instruction	60,290	54,221	54,875	5,415	(654)
Support:					
Salaries	7,000	7,000	1,957	5,043	5,043
Benefits	1,420	1,420	330	1,090	1,090
Purchased services	26,944	22,000	16,509	10,435	5,491
Materials and supplies	4,100	2,000	3,926	174	(1,926)
Total support	39,464	32,420	22,722	16,742	9,698
Total expenditures	99,754	86,641	77,597	22,157	9,044
Excess (deficiency) of revenues over/under expenditures	4,500	4,300	3,062	(1,438)	(1,238)
Other financing sources (uses):					
Transfers out	(4,500)	(4,300)	(3,101)	1,399	1,199
Total other financing sources (uses)	(4,500)	(4,300)	(3,101)	1,399	1,199
Net change in fund balance	\$ -	\$ -	(39)	\$ (39)	\$ (39)
Fund balance- Beginning of year			39		
Fund balance- End of year			\$ -		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

OTHER SPECIAL REVENUE FUNDS
SUPPLEMENTAL SCHEDULE OF FUND ACTIVITY
For the Year Ended June 30, 2015

	Budgeted Revenue	Actual Revenue	Budgeted Expenditures	Actual Expenditures	Transfers In (Out)	Beginning Fund Balance	Ending Fund Balance
After School Programs	501,721	346,140	501,721	320,612		196,722	222,250
Activities	134,441	82,686	134,441	78,690		50,067	54,063
Arts In Education	9,293	3,000	9,293	8,850		6,293	443
Health Education Network	3,257	-	3,257	100		3,257	3,157
Local Special Projects	47,915	17,985	47,915	19,818		21,831	19,998
Insurance Broker Consulting	166,212	-	166,212	26,901		166,212	139,311
	<u>\$ 862,839</u>	<u>\$ 449,811</u>	<u>\$ 862,839</u>	<u>\$ 454,971</u>	<u>\$ -</u>	<u>\$ 444,382</u>	<u>\$ 439,222</u>

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

SPECIAL PROJECTS
SUPPLEMENTAL SCHEDULE OF FUND ACTIVITY
For the Year Ended June 30, 2015

	Budgeted Revenue	Actual Revenue	Budgeted Expenditures	Actual Expenditures	Transfers In (Out)	Beginning Fund Balance	Ending Fund Balance
Federal Grants	452,653	321,623	452,653	321,623	-	4,744	4,744
	<u>\$ 452,653</u>	<u>\$ 321,623</u>	<u>\$ 452,653</u>	<u>\$ 321,623</u>	<u>\$ -</u>	<u>\$ 4,744</u>	<u>\$ 4,744</u>

BOND DEBT SERVICE FUND

Bond Debt Service - This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

BOND DEBT SERVICE FUND
BALANCE SHEET
June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	373,835
Taxes receivables	18,655
Unbilled taxes receivable	741,000
Other Receivables	<u>276,008</u>

Total assets	<u>1,409,498</u>
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Deferred outflows of resources	<u>0</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,409,498</u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities:

Due to other funds	<u>3,154</u>
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Deferred inflows of resources:

Deferred Revenue	14,055
Unavailable property tax revenue	<u>741,000</u>

Total deferred inflows of resources	755,055
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Fund balance:

Restricted	<u>651,289</u>
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,409,498</u>
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MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

BOND DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

			Variance		
			Favorable (Unfavorable)		
	Original	Amended	Original	Amended	
	Budget	Budget	to Actual	to Actual	
REVENUES					
Local					
Property taxes	900,000	900,000	(157,981)	(157,981)	
Earnings on investment	200	200	163	163	
Total local	900,200	900,200	(157,818)	(157,818)	
State:					
Support	45,382	45,382	0	0	
Total State	45,382	45,382	0	0	
Total revenues	945,582	945,582	(157,818)	(157,818)	
EXPENDITURES					
Debt service					
Principal	1,124,889	1,114,103	819,889	809,103	
Interest	366,981	366,981	4	4	
Total	1,491,870	1,481,084	819,893	809,107	
Total expenditures	1,491,870	1,481,084	819,893	809,107	
Net change in fund balance	\$ (546,288)	\$ (535,502)	\$ 662,075	\$ 651,289	
Fund balance- Beginning of year					535,502
Fund balance- End of year					\$ 651,289

CAPITAL PROJECTS FUNDS

Bond Capital Projects - This fund is established to account for restricted funds used for bond capital projects. Revenue was generated through the sale of general obligation bonds.

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

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2015

	Plant Facilities	Capital Construction Projects	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash		501,654	501,654
Due from other funds	633,204	48,956	682,160
Investments	62,047	1,091,508	1,153,555
Other Receivables	0	169	169
Total assets	695,251	1,642,287	2,337,538
Deferred outflows of resources	0	0	0
Total assets and deferred outflow of resources	\$ 695,251	\$ 1,642,287	\$ 2,337,538
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	2,244	0	2,244
Deferred inflows of resources	0	0	0
Fund balance:			
Assigned	693,007		693,007
Restricted		1,642,287	1,642,287
Total fund balance	693,007	1,642,287	2,335,294
Total liabilities, deferred inflows of resources, and fund balance	\$ 695,251	\$ 1,642,287	\$ 2,337,538

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

CAPITAL AND CONSTRUCTION PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

				Variance	
				Favorable (Unfavorable)	
	Original Budget	Amended Budget	Actual	Original to Actual	Amended to Actual
REVENUES					
Local:					
Earnings on investments	7,000	7,000	4,578	(2,422)	(2,422)
Other	1,797,013	1,479,810	1,410,344	(386,669)	(69,466)
Total local	1,804,013	1,486,810	1,414,922	(389,091)	(71,888)
Total revenues	1,804,013	1,486,810	1,414,922	(389,091)	(71,888)
EXPENDITURES					
Support:					
Purchased services	242,348	145,730	168,591	73,757	(22,861)
Capital objects	8,837,142	8,964,937	7,227,902	1,609,240	1,737,035
Total support	9,079,490	9,110,667	7,396,493	1,682,997	1,714,174
Total expenditures	9,079,490	9,110,667	7,396,493	1,682,997	1,714,174
Excess (deficiency) of revenues over/under expenditures	(7,275,477)	(7,623,857)	(5,981,571)	1,293,906	1,642,286
Net change in fund balance	\$ (7,275,477)	\$ (7,623,857)	(5,981,571)	\$ 1,293,906	\$ 1,642,286
Fund balance- Beginning of year			7,623,858		
Fund balance- End of year			\$ 1,642,287		

MOSCOW SCHOOL DISTRICT #281
Moscow, Idaho

PLANT FACILITIES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

			Variance	
	Original	Amended	Favorable (Unfavorable)	
	Budget	Budget	Original	Amended
			to Actual	to Actual
REVENUES				
Local:				
Other	30,000	30,000	13,571	13,571
Total local	30,000	30,000	13,571	13,571
Total revenues	30,000	30,000	13,571	13,571
EXPENDITURES				
Support:				
Purchase Services	-	-	(4,694)	(4,694)
Capital objects	974,268	986,311	672,086	684,129
Total support	974,268	986,311	672,086	684,129
Total expenditures	974,268	986,311	672,086	684,129
Excess (deficiency) of revenues over/under expenditures	(944,268)	(956,311)	685,657	697,700
Other financing sources (uses):				
Transfers in	601,000	601,000	-	-
Total other financing sources (uses)	601,000	601,000	-	-
Net change in fund balance	\$ (343,268)	\$ (355,311)	\$ 685,657	\$ 697,700
Fund balance- Beginning of year			355,312	
Fund balance- End of year			\$ 693,007	

AGENCY FUNDS

To account for funds held by the District for endowments, revolving trust and activity accounts as dictated by the individual group. Operations of these groups are not considered a part of District financial operations.

MOSCOW SCHOOL DISTRICT # 281
Moscow, Idaho

AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Due From:				
Administrative Activities	43,389	287,403	297,705	33,088
District Admin and Elementary	50,068	75,929	76,068	49,930
Middle School	76,703	33,896	44,856	65,743
Senior High School	135,396	229,540	227,609	137,327
Total assets	305,557	626,769	646,238	286,088
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflow of resources	305,557	626,769	646,238	286,088
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Due to student groups:				
Administrative Activities	43,389	287,403	297,705	33,088
District Admin and Elementary	50,068	75,929	76,068	49,930
Middle School	76,703	33,896	44,856	65,743
Senior High School	135,396	229,540	227,609	137,327
Total liabilities	305,557	626,769	646,238	286,088
Deferred inflows of resources	-	-	-	-
Total liabilities and deferred outflow of resources	305,557	626,769	646,238	286,088
NET POSITION				
Total net position	\$ -	\$ -	\$ -	\$ -

MOSCOW SCHOOL DISTRICT # 281
Moscow, Idaho

Administrative Activities
STATEMENT OF CHANGES IN FIDUCIARY TRUST ACCOUNTS
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Sales Tax / Accounts Payable	11,692	263,858	272,849	2,701
Boys Soccer	-	839	839	0
Football	-	3,720	3,720	0
Activities Administration	-	1,069	1,069	0
IHSAA	2,806	-	-	2,806
Concessions	19,508	16,902	19,227	17,182
AAU	492	-	-	492
Calendar	2,225	-	-	2,225
Invitationals / Tournaments	2,209	956	-	3,165
Donations / Grants	4,459	59	-	4,517
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 43,389	\$ 287,403	\$ 297,705	\$ 33,088
	<hr/>	<hr/>	<hr/>	<hr/>

MOSCOW SCHOOL DISTRICT # 281
Moscow, Idaho

District Administration and Elementary Schools
STATEMENT OF CHANGES IN FIDUCIARY TRUST ACCOUNTS
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Sales Tax / Accounts Payable	(614)	37,968	35,429	1,925
District Office	817	242	552	507
Mentor Program	4,738	1,806	4,525	2,019
D/W lost-damaged textbooks	2,512	1,306	-	3,818
Leadership Camp	-	1,004	474	530
Drug Free Resale	70	58	124	4
Late Night	-	5,162	3,731	1,432
Crisis Team	3			3
Special Education	1,281	1,125	442	1,964
Russell - Chorus	1,924	2,437	2,985	1,376
Russell - Student Council ASB	162	-	23	139
Russell - lost-damaged textbooks	463	-	-	463
Russell - Revolving	2,091	2,293	2,220	2,165
Russell - Donations	0	185	173	12
Russell - Librarian	723	505	453	775
West Park - Donations	4,128	1,051	3,093	2,086
West Park - Student Council ASB	8	-	-	8
West Park - Revolving	4,513	5,593	5,231	4,875
West Park - Librarian	1,179	1,073	969	1,284
McDonald - Revolving	14,044	5,884	5,741	14,188
McDonald - Librarian	2,420	1,109	1,173	2,356
Lena Whitmore - Revolving	9,014	4,838	6,704	7,148
Lena Whitmore - Librarian	592	2,289	2,026	855
Total	<u>\$ 50,068</u>	<u>\$ 75,929</u>	<u>\$ 76,068</u>	<u>\$ 49,930</u>

MOSCOW SCHOOL DISTRICT # 281
Moscow, Idaho

Middle School
STATEMENT OF CHANGES IN FIDUCIARY TRUST ACCOUNTS
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Science	145	1,776	1,791	130
Foreign Language	3,112	-	-	3,112
Physical Education	3,222	25	-	3,247
Industrial Arts	1,022	-	-	1,022
Family & Consumer Sciences	-	-	-	0
Cross Country	665	56	183	538
Track	1,645	1,526	2,985	186
Boys Basketball	410	1,431	1,353	488
Football	4,365	513	1,640	3,238
Wrestling	605	557	972	191
Girls Basketball	346	1,156	1,042	460
Cheerleaders	18	20	-	38
Volleyball	295	1,024	995	324
Donations	4,133	-	-	4,133
Band	-	-	-	0
Orchestra	7,216	114	388	6,942
Art	892	465	238	1,119
Drama	2,975	34	141	2,868
Future Problem Solving	25	55	-	80
Tech Club	1,802	4,263	3,691	2,374
Student Council - ASB	16,137	10,048	12,402	13,783
Student Publications	396	6,576	6,527	444
Environmental Group	375	-	-	375
URSA Major	156	391	524	23
Staff Wellness	349	-	-	349
Math Counts	205	166	140	231
Student Pop	6,900	731	1,450	6,181
Ambassadors	1,651	-	-	1,651
Class of 2019	80	-	-	80
Locks	1,529	-	38	1,491
Teacher Pop	466	541	500	507
Student Aid	5,143	1,631	3,933	2,841
DW Lost/Damaged Textbooks	3,632	135	-	3,767
JH Library Revolving	2,510	353	89	2,774
Parent Advisory Committee	-	-	-	0
Science Camp	4,281	310	3,836	755
Total	\$ 76,703	\$ 33,896	\$ 44,856	\$ 65,743

MOSCOW SCHOOL DISTRICT # 281
Moscow, Idaho

High School
STATEMENT OF CHANGES IN FIDUCIARY TRUST ACCOUNTS
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Science	32	1,482	-	1,514
Cross Country	602	3,223	395	3,430
Golf	1,099	94	-	1,193
Tennis	303	2,003	1,853	454
Track	0	520	105	415
Baseball	1,836	365	1,659	543
Boys Basketball	4,011	-	168	3,843
Boys Soccer	585	2,560	3,145	0
Football	3,572	9,300	9,820	3,052
Wrestling	7,329	2,998	7,250	3,077
Girls Basketball	1,474	1,199	1,540	1,132
Cheerleaders	2,309	6,615	7,122	1,801
Girls Soccer	760	6,682	3,176	4,266
Softball	129	7,739	6,649	1,218
Volleyball	2,622	11,171	11,549	2,244
Donations	7,315	2,506	1,705	8,116
Student Store	4,017	4,820	5,281	3,556
Chorus	2,402	3,245	3,199	2,448
Band	3,864	6,745	8,541	2,068
Chess Club	54	-	-	54
Glee Club	820	-	-	820
French	16	1,013	1,030	0
Spanish	3,450	135	3,113	468
International	1,129	2,246	1,571	1,804
Counselor	311	14,203	14,289	225
Harmony	582	-	-	582
Art	1,976	-	132	1,845
Debate	989	250	29	1,209
Drama	6,344	11,189	6,836	10,697
Knowledge Masters	968	-	104	864
Business Prof of America	3,773	18,137	17,087	4,823
Future Problem Solving	1,680	-	582	1,097
JH / HS Bowl	630	-	-	630
Tech Club	1,725	2,740	2,141	2,324
National Honor Society	9,934	1,944	1,216	10,663
Natural Helpers	773	3,670	4,007	436
Political Science	85	-	-	85
Student Council - ASB	3,359	14,319	16,438	1,240
Student Publications	0	27,679	27,171	508
Environmental Group	4,557	16,035	17,477	3,115
Destination Imagination	335	-	-	335
Innervision	4	-	-	4
Math	270	-	268	2
Student Pop	2,420	1,194	2,749	865
Career Fair	12	-	-	12
Human Rights	0	742	-	742
Gay Alliance	334	-	-	334
Class of 2010	4	-	4	0
Class of 2012	716	-	716	0
Class of 2013	1,724	-	1,724	0
Class of 2014	1,627	-	-	1,627
Class of 2015	8,007	7,096	13,100	2,003
Class of 2016	417	9,187	2,262	7,342
Class of 2017	842	2,617	954	2,506
Class of 2018	2	1,122	441	683
Class of 2019	515	-	515	0
Chemistry	5,542	6	4,028	1,521
Locks	6,838	1,061	1,167	6,732
Office General	1,363	8,203	4,477	5,088
Teachers' Pop	621	241	100	762
Buddy Club	926	4,026	2,370	2,581
Robotics	200	150	200	150
DW Lost/Damaged Textbooks	5,452	775	854	5,372
HS Library Revolving	4,519	1,115	1,564	4,071
Good Things	353	25	-	379
Parent Advisory Committee	548	120	-	668
Key Club	538	1,466	1,445	558
Donations - Alt HS	1,796	633	111	2,318
Fund Raising - Alt HS	1,999	2,759	2,065	2,692
Student Store - Alt HS	62	177	112	126
Total	\$ 135,396	\$ 229,540	\$ 227,609	\$ 137,327

Single Audit Section

Moscow School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture Direct Programs			
National School Lunch Program	10.555	15-281	\$ 276,932
National School Lunch Program (non-cash)	10.555	15-281	\$ 54,915
School Breakfast Program	10.553	15-281	\$ 93,703
Summer Food Service Program for Children	10.559	15-281	\$ 36,527
<i>Total United States Department of Agriculture Direct Programs</i>			<u>\$ 462,077</u>
<i>Total United States Department of Agriculture</i>			<u>\$ 462,077</u>
Total Child Nutrition Cluster-Cluster			<u>\$ 462,077</u>
Special Education Cluster (IDEA)-Cluster			
Department of Education Direct Programs			
Special Education_Grants to States	84.027	15-281	\$ 498,297
Special Education_Preschool Grants	84.173	15-281	<u>\$ 22,714</u>
<i>Total Department of Education Direct Programs</i>			<u>\$ 521,011</u>
<i>Total Department of Education</i>			<u>\$ 521,011</u>
Total Special Education Cluster (IDEA)-Cluster			<u>\$ 521,011</u>
Other Programs			
Department of Education Direct Programs			
Carol M. White Physical Education Program	84.215f	15-281	\$ 321,623
Career and Technical Education -- Basic Grants to States	84.048	15-281	\$ 28,098
Improving Teacher Quality State Grants	84.367	15-281	\$ 80,659
Title I Grants to Local Educational Agencies	84.010	15-281	<u>\$ 307,520</u>
<i>Total Department of Education Direct Programs</i>			<u>\$ 737,900</u>
<i>Total Department of Education</i>			<u>\$ 737,900</u>
Total Other Programs			<u>\$ 737,900</u>
Total Expenditures of Federal Awards			<u>\$ 1,720,988</u>

MOSCOW SCHOOL DISTRICT #281
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Moscow School District No. 281 under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Moscow School District No. 281, it is not intended to and does not present the financial position, changes in net position, or cash flows of Moscow School District No. 281.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, Cost Principles for Educational Institutions, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance in FYE June 30, 2015 was \$54,915. At June 30, 2015, the organization had \$12,120 food commodities in inventory.

**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
Moscow School District No. 281
Moscow, ID 83843

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Moscow School District No. 281, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Moscow School District No. 281's basic financial statements, and have issued our report thereon dated October 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moscow School District No. 281'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 Moscow School District No. 281's internal control. Accordingly, we do not express an opinion on the effectiveness of the Moscow School District No. 281's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moscow School District No. 281's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hayden Ross, PLLC

Moscow, Idaho
October 16, 2015

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

To the Board of Trustees
Moscow School District No. 281
Moscow, ID 83843

Report on Compliance for Each Major Federal Program

We have audited Moscow School District No. 281's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Moscow School District No. 281's major federal programs for the year ended June 30, 2015. Moscow School District No. 281's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Moscow School District No. 281's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Moscow School District No. 281's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Moscow School District No. 281's compliance.

Opinion on Each Major Federal Program

In our opinion, Moscow School District No. 281 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Moscow School District No. 281 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Moscow School District No. 281's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Moscow School District No. 281's internal control over compliance.

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

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

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

Hayden Ross, PLLC

Moscow, Idaho
October 16, 2015

MOSCOW SCHOOL DISTRICT #281
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Financial Statements

Type of auditor's report issued –

Governmental activities Qualified

Each major fund and the aggregate remaining fund information Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial

statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

Type of auditor's report issued –

on compliance for major programs unmodified

Any audit finding disclosed that are required

to be reported in accordance with Section

510(a) of OMB Circular A-133? ___ yes X no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.215f	Carol M. White Physical Education Program
84.027, 84.173	Special Education Cluster

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

\$300,000

Auditee qualified as low-risk auditee?

___ yes X no

