



**RUDD & COMPANY**<sup>PLLC</sup>  
certified public accountants | business consultants

**GOODING JOINT SCHOOL DISTRICT NO. 231  
GOODING, IDAHO**

**Basic Financial Statements  
and  
Supplementary Information  
with  
Independent Auditors' Report  
  
Year Ended June 30, 2018**

*giving direction to your future*

**GOODING JOINT SCHOOL DISTRICT NO. 231**

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**June 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Gooding Joint School District No. 231  
Gooding, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gooding Joint School District No. 231 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

***Summary of Opinions***

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
General Fund	Unmodified
Child Nutrition Fund	Unmodified
Debt Service Fund	Unmodified
Plant Facility Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

***Basis for Qualified Opinion on Government Activities***

The District has not obtained an actuarial valuation of its other post employee benefits (OPEB). Employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans are required to measure and disclose an amount for annual OPEB costs on the accrual basis of accounting. The amount by which this departure would affect the governmental activities has not been determined.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of Gooding Joint School District No. 231 as of June 30, 2018, and the changes in financial position thereof 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Gooding Joint School District No. 231 as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, budgetary comparison information on pages 47 through 50, and pension information on pages 51 and 52 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.

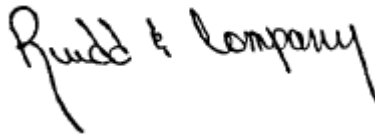
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gooding Joint School District No. 231's basic financial statements. The combining and individual nonmajor fund financial statements, and supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2018, on our consideration of the Gooding Joint School District No. 231's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gooding Joint School District No. 231's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

Idaho Falls, Idaho  
October 9, 2018

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis**  
**June 30, 2018**

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As management of the Gooding Joint School District No. 231, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2018.

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$13,224,706. Of this amount, \$1,801,096 is unrestricted.
- The District's net position increased \$626,560 as a result of this year's operations.
- The unassigned fund balance for the general fund was \$2,483,876 or 32% of the total general fund expenditures.
- The District transferred \$510,827 from the general fund to the plant facility fund to cover future plant facility costs.

**Overview of the Financial Statements**

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

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

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



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

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The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. 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., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 13-15 of this report.

**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: government funds and fiduciary funds.

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

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

The District maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the child nutrition fund, and the plant facility fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

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The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-17 and 19-20 of this report.

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

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 22 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-45 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining fund statements and schedules can be found on pages 54-61 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,224,706 at the close of the most recent fiscal year.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

<b>Net Position</b>	<b>Governmental Assets</b>	
	<b>2018</b>	<b>2017</b>
Current and Other Assets	\$ 7,556,851	\$ 6,797,570
Capital Assets	10,276,583	10,381,474
<b>Total Assets</b>	<b>17,833,434</b>	<b>17,179,044</b>
Deferred Outflows of Resources	935,480	2,209,840
Current Liabilities	1,117,028	903,722
Long-term Liabilities	3,858,339	4,752,955
<b>Total Liabilities</b>	<b>4,975,367</b>	<b>5,656,677</b>
Deferred Inflows of Resources	568,841	1,134,061
<b>Net Position</b>		
Net Investment in Capital Assets	8,257,874	8,358,904
Restricted	3,165,736	2,745,311
Unrestricted	1,801,096	1,493,931
<b>Total Net Position</b>	<b>\$ 13,224,706</b>	<b>\$ 12,598,146</b>

A portion of the District's net position, \$3,165,736 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$1,801,096 may be used to meet the District's ongoing obligations to students, employees, and creditors.

An additional portion of the District's net position \$8,257,874 reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

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<b>Changes in Net Position</b>	<b>Governmental Activities</b>	
	<u><b>2018</b></u>	<u><b>2017</b></u>
Revenues		
Program revenues		
Charges for services	\$ 185,996	\$ 190,973
Operating grants and contributions	1,402,558	1,324,527
General revenues		
Property tax	1,203,213	1,103,108
State support	8,126,744	7,880,555
Other	214,941	279,007
Total Revenues	<u>11,133,452</u>	<u>10,778,170</u>
Expenses		
Instructional	5,582,515	5,075,341
Pupil support	807,486	873,105
Staff support	733,783	718,778
Administration	573,573	293,842
Business services	188,994	190,374
Administrative technology	75,957	106,454
Operation	675,092	820,191
Transportation	430,153	414,598
Non-instructional	117,162	-
Interest	64,672	59,134
Depreciation	461,226	449,269
Child nutrition services	796,279	721,258
Total Expenses	<u>10,506,892</u>	<u>9,722,344</u>
Change in Net Position	<u>\$ 626,560</u>	<u>\$ 1,055,826</u>

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

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**Financial Analysis of the District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance may serve as a useful indicator of the District's net resources available for spending at the end of the year. The District has designated portions of the unassigned fund balance to earmark resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. Unassigned balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

**General fund.** The general fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance was \$2,483,876. The fund balance decreased by \$242,888 during the current fiscal year.

Expenditures for general District purposes totaled \$7,858,200, an increase of 12% during the current fiscal year.

The plant facility fund has a total fund balance of \$1,552,956, the majority of which is restricted for construction on projects and purchase of equipment and related expenditures. The fund balance increased by \$566,301 during the current year.

The debt service fund has a total fund balance of \$2,102,091, all of which is restricted for the payment of debt service on general obligation bonds. The fund balance increased by \$145,551 during the current year.

The child nutrition fund has a total fund balance of \$1,765. The fund balance increased by \$1,765 during the current year.

**General Fund Budgetary Highlights**

During the current fiscal year, the \$72,805 positive budget to actual variance in total general fund revenues, and the \$294,835 positive budget to actual variance in total general fund expenditures, are largely a result of additional state revenues and a reduction in expected operating costs. The budget was amended during the year.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2018**

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**Capital Asset and Debt Administration**

The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. During the current fiscal year, the District made several significant capital purchases including technology and maintenance equipment and lockers.

Capital assets at June 30 are outlined below:

<b>Capital Assets (Net of Depreciation)</b>	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Sites	\$ 426,395	\$ 426,395
Buildings and improvements	15,118,030	14,820,068
Furniture and equipment	2,366,471	2,329,622
Transportation	91,873	81,572
	<u>18,002,769</u>	<u>17,657,657</u>
Accumulated depreciation	<u>(7,726,186)</u>	<u>(7,276,183)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 10,276,583</u>	<u>\$ 10,381,474</u>
<b>Outstanding Debt</b>	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
General obligation bonds	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

Additional information on the District's long-term debt can be found in the basic financial statements.

**Requests for Information**

This financial report is designed to provide a general overview of the Gooding Joint School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Office, Gooding Joint School District, 507 Idaho Street, Gooding, ID 83330.

## **Basic Financial Statements**

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Net Position**  
**June 30, 2018**

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<b>Assets</b>	<b>Governmental Activities</b>
Cash and Investments	\$ 5,144,705
Restricted Cash and Investments	1,504,951
Receivables	
Property taxes	460,415
State of Idaho	198,525
Other	248,255
Capital Assets	
Sites	426,395
Buildings and equipment, net of depreciation	<u>9,850,188</u>
Total Assets	<u>17,833,434</u>
 <b>Deferred Outflows of Resources</b>	
Related to pensions	<u>935,480</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,768,914</u>

The Accompanying Notes are an Integral Part of the Financial Statements



<b>Liabilities</b>	<b>Governmental Activities</b>
Accounts payable	\$ 159,774
Salary contracts payable	943,212
Interest payable	14,042
Long-term liabilities:	
Portion due or payable after one year:	
Net pension liability	1,858,339
Bonds, capital leases, and contracts	<u>2,000,000</u>
Total Liabilities	<u>4,975,367</u>
 <b>Deferred Inflows of Resources</b>	
Unavailable revenues	94
Related to pensions	564,080
Bond issue premium, net of amortization	<u>4,667</u>
Total Deferred Inflows of Resources	<u>568,841</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 5,544,208</u>
 <b>Net Position</b>	
Net investment in capital assets	\$ 8,257,874
Restricted for:	
Debt service	2,109,351
Plant facility	1,056,385
Unrestricted	<u>1,801,096</u>
Total Net Position	<u>\$ 13,224,706</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Activities**  
**Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental Activities:				
Instructional	\$ 5,582,515	\$ 83,220	\$ 756,869	\$ (4,742,426)
Pupil support	807,486	-	-	(807,486)
Staff support	733,783	-	-	(733,783)
Administration	573,573	-	-	(573,573)
Business service	188,994	-	-	(188,994)
Administrative technology	75,957	-	-	(75,957)
Operation	675,092	-	-	(675,092)
Transportation	430,153	-	-	(430,153)
Non-instructional	117,162	-	-	(117,162)
Interest on long-term debt	64,672	-	-	(64,672)
Depreciation - unallocated*	461,226	-	-	(461,226)
Child nutrition services	796,279	102,776	645,689	(47,814)
<b>Total Governmental Activities</b>	<b>\$ 10,506,892</b>	<b>\$ 185,996</b>	<b>\$ 1,402,558</b>	<b>(8,918,338)</b>
General Revenues:				
Taxes:				
				681,037
				386,018
				136,158
				171,982
				(1,628)
				8,126,744
				44,587
				9,544,898
				626,560
				12,598,146
				\$ 13,224,706

\* This amount excludes the depreciation that is included in direct expenses of various programs.

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Balance Sheet – Governmental Funds**  
**June 30, 2018**

<b>Assets</b>	<b>General Fund</b>	<b>Child Nutrition Fund</b>
Cash and Investments	\$ 2,889,841	\$ 4,703
Restricted Cash and Investments	-	-
Due from Other Funds	112,704	-
Receivables		
Property taxes	247,091	-
State of Idaho	193,761	-
Other	17,325	25,555
Total Assets	<u>\$ 3,460,722</u>	<u>\$ 30,258</u>
 <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
Liabilities		
Due to other funds	\$ -	\$ -
Accounts payable	132,099	6,150
Salary contracts payable	826,235	22,343
Total Liabilities	<u>958,334</u>	<u>28,493</u>
Deferred Inflows of Resources		
Unavailable revenues	18,512	-
Fund Balances		
Restricted	-	1,765
Committed	-	-
Assigned	-	-
Unassigned	2,483,876	-
Total Fund Balances	<u>2,483,876</u>	<u>1,765</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,460,722</u>	<u>\$ 30,258</u>

The Accompanying Notes are an Integral Part of the Financial Statements

<b>Debt Service Fund</b>	<b>Plant Facility Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 543,969	\$ 1,428,225	\$ 277,967	\$ 5,144,705
1,504,951	-	-	1,504,951
-	-	-	112,704
60,431	152,893	-	460,415
-	-	4,764	198,525
-	-	205,375	248,255
<b>\$ 2,109,351</b>	<b>\$ 1,581,118</b>	<b>\$ 488,106</b>	<b>\$ 7,669,555</b>
\$ -	\$ -	\$ 112,704	\$ 112,704
-	13,906	7,619	159,774
-	-	94,634	943,212
-	13,906	214,957	1,215,690
7,260	14,256	94	40,122
2,102,091	1,042,129	158,055	3,304,040
-	510,827	-	510,827
-	-	115,000	115,000
-	-	-	2,483,876
<b>2,102,091</b>	<b>1,552,956</b>	<b>273,055</b>	<b>6,413,743</b>
<b>\$ 2,109,351</b>	<b>\$ 1,581,118</b>	<b>\$ 488,106</b>	<b>\$ 7,669,555</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of**  
**Net Position**  
**June 30, 2018**

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

Total Fund Balance - Governmental Funds	\$	6,413,743
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$18,002,769 and the accumulated depreciation is \$7,726,186.		10,276,583
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and therefore are not reported in the funds.		(2,014,042)
Pension contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability is recorded on the government-wide statements.		(1,486,939)
Bond premiums reported as revenue in the fund financial statements are capitalized in the government-wide statements. The total premiums are \$30,460 and the accumulated amortization is \$25,793.		(4,667)
Property tax revenue is recognized when earned rather than when available.		40,028
		<hr/>
Net Position - Governmental Activities	\$	<u>13,224,706</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2018**

	<b>General Fund</b>	<b>Child Nutrition Fund</b>
Revenues		
Local sources		
Property taxes	\$ 683,100	\$ -
Earnings on investments	30,410	-
Lunch sales	-	102,776
Other	133,712	35,526
State sources		
State apportionment	6,969,859	-
Other	532,728	-
Federal sources		
Educational programs and other	-	645,689
Total Revenues	<u>8,349,809</u>	<u>783,991</u>
Expenditures		
Current		
Instructional	4,985,954	-
Pupil support	301,387	-
Staff support	592,339	-
Administration	587,222	-
Business service	193,677	-
Administrative technology	77,453	-
Operation	563,101	-
Transportation	430,153	-
Non-instructional	-	802,914
Debt service		
Interest	-	-
Capital outlay	126,914	-
Total Expenditures	<u>7,858,200</u>	<u>802,914</u>
Excess (Deficiency) of Revenues over Expenditures	491,609	(18,923)
Other Financing Sources (Uses)		
Transfers in	-	20,688
Transfers out	(734,497)	-
Net Change in Fund Balances	(242,888)	1,765
Fund Balance Beginning of Year	<u>2,726,764</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 2,483,876</u>	<u>\$ 1,765</u>

The Accompanying Notes are an Integral Part of the Financial Statements

<b>Debt Service Fund</b>	<b>Plant Facility Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 136,252	\$ 390,044	\$ -	\$ 1,209,396
12,237	1,940	-	44,587
-	-	-	102,776
2,744	-	83,220	255,202
-	-	-	6,969,859
-	-	624,157	1,156,885
62,851	-	694,018	1,402,558
214,084	391,984	1,401,395	11,141,263
-	-	729,669	5,715,623
-	-	512,178	813,565
-	-	149,798	742,137
-	-	-	587,222
-	-	-	193,677
-	-	-	77,453
-	51,954	67,742	682,797
-	-	-	430,153
-	117,162	-	920,076
68,533	-	-	68,533
-	167,394	63,655	357,963
68,533	336,510	1,523,042	10,589,199
145,551	55,474	(121,647)	552,064
-	510,827	202,982	734,497
-	-	-	(734,497)
145,551	566,301	81,335	552,064
1,956,540	986,655	191,720	5,861,679
\$ 2,102,091	\$ 1,552,956	\$ 273,055	\$ 6,413,743

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2018**

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

Net Changes in Fund Balances - Total Governmental Funds	\$	552,064
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(103,263)
Government funds report gross sales of fixed assets as revenues. However, in the statement of activities only the net gain on the sale of fixed assets is recorded.		(1,628)
Property tax revenue received prior to the year for which they are levied are reported as deferred revenue in the governmental funds. The change however is recorded as revenues in the statement of activities.		(6,183)
The governmental funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.		181,709
The governmental funds report bond premiums as revenue while the government-wide statements show the premium as amortized over the term of the bonds.		3,861
Change in Net Position of Governmental Activities	\$	<u>626,560</u>

The Accompanying Notes are an Integral Part of the Financial Statements



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Fiduciary Net Position – Agency Funds**  
**June 30, 2018**

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<b>Assets</b>	<u><b>Agency Funds</b></u>
Cash and Investments	\$ 180,624
Total Assets	<u>\$ 180,624</u>
 <b>Liabilities</b>	
Due to Student Groups	\$ 180,624
Total Liabilities	<u>\$ 180,624</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements**  
**June 30, 2018**

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**1. Summary of Significant Accounting Policies**

The financial statements of the Gooding Joint School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The Board of School Trustees, a five-member group, has responsibilities for all activities relating to public elementary and secondary school education within the jurisdiction of Gooding Joint School District No. 231. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District has a revenue spending policy that provides for programs with multiple revenue sources. The District will use restricted fund balances first followed in order by committed, assigned and finally unassigned. The District currently applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**1. Summary of Significant Accounting Policies (continued)**

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *child nutrition fund* accounts for the revenues and expenses associated with the operation of the District's food services.
- The *debt service fund* accounts for the accumulation of resources for, and the payment of long-term debt principal and interest.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**1. Summary of Significant Accounting Policies (continued)**

- The *plant facility fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- The *student activities agency fund (a fiduciary fund)* accounts for assets held on behalf student groups.

**Budgetary Policy**

The District prepares budgets for all the governmental fund types. Such budgets are adopted on a basis generally consistent with generally accepted accounting principles, except that the commodities received for the child nutrition program are not budgeted.

The following is a reconciliation of revenues and expenditures as reported under generally accepted accounting standards with the amounts reported in comparison with budget and reported on page 48:

	<u>Reported Amounts</u>	<u>Commodities Received</u>	<u>Amounts Reported in Comparison with Budget</u>
Child Nutrition Fund			
Total revenues	\$ 783,991	\$ (52,053)	\$ 731,938
Total expenditures	\$ 802,914	\$ (52,053)	\$ 750,861

Under Idaho law, the District’s budget establishes maximum legal authorization for expenditures during the fiscal year. Under certain unusual circumstances, the District is allowed to reopen and amend its budget. Expenditures are not to exceed the budgeted amounts, except as allowed by law for certain events. The District did amend its budget during the fiscal year.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**1. Summary of Significant Accounting Policies (continued)**

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

**Inventories**

The governmental funds of the District use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the balance sheet of the general fund because the amounts on hand at year-end are immaterial.

**Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Buildings.....	50 yrs
Land Improvements.....	15 yrs
Furniture.....	15 yrs
Equipment.....	8-15 yrs
Vehicles.....	8 yrs
Computer equipment.....	5 yrs

**1. Summary of Significant Accounting Policies (continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The District has only one type of deferred outflows of resources. This amount relates to the District's allocable share of the effect of changes of assumptions during the year on the valuation of the net pension liability and the net difference between projected and actual investment earnings on the pension plan investments. This amount is reported only in the government-wide financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has three types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes and grant revenues received in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has a deferred premium on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding. The third type of deferred inflows of resources relates to the effect on the calculation of the net pension liability of the difference between projected and actual investment earnings on the defined benefit pension plan.

**Pensions**

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

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**1. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fund Equity**

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor how those amounts may be spent. Designations of fund balances as non-spendable, restricted, committed, assigned or unassigned is based upon the types of constraints placed upon the outstanding balances.

**2. Cash and Investments**

The District is authorized under Idaho Code to invest in cash, certificates of deposit, U.S. Government securities, commercial paper, and repurchase agreements. All investments must be held by or registered in the name of the District.

Cash balances of most of the District funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each of the funds based on the fund's cash balance. The District maintains checking accounts with various banks. A portion of excess funds are invested with the State Treasurer's pooled cash investment account. This account invests in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. The remaining pooled funds are in a separate account and are invested in U.S. government securities and money market funds. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available and the state investment pool is unrated.

The District is also required to make annual deposits to a sinking fund to accumulate amounts to make future payments on general obligation bonds. These funds are invested in money market funds, U.S. Treasury notes, and other state and local governmental securities.

The District's cash accounts are insured through the Federal Deposit Insurance Corporation (at banks) up to \$250,000 per depository.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**2. Cash and Investments (continued)**

1. Deposits – At June 30, 2018, the carrying amount of the District’s deposits was \$3,267,013 and the respective bank balances totaled \$3,407,305. Of the bank balances, \$2,624,379 were insured by FDIC insurance or secured by a letter of credit.
2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. As of June 30, 2018, \$782,926 of the District’s deposits were not covered by federal depository insurance, and thus were exposed to custodial credit risk.
3. Investments – As of June 30, 2018, the District had the following investments:

Investment Type	S&P Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
Federal Agencies	AA+	\$ 2,333,070	\$ 545,799	\$ 1,787,271	\$ -	\$ -
US Treasuries	AAA	477,822	-	477,822	-	-
State/Local Certificates of Indebtedness	AAA	742,000	-	742,000	-	-
State Investment Pool		10,375	10,375	-	-	-
Total		<u>\$ 3,563,267</u>	<u>\$ 556,174</u>	<u>\$ 3,007,093</u>	<u>\$ -</u>	<u>\$ -</u>

4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the District structures its portfolio so that securities mature to meet cash requirements for ongoing operations.



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**2. Cash and Investments (continued)**

6. Because the State Investment Pool as of June 30, 2018, had a weighted average maturity of 94 days, it was presented as an investment with a maturity of less than one year.
  
7. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the District’s policy to limit investments to the safest types of securities and to diversify the District’s investment portfolio so that potential losses on securities will be minimized. The District follows Idaho statute that outlines qualifying investment options.

Reconciliation of deposits categorization:

Cash and investments reported on the statement of net assets	\$ 5,144,705
Restricted cash and investments reported on the statement of net assets	1,504,951
Cash and investments reported on the statement of fiduciary net assets	<u>180,624</u>
	<u>\$ 6,830,280</u>
Investments categorized	\$ 3,563,267
Deposits categorized	<u>3,267,013</u>
	<u>\$ 6,830,280</u>

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**3. Capital Assets**

Capital asset activity for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets, Not Being Depreciated Sites	\$ 426,395	\$ -	\$ -	\$ 426,395
Total Capital Assets, Not Being Depreciated	<u>\$ 426,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,395</u>
Capital Assets, Being Depreciated				
Buildings and improvements	\$ 14,820,068	\$ 310,813	\$ (12,851)	\$ 15,118,030
Furniture and equipment	2,329,622	36,849	-	2,366,471
Transportation	81,572	10,301	-	91,873
Total Capital Assets, Being Depreciated	<u>17,231,262</u>	<u>357,963</u>	<u>(12,851)</u>	<u>17,576,374</u>
Accumulated Depreciation for				
Buildings and improvements	(5,700,089)	(304,102)	11,223	(5,992,968)
Furniture and equipment	(1,511,780)	(151,608)	-	(1,663,388)
Transportation	(64,314)	(5,516)	-	(69,830)
Total Accumulated Depreciation	<u>(7,276,183)</u>	<u>(461,226)</u>	<u>11,223</u>	<u>(7,726,186)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 9,955,079</u>			<u>\$ 9,850,188</u>

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**4. Non-Monetary Transactions**

The District received commodities from the U.S. Government valued at \$52,053. The value was determined by confirmation with the State of Idaho Department of Education.

**5. General Obligation Bonds Payable**

Bonds outstanding at June 30, 2018, were as follows:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Obligation Bonds, Series 2011 Issue (Original amount--\$2,000,000)	3.37%	2020	\$ 2,000,000

The amount to be provided for bond requirements in the accompanying financial statements represents the charge to be made for property taxes in future years to meet maturing bond requirements.

The annual requirements to amortize the above bond issues are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Sinking Fund</u>	<u>Total</u>
2019	\$ -	\$ 67,400	\$ 300,000	\$ 367,400
2020	2,000,000	33,700	300,000	2,333,700
	<u>\$ 2,000,000</u>	<u>\$ 101,100</u>	<u>\$ 600,000</u>	<u>\$ 2,701,100</u>

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**6. Property Taxes**

Property taxes of the District are based on the assessments against property owners as of the first Monday in January of the calendar year in which the fiscal year commences. Tax levies on such assessed values are certified to the counties prior to the commencement of the fiscal year. Taxes are collected by Gooding and Lincoln Counties and are remitted to the District primarily in January of the fiscal year and the July following. Accordingly, the tax revenues for the fiscal year ended June 30, 2018, are generally based on the assessed values and tax levies established in 2017.

The District defers recognition of revenues relating to property taxes assessed but not collected within 60 days of the fiscal year-end. Such amounts will be recognized as revenues in the fiscal year they become available.

**7. General Obligation Bond**

On August 30, 2011, the District voters approved a proposal to turn \$2 million of an existing plant facility levy into a bond. The bonds were issued October 25, 2011. The District designated the new bonds as “qualified school construction bonds” (QSCBs) and has elected to receive direct payments from the United States Treasury of the refundable credit payments in lieu of the federal tax credits that otherwise would be allowed to the holder of the bonds. The District received direct payments of \$62,851 during the fiscal year which was charged to interest and credited to revenue from federal sources in the debt service fund.

The bond requires mandatory annual sinking fund installments beginning September 15, 2012. The balance of the sinking fund as of June 30, 2018 was \$1,504,951 and is included in restricted cash and investments on the balance sheet.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**8. Changes in Long-term Debt**

The following is a summary of the District's long-term transactions for the year ended June 30, 2018:

	<b>2011 G.O. Bonds</b>	<b>Net Pension Liability</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Long-term Obligations June 30, 2017	\$ 2,000,000	\$ 2,752,955	\$ 4,752,955
Obligations Incurred	-	-	-
Obligations Paid	<u>-</u>	<u>(894,616)</u>	<u>(894,616)</u>
Long-term Obligations June 30, 2018	<u>\$ 2,000,000</u>	<u>\$ 1,858,339</u>	<u>\$ 3,858,339</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**9. Pension Plan**

*Plan Description*

The District contributes to the Public Employee Retirement System of Idaho Base Plan (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](http://www.persi.idaho.gov).

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

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

Employee membership data related to the PERSI Base Plan, as of June 30, 2017, was as follows:

Retirees and beneficiaries currently receiving benefits	45,468
Terminated employees entitled to but not yet receiving benefits	12,669
Active plan members	<u>70,073</u>
	<u>128,210</u>

*Pension Benefits*

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

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

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation 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.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017, the employee contribution rate was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions required and paid were \$559,597, \$535,226, and \$538,020 for the years ended June 30, 2018, 2017, and 2016, respectively.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the District's proportion was 0.152 percent.

For the year ended June 30, 2018, the District recognized pension expense (revenue) of \$(181,710). At June 30, 2018, 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	\$ -	\$ 215,660
Changes in assumptions or other inputs	44,268	-
Net difference between projected and actual earnings on pension plan investments	331,615	143,422
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	204,998
Employer contributions subsequent to the measurement date	<u>559,597</u>	<u>-</u>
Total	<u>\$ 935,480</u>	<u>\$ 564,080</u>

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

\$559,597 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

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

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

<u>Fiscal Year</u>		
2019	.....	\$ (174,612)
2020	.....	180,419
2021	.....	19,335
2022	.....	(182,818)
2023	.....	<u>(30,521)</u>
		<u>\$ (188,197)</u>

*Actuarial Assumptions*

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



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

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

**Capital Market Assumptions**

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70.00%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50%-65%
International	9.25%	20.20%	15.00%	10%-20%
Fixed Income	3.05%	3.75%	30.00%	23%-33%
Cash	2.25%	0.90%	0.00%	0%-5%
<b>Total Fund</b>	<b>Expected Return</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\*Expected arithmetic return net of fees and expenses

**Actuarial Assumptions:**

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

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**9. Pension Plan (continued)**

*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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.10%)</b>	<b>Discount Rate</b>	<b>(8.10%)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Employer's proportionate share of the net pension liability (asset)	\$ 5,563,658	\$ 2,393,789	\$ (240,456)

*Pension plan fiduciary net position*

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

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

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**10. Commitments**

The District has a five year student transportation contract ending June 30, 2020. Transportation costs to the District during the current fiscal year were \$430,153.

**11. Fair Value Measurements**

The District has implemented GASB No. 72, *Fair Value Measurement and Application*. This guidance requires government entities to measure investments and certain other items at fair value. The objective is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

GASB No. 72 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

- Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market.
- Level 2 Inputs – Inputs other than the quoted process in active markets that are observable either directly or indirectly.
- Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

GASB No. 72 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**11. Fair Value Measurements (continued)**

Fair value assets measured on a recurring basis at June 30, 2018 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal agencies	\$ 2,333,070	\$ 2,333,070	\$ -	\$ -
US Treasuries	477,822	477,822	-	-
State/local certificates of indebtedness	742,000	742,000	-	-
State investment pool	10,375	10,375	-	-
<b>Total</b>	<b>\$ 3,563,267</b>	<b>\$ 3,563,267</b>	<b>\$ -</b>	<b>\$ -</b>

All assets have been valued using a market approach. There were no changes in the valuation techniques during the year. There are no assets or liabilities measured at fair value on a nonrecurring basis.

**12. Other Required Individual Fund Disclosures**

The District expenditures exceeded the budgeted amounts in the following fund during the year ended June 30, 2018:

Fund	Amount Exceeded
Driver Education Fund.....	\$ 1,133
IDEA Part B School Age Fund.....	31,452

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**12. Other Required Individual Fund Disclosures (continued)**

**Deficits in Individual Funds**

There were no fund deficits as of June 30, 2018.

**13. Interfund Balances and Transfers**

The interfund balances at June 30, 2018, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds		
General Fund	\$ 112,704	\$ -
Non-major Funds		
Title I-A ESEA Basic Fund	-	23,106
Title I-C ESEA Migrant Fund	-	3,525
GEAR UP Fund	-	14,149
IDEA Part B School Age Fund	-	54,592
IDEA Part B Preschool Fund	-	630
Title VI-B Rural and Low Income Fund	-	2,706
Perkins III Professional Technical Fund	-	13,169
Title III ESEA LEP Fund	-	827
	<u>\$ 112,704</u>	<u>\$ 112,704</u>

Balances are a result from the time lag between the dates that the reimbursable expenditures occur and payments between funds are made. All balances are expected to be eliminated during the next fiscal year.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**13. Interfund Balances and Transfers (continued)**

A summary of interfund transfers by fund is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds		
General Fund	\$ -	\$ 734,497
Child Nutrition Fund	20,688	-
Plant Facility Fund	510,827	-
Non-major Funds		
State Technology Fund	100,000	-
Medicaid Fund	100,046	-
GEAR UP Fund	2,936	-
	<u>\$ 734,497</u>	<u>\$ 734,497</u>

Transfers were made to cover the required FICA match in the Child Nutrition Program and to cover future plant facility maintenance and improvements.

**14. Fund Balances**

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

**Nonspendable fund balance** – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

**Restricted fund balance** – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

**Committed fund balance** – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. In the case of the District it is by Board action.

**Assigned fund balance** – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Notes to Financial Statements (continued)**  
**June 30, 2018**

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**14. Fund Balances (continued)**

**Unassigned fund balance** – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental fund, it may be necessary to report a negative residual balance as unassigned.

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Plant Facility Fund</b>	<b>Total</b>
Fund Balances:					
Restricted for:					
Child Nutrition	\$ -	\$ 1,765	\$ -	\$ -	\$ 1,765
Debt Service	-	-	2,102,091	-	2,102,091
Plant Facility	-	-	-	1,042,129	1,042,129
Other Local Grants	-	92,474	-	-	92,474
Driver Education	-	27,227	-	-	27,227
State Professional Tech	-	15,333	-	-	15,333
State Technology	-	22,730	-	-	22,730
Substance Abuse Prevention	-	291	-	-	291
Committed to:					
Plant Facility	-	-	-	510,827	510,827
Assigned to:					
Resource Officer	-	15,000	-	-	15,000
State Technology	-	100,000	-	-	100,000
Unassigned:	<u>2,483,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,483,876</u>
Total Fund Balances	<u>\$ 2,483,876</u>	<u>\$ 274,820</u>	<u>\$ 2,102,091</u>	<u>\$ 1,552,956</u>	<u>\$ 6,413,743</u>



**Required Supplementary Information**

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**Year Ended June 30, 2018**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Property Taxes	\$ 650,000	\$ 650,000	\$ 683,100	\$ 33,100
Earnings on investments	15,000	15,000	30,410	15,410
Other	107,810	107,810	133,712	25,902
State sources				
State apportionment	6,773,320	6,969,859	6,969,859	-
Other	486,797	534,335	532,728	(1,607)
Total Revenues	<u>8,032,927</u>	<u>8,277,004</u>	<u>8,349,809</u>	<u>72,805</u>
Expenditures				
Current				
Instructional	4,727,002	4,996,499	4,985,954	10,545
Pupil support	316,310	318,446	301,387	17,059
Staff support	892,989	679,029	592,339	86,690
Administration	618,833	613,911	587,222	26,689
Business service	200,496	215,141	193,677	21,464
Administrative technology	53,500	85,174	77,453	7,721
Operation	705,392	732,488	563,101	169,387
Transportation	493,500	496,000	430,153	65,847
Non-instructional	16,347	16,347	-	16,347
Capital outlay	-	-	126,914	(126,914)
Total Expenditures	<u>8,024,369</u>	<u>8,153,035</u>	<u>7,858,200</u>	<u>294,835</u>
Excess of Revenues over Expenditures	8,558	123,969	491,609	367,640
Other Financing Sources (Uses)				
Transfers (out)	(20,000)	(20,000)	(734,497)	(714,497)
Net Change in Fund Balances	(11,442)	103,969	(242,888)	(346,857)
Fund Balance, Beginning of Year	<u>2,612,188</u>	<u>2,726,764</u>	<u>2,726,764</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,600,746</u>	<u>\$ 2,830,733</u>	<u>\$ 2,483,876</u>	<u>\$ (346,857)</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Child Nutrition Fund**  
**Year Ended June 30, 2018**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Lunch Sales	\$ 132,000	\$ 104,000	\$ 102,776	\$ (1,224)
Other	38,000	51,190	35,526	(15,664)
Federal sources				
Educational programs and other	<u>537,000</u>	<u>586,057</u>	<u>593,636</u>	<u>7,579</u>
Total Revenues	<u>707,000</u>	<u>741,247</u>	<u>731,938</u>	<u>(9,309)</u>
Expenditures				
Current				
Non-instructional	<u>707,000</u>	<u>769,247</u>	<u>750,861</u>	<u>18,386</u>
Total Expenditures	<u>707,000</u>	<u>769,247</u>	<u>750,861</u>	<u>18,386</u>
Excess (Deficiency) of Revenues over Expenditures	-	(28,000)	(18,923)	9,077
Other Financing Sources (Uses)				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,688</u>	<u>688</u>
Net Change in Fund Balances	20,000	(8,000)	1,765	9,765
Fund Balance, Beginning of Year	<u>(98,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (78,295)</u>	<u>\$ (8,000)</u>	<u>\$ 1,765</u>	<u>\$ 9,765</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Debt Service Fund**  
**Year Ended June 30, 2018**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Property taxes	\$ 200,000	\$ 200,000	\$ 136,252	\$ (63,748)
Earnings on investments	800	800	12,237	11,437
Other	3,300	3,300	2,744	(556)
Federal sources				
Educational programs and other	60,000	63,000	62,851	(149)
Total Revenues	<u>264,100</u>	<u>267,100</u>	<u>214,084</u>	<u>(53,016)</u>
Expenditures				
Debt service				
Principal	200,000	200,000	-	200,000
Interest	68,850	68,850	68,533	317
Total Expenditures	<u>268,850</u>	<u>268,850</u>	<u>68,533</u>	<u>200,317</u>
Net Change in Fund Balances	(4,750)	(1,750)	145,551	147,301
Fund Balance, Beginning of Year	<u>1,871,374</u>	<u>1,956,540</u>	<u>1,956,540</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,866,624</u>	<u>\$ 1,954,790</u>	<u>\$ 2,102,091</u>	<u>\$ 147,301</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Plant Facility Fund**  
**Year Ended June 30, 2018**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Property taxes	\$ 400,000	\$ 400,000	\$ 390,044	\$ (9,956)
Earnings on investments	500	800	1,940	1,140
Total Revenues	<u>400,500</u>	<u>400,800</u>	<u>391,984</u>	<u>(8,816)</u>
Expenditures				
Current				
Operations	250,000	145,000	51,954	93,046
Non-instructional	-	-	117,162	(117,162)
Capital outlay	<u>170,000</u>	<u>241,500</u>	<u>167,394</u>	<u>74,106</u>
Total Expenditures	<u>420,000</u>	<u>386,500</u>	<u>336,510</u>	<u>49,990</u>
Excess (Deficiency) of Revenues over Expenditures	(19,500)	14,300	55,474	41,174
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>510,827</u>	<u>510,827</u>
Net Change in Fund Balances	(19,500)	14,300	566,301	552,001
Fund Balance, Beginning of Year	<u>625,476</u>	<u>986,655</u>	<u>986,655</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 605,976</u>	<u>\$ 1,000,955</u>	<u>\$ 1,552,956</u>	<u>\$ 552,001</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Schedule of Employer's Share of Net Pension Liability**  
**PERSI Base Plan – Last 10 Fiscal Years\***

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	0.152%	0.162%	0.164%	0.166%
Employer's proportionate share of the net pension liability	\$ 2,393,789	\$ 3,290,334	\$ 2,155,643	\$ 1,219,338
Employer's covered payroll	\$ 4,943,436	\$ 4,728,145	\$ 4,752,827	\$ 4,487,288
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	48.42%	69.59%	34.43%	27.18%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	87.26%	91.38%	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 June 30, 2017 (measurement date).

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Schedule of Employer Contributions**  
**PERSI Base Plan – Last 10 Fiscal Years\***

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 513,553	\$ 482,495	\$ 535,461	\$ 538,316
Contributions in relation to the statutorily required contribution	559,597	535,226	538,020	519,039
Contribution (deficiency) excess	(46,044)	52,731	2,559	(19,277)
Employer's covered payroll	4,943,436	4,728,145	4,752,827	4,585,150
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

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

Data reported is measured as of June 30, 2018.

See Independent Auditors' Report

## **Supplementary Information**



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Other Local Grants Fund</b>	<b>Driver Education Fund</b>	<b>State Professional Technical Fund</b>
<b>Assets</b>			
Cash and Investments	\$ 92,474	\$ 27,227	\$ 17,227
<b>Receivables</b>			
State of Idaho	-	-	4,764
Other	-	-	-
Total Assets	<u>\$ 92,474</u>	<u>\$ 27,227</u>	<u>\$ 21,991</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ -	\$ -	\$ -
Accounts payable	-	-	4,064
Salary contracts payable	-	-	2,594
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,658</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	-
<b>Fund Balances</b>			
Restricted	92,474	27,227	15,333
Assigned	-	-	-
Total Fund Balances	<u>92,474</u>	<u>27,227</u>	<u>15,333</u>
Total Liabilities and Fund Balances	<u>\$ 92,474</u>	<u>\$ 27,227</u>	<u>\$ 21,991</u>

See Independent Auditors' Report

<b>State Technology Fund</b>	<b>State Substance Abuse Prevention Fund</b>	<b>Medicaid Fund</b>	<b>Title I -A ESEA Basic Fund</b>	<b>Title I-C ESEA Migrant Fund</b>
\$ 122,730	\$ 15,291	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	69,293	6,580
<b>\$ 122,730</b>	<b>\$ 15,291</b>	<b>\$ -</b>	<b>\$ 69,293</b>	<b>\$ 6,580</b>
\$ -	\$ -	\$ -	\$ 23,106	\$ 3,525
-	-	-	-	-
-	-	-	46,187	3,055
-	-	-	69,293	6,580
-	-	-	-	-
22,730	291	-	-	-
100,000	15,000	-	-	-
122,730	15,291	-	-	-
<b>\$ 122,730</b>	<b>\$ 15,291</b>	<b>\$ -</b>	<b>\$ 69,293</b>	<b>\$ 6,580</b>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**June 30, 2018**

	<b>GEAR UP Fund</b>	<b>IDEA Part B School Age Fund</b>	<b>IDEA Part B Preschool Fund</b>
<b>Assets</b>			
Cash and Investments	\$ -	\$ -	\$ -
<b>Receivables</b>			
State of Idaho	-	-	-
Other	14,734	91,817	1,898
Total Assets	<u>\$ 14,734</u>	<u>\$ 91,817</u>	<u>\$ 1,898</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 14,149	\$ 54,592	\$ 630
Accounts payable	-	-	-
Salary contracts payable	585	37,225	1,268
Total Liabilities	<u>14,734</u>	<u>91,817</u>	<u>1,898</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	-	-
<b>Fund Balances</b>			
Restricted	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 14,734</u>	<u>\$ 91,817</u>	<u>\$ 1,898</u>

See Independent Auditors' Report

<b>Title VI-B Rural and Low Income Fund</b>	<b>Perkins III Professional Technical Fund</b>	<b>Title III ESEA LEP Fund</b>	<b>Title II-A ESEA Improving Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 3,018	\$ 277,967
-	-	-	-	4,764
6,426	13,800	827	-	205,375
<b>\$ 6,426</b>	<b>\$ 13,800</b>	<b>\$ 827</b>	<b>\$ 3,018</b>	<b>\$ 488,106</b>
\$ 2,706	\$ 13,169	\$ 827	\$ -	\$ 112,704
-	631	-	2,924	7,619
3,720	-	-	-	94,634
6,426	13,800	827	2,924	214,957
-	-	-	94	94
-	-	-	-	158,055
-	-	-	-	115,000
-	-	-	-	273,055
<b>\$ 6,426</b>	<b>\$ 13,800</b>	<b>\$ 827</b>	<b>\$ 3,018</b>	<b>\$ 488,106</b>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2018**

	<b>Other Local Grants Fund</b>	<b>Driver Education Fund</b>	<b>State Professional Technical Fund</b>
Revenues			
Local sources			
Other	\$ 67,395	\$ 15,825	\$ -
State sources			
Other	-	8,021	109,110
Federal sources			
Educational programs and other	-	-	-
<b>Total Revenues</b>	<b>67,395</b>	<b>23,846</b>	<b>109,110</b>
Expenditures			
Current			
Instructional	-	17,244	73,154
Pupil support	-	-	-
Staff support	71,530	-	-
Administrative technology	-	-	-
Capital outlay	-	-	27,349
<b>Total Expenditures</b>	<b>71,530</b>	<b>17,244</b>	<b>100,503</b>
Excess (Deficiency) of			
Revenues over Expenditures	(4,135)	6,602	8,607
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Net Change in Fund Balances	(4,135)	6,602	8,607
Fund Balance, Beginning of Year	96,609	20,625	6,726
Fund Balance, End of Year	\$ 92,474	\$ 27,227	\$ 15,333

See Independent Auditors' Report

<b>State Technology Fund</b>	<b>State Substance Abuse Prevention Fund</b>	<b>Medicaid Fund</b>	<b>Title I -A ESEA Basic Fund</b>	<b>Title I-C ESEA Migrant Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
123,345	18,364	365,317	-	-
-	-	-	279,479	25,182
<u>123,345</u>	<u>18,364</u>	<u>365,317</u>	<u>279,479</u>	<u>25,182</u>
-	20,585	-	270,099	25,182
-	-	512,178	-	-
-	-	-	9,380	-
67,742	-	-	-	-
36,306	-	-	-	-
<u>104,048</u>	<u>20,585</u>	<u>512,178</u>	<u>279,479</u>	<u>25,182</u>
19,297	(2,221)	(146,861)	-	-
100,000	-	100,046	-	-
-	-	-	-	-
<u>119,297</u>	<u>(2,221)</u>	<u>(46,815)</u>	<u>-</u>	<u>-</u>
3,433	17,512	46,815	-	-
<u>\$ 122,730</u>	<u>\$ 15,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds (continued)**  
**Year Ended June 30, 2018**

	<b>GEAR UP Fund</b>	<b>IDEA Part B School Age Fund</b>	<b>IDEA Part B Preschool Fund</b>
Revenues			
Local sources			
Other	\$ -	\$ -	\$ -
State sources			
Other	-	-	-
Federal sources			
Educational programs and other	29,484	255,725	10,397
<b>Total Revenues</b>	<b>29,484</b>	<b>255,725</b>	<b>10,397</b>
Expenditures			
Current			
Instructional	-	255,725	10,397
Pupil support	-	-	-
Staff support	32,420	-	-
Administrative technology	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>32,420</b>	<b>255,725</b>	<b>10,397</b>
Excess (Deficiency) of			
Revenues over Expenditures	(2,936)	-	-
Other Financing Sources (Uses)			
Transfers In	2,936	-	-
Transfers Out	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See Independent Auditors' Report

<b>Title VI-B Rural and Low Income Fund</b>	<b>Perkins III Professional Technical Fund</b>	<b>Title III ESEA LEP Fund</b>	<b>Title II-A ESEA Improving Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 83,220
-	-	-	-	624,157
23,478	14,317	19,488	36,468	694,018
23,478	14,317	19,488	36,468	1,401,395
23,478	14,317	19,488	-	729,669
-	-	-	-	512,178
-	-	-	36,468	149,798
-	-	-	-	67,742
-	-	-	-	63,655
23,478	14,317	19,488	36,468	1,523,042
-	-	-	-	(121,647)
-	-	-	-	202,982
-	-	-	-	-
-	-	-	-	81,335
-	-	-	-	191,720
\$ -	\$ -	\$ -	\$ -	\$ 273,055

See Independent Auditors' Report



**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Statement of Changes in Assets and Liabilities - Student Activities Agency Funds**  
**Year Ended June 30, 2018**

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
<b>Gooding High School Activity Fund</b>				
Assets				
Cash	\$ 143,988	\$ 297,873	\$ 313,261	\$ 128,600
Liabilities				
Due to student groups	\$ 143,988	\$ 297,873	\$ 313,261	\$ 128,600
<b>Gooding Middle School Activity Fund</b>				
Assets				
Cash	\$ 48,052	\$ 39,073	\$ 50,805	\$ 36,320
Liabilities				
Due to student groups	\$ 48,052	\$ 39,073	\$ 50,805	\$ 36,320
<b>Gooding Elementary School Activity Funds</b>				
Assets				
Cash	\$ 13,124	\$ 45,232	\$ 42,652	\$ 15,704
Liabilities				
Due to student groups	\$ 13,124	\$ 45,232	\$ 42,652	\$ 15,704
<b>Total - All School Activity Funds</b>				
Assets				
Cash	\$ 205,164	\$ 382,178	\$ 406,718	\$ 180,624
Liabilities				
Due to student groups	\$ 205,164	\$ 382,178	\$ 406,718	\$ 180,624

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Activity in Taxes Receivable Accounts by Fund**  
**Year Ended June 30, 2018**

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	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Plant Facility Fund</u>
<b>Gooding and Lincoln Counties</b>			
Balance at June 30, 2017	\$ 187,931	\$ 77,847	\$ 145,332
Add - Taxes Assessed for 2017 (Net of Cancellations)	679,013	132,826	390,058
Less - Collections Received	<u>(619,853)</u>	<u>(150,242)</u>	<u>(382,497)</u>
Balance at June 30, 2018	<u>\$ 247,091</u>	<u>\$ 60,431</u>	<u>\$ 152,893</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**General Bonded Debt – Future Principal and Interest Requirements**  
**June 30, 2018**

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	<b>Interest Rate</b>	<b>Fiscal Year</b>	<b>Annual Payment</b>		
			<b>Principal Amount</b>	<b>Interest Payment</b>	<b>Sinking Fund Requirement</b>
General Obligation Bonds					
Series 2011	3.370%	2019	\$ -	\$ 67,400	\$ 300,000
	3.370%	2020	2,000,000	33,700	300,000
			<u>\$ 2,000,000</u>	<u>\$ 101,100</u>	<u>\$ 600,000</u>

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Revenues Cash Basis</b>
<b>U.S. Department of Agriculture</b>			
Passed Through State Department of Education			
* Child Nutrition Cluster			
School Breakfast Program	10.553	\$ 199,895	\$ 199,895
School Lunch Program	10.555	367,553	367,553
Summer Food Service Program	10.559	34,199	34,199
		<u>601,647</u>	<u>601,647</u>
State Administrative Expenses for Child Nutrition	10.560	300	300
Child Nutrition Discretionary Grants	10.579	13,595	13,595
Fresh Fruit and Vegetable Program	10.582	30,030	30,030
		<u>645,572</u>	<u>645,572</u>
Total Department of Agriculture			
<b>U.S. Department of Education</b>			
Passed Through State Department of Education			
Title I-Basic	84.010	279,479	278,527
Title I-Migrant	84.011	25,182	24,437
Special Education Cluster			
Title VI-B	84.027	255,725	230,620
Title VI-B - Preschool	84.173	10,397	11,197
		<u>266,122</u>	<u>241,817</u>
Career and Technical Education	84.048	14,317	12,887
Migrant Education Coordination Program	84.144	500	500
GEAR UP	84.334	32,420	27,210
Rural Education	84.358	23,478	23,380
English Language Acquisitions Grant	84.365	19,488	23,116
Improving Teacher Quality	84.367	36,468	44,308
		<u>697,454</u>	<u>676,182</u>
Total Department of Education		<u>697,454</u>	<u>676,182</u>
Total Federal Assistance		<u>\$ 1,343,026</u>	<u>\$ 1,321,754</u>

\* Major Federal Program

See Independent Auditors' Report

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Note to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Gooding Joint School District No. 231 under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Gooding School District No. 231, it is not intended to and does not present the financial position or change in net assets of the District.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowed or are limited as to reimbursement.

The District is not eligible to use the 10% de minimis indirect cost rate.



RUDD & COMPANY<sup>PLC</sup>

**INDEPENDENT AUDITORS' 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**

The Board of Trustees  
Gooding Joint School District No. 231  
Gooding, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gooding Joint School District No. 231 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Gooding Joint School District No. 231's basic financial statements, and have issued our report thereon dated October 9, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gooding Joint School District No. 231'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 Gooding Joint School District No. 231's internal control. Accordingly, we do not express an opinion on the effectiveness of Gooding Joint School District No. 231's internal control.

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

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

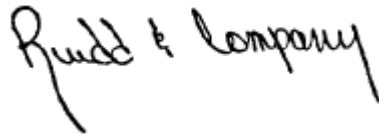
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gooding Joint School District No. 231's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

Idaho Falls, Idaho  
October 9, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Board of Trustees  
Gooding Joint School District No. 231  
Gooding, Idaho

**Report on Compliance for Each Major Federal Program**

We have audited Gooding Joint School District No. 231's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Gooding Joint School District No. 231's major federal programs for the year ended June 30, 2018. Gooding Joint School District No. 231's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Gooding Joint School District No. 231'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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Gooding Joint School District No. 231'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 of Gooding Joint School District No. 231's compliance.



### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

### ***Opinion on Each Major Federal Program***

In our opinion, Gooding Joint School District No. 231, 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, 2018.

### **Report on Internal Control Over Compliance**

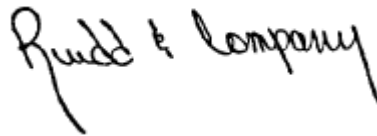
Management of Gooding Joint School District No. 231 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gooding Joint School District No. 231'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 the Uniform Guidance, 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 Gooding Joint School District No. 231'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.

This 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

Idaho Falls, Idaho  
October 9, 2018

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

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**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material Weaknesses identified? No

Significant Deficiencies identified? No

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major programs:

Material Weaknesses identified? No

Significant Deficiencies identified? No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? No

**GOODING JOINT SCHOOL DISTRICT NO. 231**  
**Schedule of Findings and Questioned Costs (continued)**  
**For the Year Ended June 30, 2018**

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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
Child Nutrition Cluster	
10.555	National School Lunch Program
10.553	School Breakfast Program
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None