

**Lapwai School District No. 341
Audited Financial Statements as of and
For the Year Ended June 30, 2015**

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Independent Auditor's Report

Board of Trustees
Lapwai School District No. 341
Lapwai, 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 Lapwai Joint School District No. 341, State of Idaho, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lapwai Joint School District No. 341, State of Idaho, as of June 30, 2015, 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 budgetary comparison information and pension plan information, presented on pages 26-29, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapwai Joint School District No. 341's financial statements. The combining and nonmajor fund financial statements 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.


The combining and individual nonmajor fund financial statements and the schedule of expenditure of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The Other Supplemental Schedules sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2015, on our consideration of Lapwai Joint School District No. 341, State of Idaho'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 Lapwai Joint School District No. 341, State of Idaho's internal control over financial reporting and compliance.

October 16, 2015


Goffinet and Clack, Chartered
Certified Public Accountants

Lapwai School District No. 341
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Cash	165,204
Investments	1,266,029
Receivables	
Accounts	18,483
Property Taxes	107,797
Intergovernmental	324,472
Capital Assets	
Land	162,751
Depreciable Capital Assets - Net	12,316,033
Total Assets	<u>14,360,769</u>
 Deferred Outflows of Resources	
Deferred Pension Contributions	<u>528,375</u>
 Liabilities	
Accounts Payable	226,649
Accrued Interest	32,941
Accrued Salaries and Benefits	686,286
Due to Scholarship Fund	2,645
Noncurrent Liabilities	
Due Within One Year	195,000
Due in More Than One Year	2,180,000
Net Pension Liability	617,246
Total Liabilities	<u>3,940,767</u>
 Deferred Inflows of Resources	
Deferred Pension Inflows	<u>1,456,451</u>
 Net Position	
Net Investment in Capital Assets	10,103,784
Restricted	
Retirement of Long-Term Debt	98,101
Education	93,467
Child Nutrition	69,306
Unrestricted	(872,732)
Total Net Position	<u><u>9,491,926</u></u>

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
Instruction	3,846,439	2,425		(3,844,014)
Non-Instruction				
Support Services	677,368			(677,368)
Administration	690,830			(690,830)
Maintenance and Operations	626,912			(626,912)
Transportation	242,061		131,725	(110,336)
Food Services	364,574	6,545	316,386	(41,643)
Interest on Long-Term Liabilities	89,660			(89,660)
Total Governmental Activities	<u>6,537,844</u>	<u>8,970</u>	<u>448,111</u>	<u>(6,080,763)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				35,557
Property Taxes, Levied for Debt Service				249,128
State and Federal Revenue				6,379,036
Intergovernmental Revenue				109,189
Investment Earnings				2,406
Sale of assets				7,700
Miscellaneous				393,004
Total General Revenues and Other Financing Sources				<u>7,176,020</u>
Change in Net Position				1,095,257
Net Position, Beginning of Year, Restated (Note I.G.)				8,767,502
Capital Asset Adjustment (Note III.D.)				<u>(370,833)</u>
Net Position, End of Year				<u><u>9,491,926</u></u>

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Bond Redemption Fund	Food Service	Other Governmental Funds	Totals
Assets					
Cash	2,645		17,448	145,111	165,204
Investments	1,258,035	7,994			1,266,029
Receivables					
Accounts	18,483	88,777			18,483
Property Taxes	19,020		13,833	226,442	107,797
Intergovernmental	84,197	18,365	72,075	16,515	324,472
Due From Other Funds		115,136	103,356	388,068	106,955
Total Assets	1,382,380				1,988,940
Liabilities					
Accounts Payable	142,204	500	9,787	74,158	226,649
Accrued Salaries and Benefits	513,655		24,263	148,368	686,286
Due to Scholarship Trusts	2,645				2,645
Due to Other Funds	34,880			72,075	106,955
Total Liabilities	693,384	500	34,050	294,601	1,022,535
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	2,202	16,535			18,737
Total Deferred Inflows	2,202	16,535			18,737
Fund Balances					
Restricted					
Retirement of Long-Term Debt		98,101		93,467	98,101
Education			69,306		93,467
Child Nutrition					69,306
Unassigned	686,794				686,794
Total Fund Balances	686,794	98,101	69,306	93,467	947,668
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	1,382,380	115,136	103,356	388,068	1,988,940

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Amounts reported for governmental activities in the statement of net position (page 3) are different because:

Total Governmental Fund Balances (page 5)		947,668
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		12,478,784
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Property Taxes	18,737	
Deferred Pension Contributions	<u>528,375</u>	547,112
Long-Term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest	(32,941)	
Bonds Payable	<u>(2,375,000)</u>	(2,407,941)
Net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds		
Net Pension Liability	(617,246)	
Deferred Pension Inflows	<u>(1,456,451)</u>	<u>(2,073,697)</u>
Net Position of Governmental Activities (page 3)		<u><u>9,491,926</u></u>

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Bond Redemption Fund	Food Service	Other Governmental Funds	Totals
Revenues					
Property Taxes	40,804	246,256			287,060
Intergovernmental, Federal	2,598,813		316,386	822,403	3,737,602
Intergovernmental, State	2,939,766	38,176		111,603	3,089,545
Intergovernmental, Other				109,189	109,189
Investment Earnings	2,394	12			2,406
Miscellaneous	59,363		6,545	13,006	78,914
Total Revenues	5,641,140	284,444	322,931	1,056,201	7,304,716
Expenditures					
Current					
Instruction	2,898,944			916,194	3,815,138
Non-Instruction					
Administration	618,100	1,000		79,130	698,230
Support Services	634,978			42,390	677,368
Maintenance and Operations	647,815				647,815
Transportation	222,712				222,712
Food Services	8,351		366,717	64,733	375,068
Capital Outlays	68,029				132,762
Debt Service					
Principal		185,000			185,000
Interest		93,249			93,249
Total Expenditures	5,098,929	279,249	366,717	1,102,447	6,847,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	542,211	5,195	(43,786)	(46,246)	457,374
Other Financing Sources (Uses)					
Transfers In (Out)	(2,162)			2,162	
Sale of Property	100			7,600	7,700
Total Other Financing Sources (Uses)	(2,062)			9,762	7,700
Net Change in Fund Balances	540,149	5,195	(43,786)	(36,484)	465,074
Fund Balance, Beginning of Year	146,645	92,906	113,092	129,951	482,594
Fund Balance, End of Year	686,794	98,101	69,306	93,467	947,668

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (page 4) are different because:

Net Changes in Fund Balances, Total Governmental Funds (page 7)	465,074
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

(319,397)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(2,374)	
Net Pension Revenue	323,060	320,686

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

185,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Accrued Interest	3,588	
Decrease in Net Pension Liability	440,306	443,894

Change in Net Position of Governmental Activities (page 4)	1,095,257
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Lapwai School District No. 341
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trusts	Agency Funds
Assets		
Cash		15,922
Investments	5,016	6,900
Accounts Receivable		4,529
Due From Other Funds	2,645	
	<hr/>	<hr/>
Total Assets	7,661	27,351
	<hr/>	<hr/>
Liabilities		
Accounts Payable	200	
Due to Student Groups		27,351
	<hr/>	<hr/>
Total Liabilities	200	27,351
	<hr/>	<hr/>
Net Position		
Held in Trust for Scholarships	7,461	
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The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Private Purpose Trusts
Additions	
Contributions	7
Investment Earnings	480
Total Additions	<u>487</u>
Deductions	
Scholarships and Expenses	1,150
Total Deductions	<u>1,150</u>
Change in Net Position	(663)
Net Position Beginning of Year	<u>8,124</u>
Net Position at End of Year	<u><u>7,461</u></u>

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Notes to the Financial Statements
June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lapwai School District No. 341 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.

A. Reporting Entity

Lapwai School District No. 341 is organized under the laws of the State of Idaho and operates under a Board of Trustees-Superintendent form of government and provides educational facilities, materials and all personnel necessary for administration, maintenance and instruction. Lapwai School District No. 341's Board of Trustees is the basic level of government which has oversight responsibility and control over all activities related to public school education in the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The accompanying financial statements present the entities for which the government is considered to be financially responsible.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP and defined in GASB Statement 14. Based on the application of these criteria, there were no component units included with the reporting entity. Also, the District is not included in any governmental "reporting entity" as defined by the GASB pronouncements.

B. 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 nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. 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 or segment 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 government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned (including property taxes in the period for which levied), and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense.

Expenditures for property, plant and equipment are shown as increases in assets and redemption of capital lease obligations are recorded as a reduction in liabilities. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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 30 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 and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, certain grants, state support, and charges for services 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 cash is received by the District.

Financial Statement Presentation-Fund Accounting. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position as well as demonstrate compliance with legal, contractual and regulatory requirements.

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 **Bond Redemption Fund** accounts for the accumulation of resources restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds
- The **Food Service Fund** accounts for the National School Food Service programs. These programs provided cash grants and food commodities to provide nutritional meals to students of the District. The programs include breakfast, lunch and summer lunch meals with provisions for fresh fruit and vegetables.

Non-major funds are included in *Nonmajor Governmental Funds*. The District's Nonmajor governmental funds are special revenue funds that account for resources provided by other entities to be used for specific purposes.

Additionally, the government reports the following fiduciary funds:

- The *Private-Purpose Trust funds* accounts for contributions made on behalf of the Van Houten, Higheagle, Woods, Patterson, Wheeler, Wilson, Leighton, Reuben, and Merit Scholarship funds for scholarship award use.
- The *Student Activities Agency funds* accounts for activities of assets held on behalf of student groups.

D. Uses of Estimates

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

E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

1. Deposits and Investments

The District maintains its accounts at local financial institutions and the Local Government Investment Pool. The District's cash is considered to be cash on hand and cash in checking accounts. Investments are deposits with the State of Idaho's Local Government Investment Pool and deposits in savings accounts. The fair value of the District's investments is not materially different from the reported amounts, which are the carrying values.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

All Interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All interfund transactions are reported as operating transfers.

Property taxes are levied as of the third Monday of September on property values assessed as of January 1st. The levy is billed and due in two installments, December 20th and June 20th of the following year. The billings are considered past due the day after the due dates, at which time the applicable property is subject to lien, and the billing is subject to penalties and interest.

3. Capital Assets

Capital assets, which include land, building and improvements, machinery, and equipment, are reported in the government-wide financial statements. The District capitalizes equipment with an original cost of \$5,000 or more and an expected life of more than three years. The District capitalizes property improvements with an original cost of \$10,000 or more that is expected to extend the property life by ten years or more. 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 asset lives are not included in the capital assets.

Depreciation of capital assets is computed using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Improvements	7-30
Machinery and Equipment	5-15
Buses	10-12
Vehicles	10-20

4. Compensated Absences

District non-certified employees are granted vacation and sick leave days in varying amounts under the terms of the District policy. Employees are not compensated for unused sick leave. The estimated amount of compensation for future absences is immaterial to these financial statements and, accordingly, no liability has been recorded.

5. Long-Term Obligation

The District reports long-term debt of governmental funds at face value. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

6. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports 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 and so will not be recognized as an inflow of

resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes or capital grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Fund Balances

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Governmental Fund Balances – Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

- Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed: amounts that contain self-imposed constraints of the government from its highest level of decision making authority (i.e., the Board of Trustees). The Board of Trustees commits revenue streams through adopted motions.
- Assigned: amounts that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned: all other spendable amounts.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

F. Restricted Assets

Retirement of Long-Term Debt. Restricted assets in the amount of \$98,101 are reported in the Bond Redemption Fund.

Education. Restricted assets in the amount of \$93,467 are reported in the Nonmajor Governmental Funds.

Child Nutrition. Restricted assets in the amount of \$69,306 are reported in the Food Service Fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

G. Restatement

Effective for 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement Number 68. Implementation of this new accounting standard required a restatement of beginning net position for net pension liability and deferred outflows – pension contributions. Previously, these items were not reported. The above restatements had the following impact on previously reported balances.

Statement of Activities	Governmental Activities
Net Position, June 30, 2014, as previously reported	11,076,190
Net Pension Liability	(2,749,434)
Deferred Outflows - Pension Contributions	440,746
Net Position, June 30, 2014, restated	8,767,502

II. DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

At year end the District's carrying amount of cash in checking was \$165,182 and the bank balance was \$166,109 in the Governmental Activities and the District's carrying amount of cash in checking accounts was \$14,922 and the bank balance was \$15,053 for the Fiduciary Activities.

	Governmental Activities	Fiduciary Activities	Total
Deposits	166,109	15,053	181,162
Investments	1,258,035	6,900	1,264,935
Other - Pepsi Caps		4,529	4,529
	1,424,144	26,482	1,450,626

Reconciliation of the carrying amount on the financial statements is as follows:

Governmental Funds

Cash

On Hand	20	
In Bank Checking	165,182	
Total Cash		165,202

Investments

In Bank Savings	943,304	
Local LGIP		
District	310,532	
Disney	4,200	
Bond Redemption	7,993	
Total Investments		1,266,029

Total Cash and Investments - Governmental Funds	1,431,231
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Fiduciary Funds

Cash

Cash on Hand	1,000	
High School Checking	5,441	
Elementary Checking	9,481	
Total Cash - Fiduciary Funds		15,922

Investments

Local IGIP	6,900	
Total Cash and Investments -Fiduciary Funds	22,822	

Deposits with Financial Institutions

Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. As of June 30, 2015 District deposits of \$859,413 were not covered by FDIC.

Investments

The District had investments in the Idaho Local Government Investment Pool (LGIP) of \$314,731 at year-end. At June 30, 2015, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a written policy regarding interest rate risk.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment in debt securities will not fulfill its obligations. The District does not have a written investment policy on custodial credit risk. However, all investments are held in safekeeping by external custodians and are either registered or insured in the City's name or held by the City's agent. The State of Idaho's Local Government Investment Pool's (LGIP) policy requires investment in corporate bonds/notes to have a maximum maturity of five years, securities must be rated A or better, and cannot exceed 20% of total portfolio. Commercial paper purchased must be registered commercial paper and be rated A-1 or its equivalent or better by two or more public rating agencies at the time of purchase. Commercial paper cannot exceed 25% of the total portfolio. The policies for other types of LGIP investments have similar minimum requirements and all investments are cited to be within Idaho Code. State law limits the amount of credit risk by restricting governments to specific investment types as listed in Idaho Statutes Section 67-1210 and 67-1210A.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2015, approximately 22% of the District's investments were held for safekeeping by the State of Idaho's Local Government Investment Pool and are excluded from this disclosure. The other 78% are held by a financial institution in the District's name and are insured up to \$500,000.

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investment (related securities that are held by an outside party). The District does not have a written investment policy covering concentration of credit risk. However, all of the District's investments are held in the District's name and held by the State of Idaho's Local Government Investment Pool. Idaho Statutes 67-1210 and 67-1210A requires that the District's foremost objective be safety of principal.

B. 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.

C. Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1st. Real and personal property taxes are levied on the third Monday in September and are due in two equal installments on December 20th and June 20th of the following year and are considered delinquent the day following the due

date. Interest and penalty charges begin on the day following the installment due date. Nez Perce, Idaho and Lewis Counties bill and collect taxes and remit them to the District in the month following collection by the counties. District property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end. Taxes collected after 30 days are reported as deferred revenue (deferred inflows of resources). Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

D. Receivables

Receivables at June 30, 2015 consist of the following:

	Receivables			Total
	Taxes	Accounts	Due From Other Governments	
General Fund	19,020	18,483	84,197	121,700
State Vocational Education			2,044	2,044
Nez Perce Tribe Drug Free Youth			19,703	19,703
Title I-A ESEA			90,352	90,352
Title VI-B Special Education			11,395	11,395
Title II-A Indian Education			19,982	19,982
Johnson O'Malley			16,643	16,643
Title II-A Improving Teacher Quality			2,496	2,496
Gear-Up Grant			6,787	6,787
Elementary Counseling Grant			57,040	57,040
Food Services			13,833	13,833
Bond Int/Redemp Fund	88,777			88,777
Total	<u>107,797</u>	<u>18,483</u>	<u>324,472</u>	<u>450,752</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

	Balance 7/1/2014	Increases	Decreases	Balance 6/30/2015
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	162,810		(59)	162,751
Total Capital Assets, Not Being Depreciated	162,810		(59)	162,751
Capital Assets Being Depreciated:				
Sites	276,089	9,167	(23,811)	261,445
Buildings	15,914,313		(538,256)	15,376,057
Capital Improvements	1,645,721	25,182	(1,172,079)	498,824
Equipment	600,533	17,303	(109,538)	508,298
Buses	627,309	81,110	(171,821)	536,598
Total Capital Assets, Being Depreciated	19,063,965	132,762	(2,015,505)	17,181,222
Accumulated Depreciation for:				
Sites	(209,113)	(11,248)	20,835	(199,526)
Buildings	(3,845,882)	(307,253)	538,256	(3,614,879)
Capital Improvements	(1,050,910)	(75,974)	808,481	(318,403)
Equipment	(451,430)	(31,397)	105,338	(377,489)
Buses	(500,426)	(26,287)	171,821	(354,892)
Total Accumulated Depreciation	(6,057,761)	(452,159)	1,644,731	(4,865,189)
Total Capital Assets Being Depreciated, Net	13,006,204	(319,397)	(370,774)	12,316,033
Governmental Activities, Capital Assets, Net	13,169,014	(319,397)	(370,833)	12,478,784

The District removed capital assets with a net book value of \$370,833. The assets included the middle school/ high school that was demolished prior to construction of the new school and gymnasium. Also removed were buses traded or disposed as surplus property.

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

Instruction	402,567
Non-Instruction	
Administration	11,402
Maintenance and Operation	2,741
Transportation	31,193
Food Service	4,256
Total Depreciation Expense	452,159

F. Interfund Receivables and Payables

The composition of interfund receivables and payables due to deficit balances in the shared cash accounts as of June 30, 2015 is as follows:

	Due From Other Funds	Due To Other Funds	Total
General Fund		34,880	(34,880)
Due to Fiduciary Funds - Scholarship Fund		2,645	(2,645)
Bond Redemption Fund	18,365		18,365
Food Services	72,075		72,075
Nonmajor Governmental Funds			
State Vocational Education		1,922	(1,922)
Title I, ESEA		42,876	(42,876)
Title II-A, Impv Teach		6,003	(6,003)
Elementary Counseling Grant		21,274	(21,274)
Bus Depreciation	16,515		16,515
Fiduciary Funds - Scholarship Fund	2,645		2,645
	<u>109,600</u>	<u>109,600</u>	<u>0</u>

G. Operating Leases

The District has entered into the following copier operating lease agreements:

Equipment	Term	Cost	Begin Date
Ricoh MP6001 Copier	60 Months	\$398.50 per month	10/14/2010
Ricoh MP6001 Copier	60 Months	\$398.50 per month	10/14/2010
Ricoh MPC5502 Copier	60 Months	\$229.57 per month	6/1/2012

Current lease operating costs are as follows:

	High School MP6001	Elementary School MP6001	District Office MPC5502	Total
2015 Costs	<u>4,782</u>	<u>4,782</u>	<u>2,755</u>	<u>12,319</u>

Remaining future lease payments for the lease agreements excluding copy costs are:

	MP7001	MP2550B	MP2550B	Total
2016	1,196	1,196	2,755	5,147
2017			2,755	2,755
2018			459	459
Total	<u>1,196</u>	<u>1,196</u>	<u>5,969</u>	<u>8,361</u>

H. Long-Term Liabilities

The District approved the issuance of a bond in May 2004 to finance construction of a new school building. The District refinanced the outstanding bonds in 2012. The District continues to pay principal and interest on the Series 2004 bonds until 2014, while also paying interest on the Series 2012 bonds. In 2015, the District finished paying on the Series 2004 bonds. At June 30, 2015 the District is obligated on the following bond:

General Obligation Bonds, Series 2012 - \$2,375,000

Future payments under bonds payable as of June 30, 2015, are as follows:

Date	Interest Rate	Interest Payments	Principal Payments	Total Principal and Interest Payments	Balance
					2,375,000
8/15/2015		44,544	195,000	239,544	2,180,000
2/15/2016	3.64%	39,669		39,669	2,180,000
8/15/2016		39,669	205,000	244,669	1,975,000
2/15/2017	3.50%	34,544		34,544	1,975,000
8/15/2017		34,544	215,000	249,544	1,760,000
2/15/2018	3.44%	30,244		30,244	1,760,000
8/15/2018		30,244	225,000	255,244	1,535,000
2/15/2019	3.35%	25,744		25,744	1,535,000
8/15/2019		25,744	235,000	260,744	1,300,000
2/15/2020	3.28%	21,338		21,338	1,300,000
8/15/2020		21,338	240,000	261,338	1,060,000
2/15/2021	3.18%	16,838		16,838	1,060,000
8/15/2021		16,838	250,000	266,838	810,000
2/15/2022	3.00%	12,150		12,150	810,000
8/15/2022		12,150	260,000	272,150	550,000
2/15/2023	3.00%	8,250		8,250	550,000
8/15/2023		8,250	270,000	278,250	280,000
2/15/2024	3.00%	4,200		4,200	280,000
8/15/2024		4,200	280,000	284,200	
Totals		430,498	2,375,000	2,805,498	

I. Personnel Contracts

Personnel contracts are renewed annually effective August 25. The contracts are divided into twelve monthly installments. Most salaried employees without contracts elect to have their nine or ten month salary paid in twelve equal installments. The amount recorded in personnel contracts payable includes the final two installments on the 2014-2015 contracts and elections.

III. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance.

B. Contingent Liabilities

Grants

The District receives financial assistants from federal and state agencies in the form of grants. The expenditure of funds received under these programs requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the District at June 30, 2015.

C. Subsequent Events

Management has evaluated subsequent events through October 16, 2015, the date on which the financial statements were available to be issued.

D. Employee Pension Plans

Plan Description

The Lapwai School District No. 341 contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board. Employee membership data related to the PERSI Base Plan, as of 2014 was as follows:

Retirees and beneficiaries currently receiving benefits	40,776
Terminated employees entitled to but not yet receiving benefits	11,504
Active plan members	<u>66,223</u>
	<u>118,503</u>

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2014 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The District contributions were \$440,306 for the year ended June 30, 2015.

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

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

total contributions of all participating PERSI Base Plan employers. At July 1, 2014, the District's proportion was 0.001437183 percent.

For the year ended June 30, 2015, the District recognized pension expense (revenue) of (\$323,060). At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$1,325,118
Changes in assumptions or other inputs	\$88,069	\$0
Net difference between projected and actual earnings on pension plan investments	\$0	\$131,333
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$0	\$0
District contributions subsequent to the measurement date	\$440,306	\$0
Total	<u>\$528,375</u>	<u>\$1,456,451</u>

\$528,375 is 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, 2015.

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, 2013 the beginning of the measurement period ended June 30, 2014 is 5.6 years.

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

Year Ended June 30, 2015:

2015	\$340,727
2016	\$340,727
2017	\$340,727
2018	\$340,727
2019	\$5,474

Actuarial Assumptions

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

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclasy Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected rate of return, Net of Investment Expenses			7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension 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:

June 30, 2014	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$3,674,096	\$1,086,735	(\$1,116,754)

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. The report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At June 30, 2015, the District reported no payables to the defined benefit pension plan for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Required Supplementary Information

Lapwai School District No. 341
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund and Bond Redemption Fund
For the Year Ended June 30, 2015

	General Fund			Bond Redemption Fund		
	Original and Final Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)
Revenues						
Property Taxes	37,503	40,804	3,301	242,951	246,256	3,305
Intergovernmental, Federal	2,246,200	2,598,813	352,613			
Intergovernmental, State	3,006,897	2,939,766	(67,131)	35,000	38,176	3,176
Investment Earnings	1,500	2,394	894	300	12	(288)
Miscellaneous	51,200	59,363	8,163			
Total Revenues	5,343,300	5,641,140	297,840	278,251	284,444	6,193
Expenditures						
Current						
Instruction	3,093,200	2,898,944	194,256			
Non-Instruction					1,000	(1,000)
Administration	629,091	618,100	10,991			
Support Services	745,342	634,978	110,364			
Maintenance and Operations	634,131	647,815	(13,684)			
Transportation	221,962	222,712	(750)			
Food Services	9,218	8,351	867			
Capital Outlays		68,029	(68,029)			
Contingency	185,856		185,856			
Bond Principle				185,000	185,000	
Bond Interest				93,251	93,249	2
Total Expenditures	5,518,800	5,098,929	419,871	278,251	279,249	(998)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,500)	542,211	717,711		5,195	5,195
Other Financing Sources (Uses)						
Sale of Assets	500	100	(400)			
Operating Transfers In (Out)		(2,162)	(2,162)			
Total Other Financing Sources and Uses	500	(2,062)	(2,562)			
Net Change in Fund Balances	(175,000)	540,149	715,149		5,195	5,195
Fund Balance, Beginning of Year	175,000	146,645	(28,355)		92,906	92,906
Fund Balance, End of Year		686,794	686,794		98,101	98,101

The notes to the financial statements are an integral part of this statement.

(Continued)

Lapwai School District No. 341
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Food Services and Other Governmental Funds
For the Year Ended June 30, 2015
(Continued)

	Food Services			Other Governmental Funds		
	Original and Final Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance With Final Budget Positive (Negative)
Revenues						
Intergovernmental, Federal	283,003	316,386	33,383	967,346	822,403	(144,943)
Intergovernmental, State				118,810	111,603	(7,207)
Intergovernmental, Other				109,386	109,189	(197)
Miscellaneous	8,500	6,545	(1,955)	13,006	13,006	
Total Revenues	291,503	322,931	31,428	1,208,548	1,056,201	(152,347)
Expenditures						
Current						
Instruction				1,111,244	916,194	195,050
Non-Instruction						
Administration				97,281	79,130	18,151
Support Services				49,191	42,390	6,801
Transportation						
Food Services	406,503	366,717	39,786			
Capital Outlays, Transportation				57,133	64,733	(7,600)
Total Expenditures	406,503	366,717	39,786	1,314,849	1,102,447	212,402
	(115,000)	(43,786)	71,214	(106,301)	(46,246)	60,055
Excess (Deficiency) of Revenues Over (Under) Expenditures						
Other Financing Sources (Uses)						
Sale of Assets					7,600	7,600
Operating Transfers In (Out)					2,162	2,162
Total Other Financing Sources and Uses					9,762	9,762
Net Change in Fund Balances	(115,000)	(43,786)	71,214	(106,301)	(36,484)	69,817
Fund Balance, Beginning of Year	115,000	113,092	(1,908)	106,301	129,951	23,650
Fund Balance, End of Year		69,306	69,306		93,467	93,467

The notes to the financial statements are an integral part of this statement.

**Lapwai School District No. 341
Required Supplementary Information
June 30, 2015**

**Schedule of Employer's Share of Net Pension Liability
PERSI-Base Plan
Last 10-Fiscal Years**

	<u>2015</u>
Employer's portion of the net pension liability	0.0014372%
Employer's proportionate share of the net pension liability	1,057,992
Employer's covered-employee payroll	3,889,629
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.90%
Plan fiduciary net position as a percentage of the total pension liability	94.95%

Data reported is measured as of July 1, 2014

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.

**Schedule of Employer's Contribution
PERSI-Base Plan
Last 10-Fiscal Years**

	<u>2015</u>
Statutorily required contribution	440,306
Contributions in relation to the statutorily required contribution	440,306
Contribution (deficiency) excess	-
Employer's covered-employee payroll	3,889,629
Contributions as a percentage of covered-employee payroll	11.32%

Data is reported as of June 30, 2015.

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.

Lapwai School District No. 341
Notes to Required Supplementary Information
June 30, 2015

I. Budgets and Budgetary Accounting

A. Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. Prior to June, the District Superintendent submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1st. This budget includes proposed expenditures and the means of financing them.
2. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
3. A public hearing is set to obtain taxpayers' comments.
4. The final budget is adopted by resolution of the Board at the regular meeting of the Board of Trustees.
5. Prior to July 15th, the final budget is filed with the State Department of Education.
6. Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the Superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget.
7. Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary procedures by the District

B. Excess Expenditures Over Appropriations

The following funds had excess expenditures over appropriations at June 30, 2015:

Fund	Amount
Nonmajor Governmental Funds	
State Vocational Education	19
Title VI-B, Special Education	4,123
Bond Redemption Fund	998
Total	<u>5,140</u>

Excess expenditures were funded by available fund balances or increases in revenues for all of the funds.

Other Supplemental Information

Lapwai School District No. 341
Combining Balance Sheet
Other Governmental Funds
For the Year Ended June 30, 2015

	Nez Perce Tribe Lapwai Elementary	Nez Perce Tribe Native Arts	Grants - Nez Perce Tribe & Others	Nez Perce Tribe Literature Grant	Nez Perce Tribe Job Skills	Nez Perce Tribe Playwrights	State Vocational Education
Assets							
Cash	2731	5792	24,572	3,608	7,686		
Investments							
Receivables							
Accounts							
Intergovernmental Receivable							2,044
Due From Other Funds							
Total Assets	2,731	5,792	24,572	3,608	7,686		2,044
Liabilities							
Accounts Payable		341	2,501				122
Salaries and Benefits Payable							
Due To Other Funds							1,922
Total Liabilities		341	2,501				2,044
Fund Balances							
Restricted							
Education	2,731	5,451	22,071	3,608	7,686		
Unassigned							
Total Fund Balances	2,731	5,451	22,071	3,608	7,686		
Total Liabilities and Fund Balances	2,731	5,792	24,572	3,608	7,686		2,044

The notes to the financial statements are an integral part of this statement.

(Continued)

Lapwai School District No. 341
Combining Balance Sheet
Other Governmental Funds
For the Year Ended June 30, 2015
(Continued)

	Nez Perce Tribe Reading	Nez Perce Tribe Drug Free Youth	ISEE Grant Consortium	Title I-A ESEA	Title VI-B Special Education	Title VI-B, Special Education Preschool	Title VI-B, Rural Education
Assets							
Cash	723	4,853			14,562		4,492
Investments							
Receivables							
Accounts							
Intergovernmental Receivable		19,703		90,352	11,395		
Due From Other Funds							
Total Assets	<u>723</u>	<u>24,556</u>		<u>90,352</u>	<u>25,957</u>		<u>4,492</u>
Liabilities							
Accounts Payable		4,129		553			
Salaries and Benefits Payable		16,140		46,923	25,957		4,492
Due To Other Funds				42,876			
Total Liabilities		<u>20,269</u>		<u>90,352</u>	<u>25,957</u>		<u>4,492</u>
Fund Balances							
Restricted							
Education	723	4,287					
Unassigned							
Total Fund Balances	<u>723</u>	<u>4,287</u>					
Total Liabilities and Fund Balances	<u>723</u>	<u>24,556</u>		<u>90,352</u>	<u>25,957</u>		<u>4,492</u>

The notes to the financial statements are an integral part of this statement.

(Continued)

Lapwai School District No. 341
Combining Balance Sheet
Other Governmental Funds
For the Year Ended June 30, 2015
(Continued)

	Title II-A Indian Education	Johnson O'Malley	Title II-A	Gear-Up	Elementary Counseling Grant	Bus Depreciation	Total
Assets							
Cash		26,028	382	1,464		48,218	145,111
Investments							
Receivables							
Accounts							
Intergovernmental Receivable	19,982	16,643	2,496	6,787	57,040		226,442
Due From Other Funds						16,515	16,515
Total Assets	19,982	42,671	2,878	8,251	57,040	64,733	388,068
Liabilities							
Accounts Payable		378	175	40	1,186	64,733	74,158
Salaries and Benefits Payable	13,979	1,986	2,703	2,468	33,720		148,368
Due To Other Funds	6,003				21,274		72,075
Total Liabilities	19,982	2,364	2,878	2,508	56,180	64,733	294,601
Fund Balances							
Restricted							
Education		40,307		5,743	860		93,467
Unassigned							
Total Fund Balances		40,307		5,743	860		93,467
Total Liabilities and Fund Balances	19,982	42,671	2,878	8,251	57,040	64,733	388,068

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2015

	Nez Perce Tribe Lapwai Elementary Grant	Nez Perce Tribe Native Arts	Grants - Nez Perce Tribe and Others	Nez Perce Tribe Literature Grant	Nez Perce Tribe Job Skills	Nez Perce Tribe Playwrights	State Vocational Education
Revenues							
Intergovernmental, Federal							18,829
Intergovernmental, State		8,203	90,986			10,000	
Intergovernmental, Other							
Miscellaneous		8,203	90,986			10,000	18,829
Total Revenues							
Expenditures							
Current							
Instruction			68,915	987	1,310	10,000	18,829
Non-Instruction							
Administration		6,222					
Support Services							
Transportation							
Food Services		6,222	68,915	987	1,310	10,000	18,829
Total Expenditures							
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,981	22,071	(987)	(1,310)		
Other Financing Sources (Uses)							
Sale of Assets							
Operating Transfers In (Out)							
Total Other Financing Sources (Uses)							
Net Change in Fund Balances		1,981	22,071	(987)	(1,310)		
Fund Balance, Beginning of Year	2,731	3,470		4,595	8,996		
Fund Balance, End of Year	2,731	5,451	22,071	3,608	7,686		

The notes to the financial statements are an integral part of this statement.

(Continued)

Lapwai School District No. 341
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2015
(Continued)

	Reading Grant	Substance Abuse Prevention	Title I-A ESEA	Title VI-B Special Education	Title VI-B Special Education Preschool	Title VI-B Rural Education	Title VII-A Indian Education
Revenues							
Intergovernmental, Federal			310,069	128,225	3,013	28,225	85,802
Intergovernmental, State		92,774					
Intergovernmental, Other							
Miscellaneous							
Total Revenues		92,774	310,069	128,225	3,013	28,225	85,802
Expenditures							
Current							
Instruction		92,914	300,480	128,225	3,013	28,225	7,711
Non-Instruction							
Administration			9,589				66,280
Support Services							11,811
Transportation							
Food Services							
Total Expenditures		92,914	310,069	128,225	3,013	28,225	85,802
Excess (Deficiency) of Revenues Over (Under) Expenditures		(140)					
Other Financing Sources (Uses)							
Sale of Assets							
Operating Transfers In (Out)							
Total Other Financing Sources (Uses)							
Net Change in Fund Balances		(140)					
Fund Balance, Beginning of Year	723	4,427					
Fund Balance, End of Year	723	4,287					

The notes to the financial statements are an integral part of this statement.

(Continued)

Lapwai School District No. 341
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2015
(Continued)

	Johnson O'Malley	Title II-A	Gear-Up	Elementary Counseling Grant	Bus Depreciation	Total
Revenues						
Intergovernmental, Federal	16,644	21,911	40,268	188,246		822,403
Intergovernmental, State						111,603
Intergovernmental, Other						109,189
Miscellaneous					13,006	13,006
Total Revenues	16,644	21,911	40,268	188,246	13,006	1,056,201
Expenditures						
Current						
Instruction	27,068	114	38,855	189,548		916,194
Non-Instruction						
Administration	3,261	21,797	2,560			79,130
Support Services						42,390
Transportation - Capital Outlay					64,733	64,733
Food Services						
Total Expenditures	30,329	21,911	41,415	189,548	64,733	1,102,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,685)		(1,147)	(1,302)	(51,727)	(46,246)
Other Financing Sources (Uses)						
Sale of Assets					7,600	7,600
Operating Transfers In (Out)				2,162		2,162
Total Other Financing Sources (Uses)				2,162	7,600	9,762
Net Change in Fund Balances	(13,685)		(1,147)	860	(44,127)	(36,484)
Fund Balance, Beginning of Year	53,992		6,890		44,127	129,951
Fund Balance, End of Year	40,307		5,743	860		93,467

The notes to the financial statements are an integral part of this statement.

Other Supplemental Schedules

Lapwai School District No. 341
Combining Balance Sheet - All Trust and Agency Funds
For the Year Ended June 30, 2015

	<u>Private Purpose Trusts Scholarship Trust</u>	<u>Student Activity Funds</u>
Assets		
Cash		15,922
Investments	5,016	6,900
Pepse Rebate Cash Held for Student Groups		4,529
Due From Other Funds	2,645	
Total Assets	<u>7,661</u>	<u>27,351</u>
Liabilities		
Accounts Payable	200	
Due to Student Groups		27,351
Total Liabilities	<u>200</u>	<u>27,351</u>
Net Position		
Net Position Held in Trust for Scholarships	<u>7,461</u>	

The notes to the financial statements are an integral part of this statement.

Lapwai School District No. 341
Agency Funds
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015

	Beginning Balance July 1, 2014	Receipts	Disbursements	Ending Balance June 30, 2015
<u>Lapwai Elementary School</u>				
Assets				
Cash				
General Fund	7,248	775	509	7,514
Library/Book Fair	43	2,577	2,557	63
Book Orders	33			33
2nd Grade	70			70
5th Grade	59			59
Art	8			8
Humanities	1,000			1,000
Parent Group	734			734
	<hr/>	<hr/>	<hr/>	<hr/>
Total Elementary School	9,195	3,352	3,066	9,481
	<hr/>	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.
(Continued)

Lapwai School District No. 341
Agency Funds
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015
(Continued)

	Beginning Balance July 1, 2014	Receipts	Disbursements	Ending Balance June 30, 2015
<u>Lapwai Middle School and High School</u>				
<u>Assets</u>				
Cash				
Student Body Funds				
Sales Tax Payable		1,029		1,029
High School Student Body	94	1,398	556	936
Middle School Student Body	104		77	27
At Risk Fund	1,580	802	747	1,635
June Boyer Memorial Fund	3,680		3,666	14
Concessions		15,530	15,182	348
Athletic Funds				
General Athletic Fund		11,917	11,017	900
Football	150	5,140	6,321	(1,031)
Football Fundraisers		453	13	440
Volleyball	302	4,211	3,665	848
Volleyball Fundraisers	1,023	7,367	5,319	3,071
Girls Basketball	448	9,926	11,000	(626)
Girls Basketball Fundraisers	762	8,128	7,897	993
Boys Basketball	(479)	12,008	12,329	(800)
Boys Basketball Fundraisers		4,961	5,899	(938)
Track	5,461	18,509	22,409	1,561
Cheer	(284)	8,764	8,635	(155)
Class Funds				
Student Council	439	2,299	2,408	330
Senior Class	1,286	1,122	2,409	(1)
Junior Class		520	6	514
Clubs				
Year Book	(856)	4,713	5,353	(1,496)
Drama	3,350			3,350
Library	622	42	24	640
Indian Club	574	6,450	4,686	2,338
Booster Club	329			329
Honor Society	296			296
MS Yearbook	100			100
Class of 2017 Parent Fundraisers	186			186
Class of 2015 Parent Fundraisers	356	262	618	
French Club	3,668	250	749	3,169
Pep Club	336	54		390
FFA Club	2,901	5,882	8,248	535
Fair Pigs	(16,284)	16,291	5,757	(5,750)

The notes to the financial statements are an integral part of this statement.
(Continued)

Lapwai School District No. 341
Agency Funds
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015
(Continued)

	Beginning Balance July 1, 2014	Receipts	Disbursements	Ending Balance June 30, 2015
<u>Lapwai Middle School and High School</u>				
<u>Assets</u>				
Cash				
Clubs (Continued)				
AISES Conference	489			489
Band/Music	24			24
Nez Perce Language	166			166
BPA	1,472	20,278	24,625	(2,875)
SEL Scholarship	100			100
Cap and Gowns	34	823	770	87
MAPP	57			57
Incentive	136			136
Drug Free School	46			46
SOS - Sources of Strength Club		2,500	571	1,929
Total Cash	<u>12,668</u>	<u>171,629</u>	<u>170,956</u>	<u>13,341</u>
Other				
Pepsi School Vendor Rebate	<u>3,743</u>	<u>786</u>		<u>4,529</u>
Total Other	<u>3,743</u>	<u>786</u>		<u>4,529</u>
Total Middle School and High School	<u>16,411</u>	<u>172,415</u>	<u>170,956</u>	<u>17,870</u>
Total Agency Funds	<u><u>25,606</u></u>	<u><u>175,767</u></u>	<u><u>174,022</u></u>	<u><u>27,351</u></u>

The notes to the financial statements are an integral part of this statement.

John Goffinet
Steve R. Clack

P.O. Box 629
Orofino, ID.
83544-0629

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

To the Board of Trustees
Lapwai School District No. 341
Lapwai, 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 Lapwai School District No. 341, Lapwai, Idaho, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lapwai School District No. 341, Lapwai, Idaho's basic financial statements, and have issued our report thereon dated October 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lapwai School District No. 341, Lapwai, Idaho'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 Lapwai School District No. 341, Lapwai, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Lapwai School District No. 341, Lapwai, Idaho'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 Lapwai School District No. 341, Lapwai, Idaho'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.

October 16, 2015



Goffinet and Clack, Chartered
Certified Public Accountants

John Goffinet
Steve R. Clack

P.O. Box 629
Orofino, ID.
83544-0629

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by OMB Circular A-133**

To the Board of Trustees
Lapwai School District No. 341
Lapwai, Idaho

Report on Compliance for Each Major Federal Program

We have audited Lapwai School District No. 341, State of Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lapwai School District No. 341, State of Idaho's major federal programs for the year ended June 30, 2015. Lapwai School District No. 341, State of Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lapwai School District No. 341, State of Idaho'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 Standard*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lapwai School District No. 341, State of Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Lapwai School District No. 341, State of Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, Lapwai School District No. 341, State of Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Lapwai School District No. 341, State of Idaho, 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 Lapwai School District No.

341, State of Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lapwai School District No. 341, State of Idaho's internal control over compliance.

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

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

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



October 16, 2015

Goffinet and Clack, Chartered
Certified Public Accountants

Lapwai School District No. 341
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:		
Direct Programs:		
Schools and Roads - Grants to States	10.665	<u>308</u>
Subtotal Direct Programs		
Pass-Through Superintendent of Public Instruction:		
School Breakfast Program for Children	10.553	* 67,074
National School Lunch Program	10.555	* 211,894
Summer Food Service Program for Children	10.559	* 21,367
Fresh Fruit and Vegetable Program	10.582	* <u>16,450</u>
Subtotal Pass-Through Superintendent of Public Instruction		<u>316,785</u>
Total U.S. Department of Agriculture		<u>317,093</u>
Department of the Interior:		
Pass-Through Superintendent of Public Instruction:		
Indian Education - Johnson O'Malley	15.130	<u>30,329</u>
Total Department of the Interior		<u>30,329</u>
Department of Education:		
Direct Programs:		
Title VIII Impact Aid	84.041	2,358,701
Title VII-A Indian Education	84.060	85,802
Fund for the Improvement of Education	84.215E	* 189,548
Title VI-B Rural Education	84.358	<u>28,225</u>
Total Direct Programs		<u>2,662,276</u>
Pass-Through Superintendent of Public Instruction:		
Title I Grants to Local Educational Agencies	84.010	* 310,069
Title VI-B Special Education	84.027	128,225
Title VI-B Special Education - Preschool Grants	84.173	3,013
Title IV-A Gaining Early Awareness and Readiness in		
Undergraduate Programs (Gear Up)	84.334	41,415
Title II-A Improving Teacher Quality	84.367	<u>21,911</u>
Subtotal Pass-Through Programs		<u>504,633</u>
Total Department of Education		<u>3,166,909</u>

The notes to the financial statements are an integral part of this statement.
(Continued)

Lapwai School District No. 341
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Health and Human Services:		
Medical Assistance Program (Medicaid)	93.778	*
Total Department of Health and Human Services		<u>239,804</u>
		<u>239,804</u>
Total Expenditures of Federal Awards		<u><u>3,754,135</u></u>

* Major funds included on Schedule of Findings and Questioned Costs

Note A - Basis of Presentation

The Schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of **OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations**. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The value of the commodities have been included with expenditures listed in the National School Lunch Program which is CFDA number 10.555.

**Lapwai School District No. 341
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015**

There were no prior year audit findings for the year ended June 30, 2014 relative to major federal award programs.

The notes to the financial statements are an integral part of this statement.

**Lapwai School District No. 341
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015**

Section I - Summary of Audit Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness identified No

Significant deficiencies not considered to be material weaknesses? No

Noncompliance material to financial Statements noted?

No

Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant Deficiency No

Type of auditors' report issued on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)

No

Identification of major programs:

<u>Program</u>	<u>CFDA Number</u>
Department of Education	
Title I-A: Basic Program	84.010
School Improvement Assistance	84.010
Fund for Improvement of Education	84.215E
US Department of Agriculture	
Child Nutrition Programs	
School Breakfast Program for Children	10.553
National School Lunch Program	10.555
Commodities	10.555
Summer Food Service Program for Children	10.559
Fresh Fruit and Vegetable Program	10.582
Department of Health and Human Services	
Medical Assistance Program (Medicaid)	93.778

The threshold for distinguishing Types A and B programs \$300,000.

Auditee qualified as a low risk auditee? Yes

Section II – Financial Statement Findings None

Section III – Federal Award Findings and Questioned Costs None

The notes to the financial statements are an integral part of this statement.