

PIUTE COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

PIUTE COUNTY SCHOOL DISTRICT
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GILBERT & STEWART

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Piute County School District
Junction, Utah

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 Piute County School District, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Piute County School District, as of June 30, 2013 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and on pages 49-50, and the schedule of funding progress on page 39, 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 District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 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 November 15, 2013, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

November 15, 2013

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

As management of the Piute County School District (District), 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, 2013. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

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 government-wide financial statements include the *statement of net position* and the *statement of activities*.

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

The *statement of activities* presents information showing how the net position of the District changed during the 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 expenditures 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 11 through 12 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, governmental funds and fiduciary 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-

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

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 the District'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 five 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*, *capital projects fund*, and *debt service fund*, all of which are considered to be major funds. Data from the other two 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.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund statements can be found on pages 13 to 17 of this report.

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 District cannot use these funds to finance its operations.

The District uses a fiduciary fund to account for resources held for other groups. Currently the District does not use this fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 18 to 37 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 41 to 50 of this report.

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities and deferred inflows of resources by \$6,328,599 at June 30, 2013. Below is a summary of the District's assets, liabilities, deferred inflows of resources and net position.

PIUTE COUNTY SCHOOL DISTRICT'S NET POSTION

	Governmental Activities		Change 2013-12
	2013	2012	
Current and other assets	\$ 4,943,327	\$ 4,464,670	\$ 478,657
Capital assets	8,463,166	8,572,413	(109,247)
Total assets	<u>13,406,493</u>	<u>13,037,083</u>	<u>369,410</u>
Curent and other liabilities	412,215	620,913	(208,698)
Noncurrent liabilities	<u>6,084,939</u>	<u>6,011,671</u>	<u>73,268</u>
Total liabilities	<u>6,497,154</u>	<u>6,632,584</u>	<u>(135,430)</u>
Deferred Inflows of Resources	<u>580,739</u>	<u>574,909</u>	<u>5,830</u>
Net Postion:			
Net investment in capital assets	2,597,466	2,768,634	(171,168)
Restricted	1,871,229	1,418,451	452,778
Unrestricted	<u>1,859,904</u>	<u>1,642,504</u>	<u>217,400</u>
Total net postion	<u>\$ 6,328,599</u>	<u>\$ 5,829,589</u>	<u>\$ 499,010</u>

The largest portion of the District's net position (41%) reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students and 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.

A portion of the District's net position (31%) represent resources that are subject to external restrictions on how they may be used. The remainder of net position (28%) may be used to meet the District's ongoing obligations to students, employees, and creditors. However, the unrestricted net asset amount has been earmarked for the following purposes:

- Committed to Undistributed Reserve

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

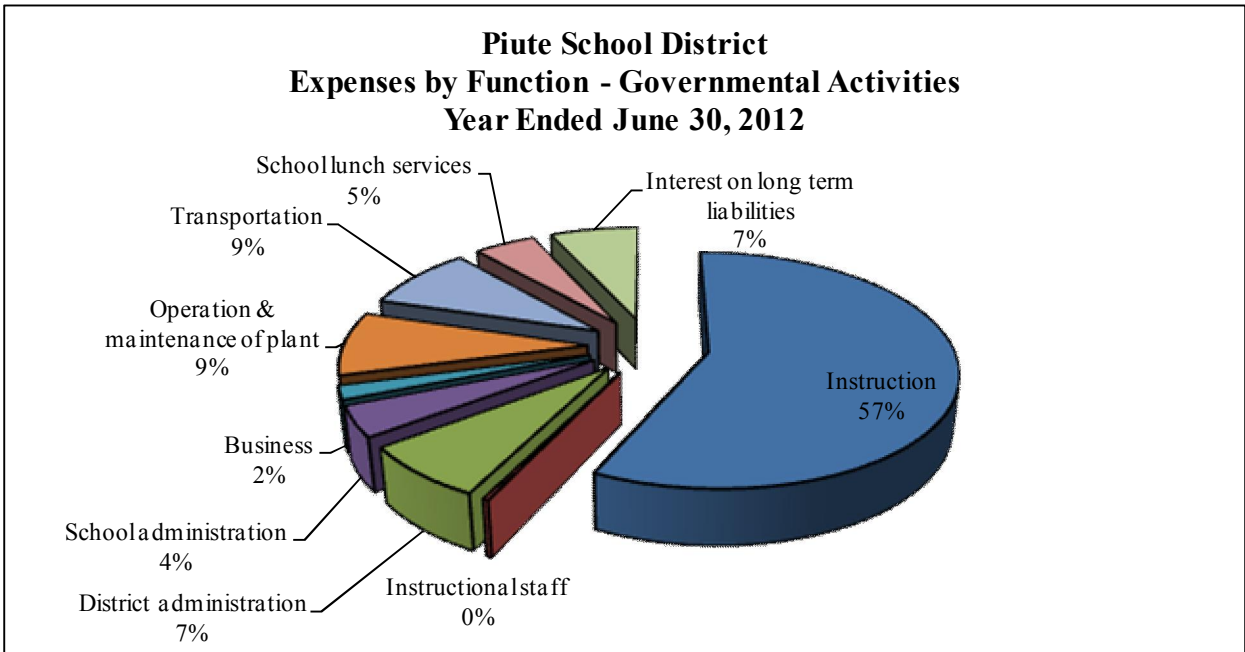
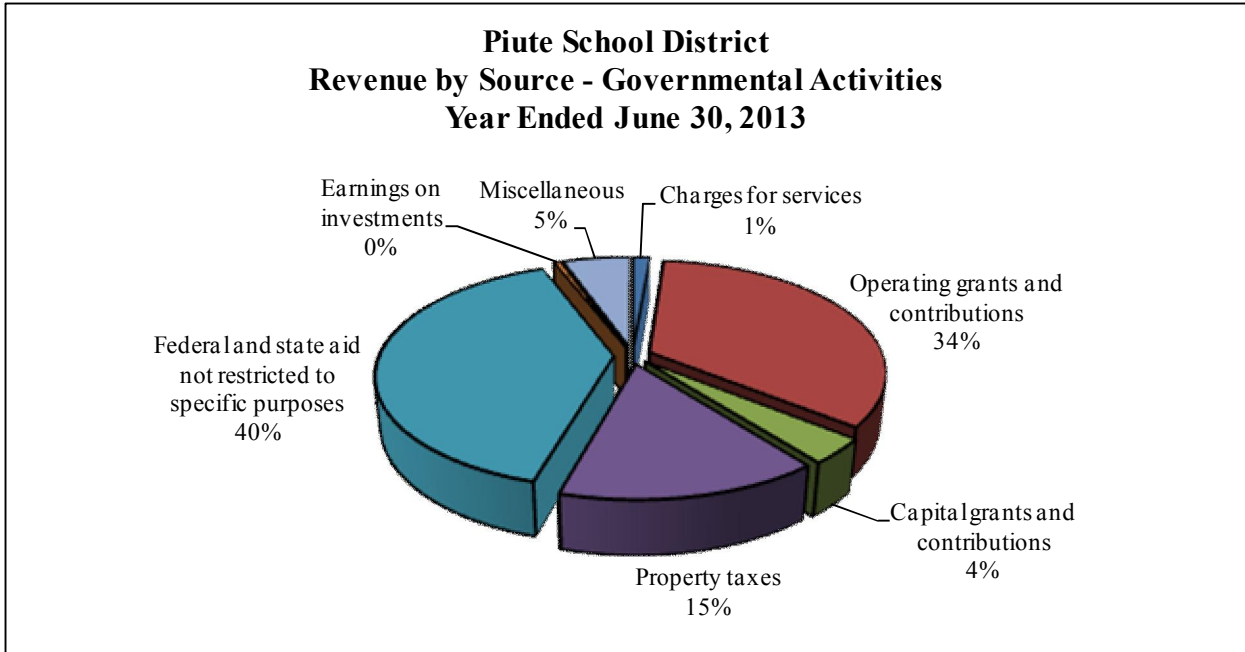
As allowed by law, the District has established an *undistributed reserve* of \$175,000 of general fund budgeted revenues within the general fund which is set aside for contingencies or possible reductions in state funding and not to be used in negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's bond rating.

As of June 30, 2013, the District is able to report positive balances in all three categories of net position, both for the District as a whole and for its separate governmental activities. The same situation held true for the prior fiscal period.

PIUTE COUNTY SCHOOL DISTRICT'S CHANGES IN NET POSTION

	Governmental Activities		Increase (Decrease)
	2013	2012	
Revenues:			
Program revenues:			
Charges for services	\$ 75,296	\$ 74,997	\$ 299
Operating grants and contributions	1,892,881	1,898,129	(5,248)
Capital grants and contributions	200,000	200,000	-
General Revenues:			
Property taxes	827,955	712,297	115,658
Federal and state aid not restricted to specific purposes	2,186,765	2,419,862	(233,097)
Earnings on investments	26,637	15,965	10,672
Miscellaneous	299,329	290,509	8,820
Total revenues	<u>5,508,863</u>	<u>5,611,759</u>	<u>(102,896)</u>
Expenses:			
Instruction	2,861,866	3,121,625	(259,759)
Support services:			
Instructional staff	15,248	21,048	(5,800)
District administration	369,035	309,241	59,794
School administration	211,112	128,184	82,928
Business	94,216	101,800	(7,584)
Operation & maintenance of plant	440,660	576,263	(135,603)
Transportation	437,023	313,690	123,333
School lunch services	238,872	237,944	928
Interest on long term liabilities	341,821	340,016	1,805
Total expenses	<u>5,009,853</u>	<u>5,149,811</u>	<u>(139,958)</u>
Changes in net position	499,010	461,948	37,062
Net postion, beginning (as restated)	<u>5,829,589</u>	<u>5,367,641</u>	<u>461,948</u>
Net postion, ending	<u>\$ 6,328,599</u>	<u>\$ 5,829,589</u>	<u>\$ 499,010</u>

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

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

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 unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain government-wide liabilities that are not recognized in the governmental funds. Undesignated 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.

The *general fund* is the chief operating fund of the District. At June 30, 2013, unassigned fund balance was \$1,480,505 while the total fund balance was \$2,079,144. The unassigned fund balance increased by \$294,785 while the total fund balance increased by \$228,747 during the fiscal year. Annual expenditures in the general fund were \$4,002 more than the final budgeted amounts, and resources available for appropriation were \$14,640 more than final budgeted amounts.

The *capital projects fund* has a total fund balance of \$246,693, of which \$246,693 is restricted for acquisition of capital assets and related expenditures. The fund balance increase by \$1,880 during the fiscal year.

The *debt service fund* has a total fund balance of \$1,227,207, all of which is reserved for the payment of debt service. The fund balance increased by \$346,043 during the fiscal year.

The *non K-12 programs special revenue fund* has a total fund balance of \$94,408. This balance is within the total allowed by state guidelines and is restricted to non-kindergarten through twelfth grade programs and other community programs. The fund balance increased by \$17,364 during the fiscal year.

The *school lunch special revenue fund* has a total fund balance of \$6,587. This balance is within the total allowed by state guidelines and is restricted to food service programs. The fund balance increased by \$2,125 during the fiscal year.

The *student activity special revenue fund* has a total fund balance of \$90,141. This balance is within the total allowed by state guidelines and is restricted for student activity and other programs at the school level. The fund balance increased during the year by \$13,156.

The *scholarship fund* has a total fund balance of 69,491. This balance increased during the year by \$9,802.

The municipal building authority special revenue fund has an ending fund balance of \$188,266. The fund balance increased during the year by \$63,277.

**PIUTE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital projects fund is used primarily to account for costs incurred in acquiring, maintaining, and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

The primary class of capital assets used by the District to provide educational services to the public is school buildings. The District continually evaluates the cost efficiency of its buildings as part of its on-going capital improvements plan.

Capital assets at June 30, 2013 are outlined below:

**PIUTE COUNTY SCHOOL DISTRICT'S CAPITAL ASSETS
(net of accumulated depreciation)**

	2013	2012	
Land	\$ 125,000	\$ 125,000	
Construction in progress	-	6,082,222	
Buildings & Improvements	7,739,198	1,818,673	
Furniture and Equipment	598,968	546,518	
	\$ 8,463,166	\$ 8,572,413	

Debt Administration

The general obligation bond debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2013 was approximately \$4,440,000 while the general obligation debt at that date was \$4,435,000 resulting in a legal debt margin of approximately \$5,000.

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Piute County School District's finances and to demonstrate the District's accountability for the funds it receives. If you have any questions concerning this report or need additional financial information, please contact the Business Administrator, Piute County School District, County Courthouse, Junction, Utah 84740.

BASIC FINANCIAL STATEMENTS

PIUTE COUNTY SCHOOL DISTRICT

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 3,206,476
Cash and investments-restricted	972,138
Receivables:	
Property taxes	580,739
Other governments	145,580
Prepaid Expenditures	35,344
Inventories	3,050
Capital assets:	
Land and construction in progress	125,000
Other capital assets, net of accumulated depreciation	8,338,166
Total assets	<u>13,406,493</u>
Liabilities:	
Accounts payable	176,799
Accrued interest	51,564
Accrued salaries	183,852
Noncurrent liabilities:	
Due within one year	57,715
Due in more than one year	<u>6,027,224</u>
Total liabilities	<u>6,497,154</u>
Deferred inflows of resources:	
Property taxes levied for a future year	<u>580,739</u>
Net Position:	
Net investment in capital assets	2,597,466
Restricted for:	
School lunch	6,587
Non K-12 programs	94,408
Student activity fund	90,141
Scholarship fund	69,491
Debt service	1,363,909
Capital projects	246,693
Unrestricted	<u>1,859,904</u>
Total net position	<u>\$ 6,328,599</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2013

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
Instructional services	\$ 2,861,866	\$ 42,462	\$ 1,113,616	\$ 200,000	\$ (1,505,788)
Supporting services:					
Instructional staff	15,248	-	-	-	(15,248)
District administration	369,035	-	267,520	-	(101,515)
School administration	211,112	-	89,934	-	(121,178)
Business	94,216	-	-	-	(94,216)
Operation and maintenance of facilities	440,660	-	-	-	(440,660)
Transportation	437,023	-	242,220	-	(194,803)
School lunch services	238,872	32,834	179,591	-	(26,447)
Interest on long-term liabilities	341,821	-	-	-	(341,821)
Total school district	<u>\$ 5,009,853</u>	<u>\$ 75,296</u>	<u>\$ 1,892,881</u>	<u>\$ 200,000</u>	<u>(2,841,676)</u>
General revenues:					
Property taxes levied for:					
General purposes					463,758
Debt service					344,162
Capital outlay					20,035
Federal and state aid not restricted to specific purposes					2,186,765
Earnings on investments					26,637
Miscellaneous					299,329
Total general revenues					<u>3,340,686</u>
Change in net position					499,010
Net position - beginning (as restated)					<u>5,829,589</u>
Net position - ending					<u>\$ 6,328,599</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Assets:					
Cash and investments	\$ 2,319,372	\$ 443,335	\$ 211,349	\$ 232,420	\$ 3,206,476
Cash and investments-Restricted	-	783,872	-	188,266	972,138
Receivables:					
Property taxes	321,483	244,500	14,756	-	580,739
Other governments	120,423	-	-	25,157	145,580
Other receivables	-	-	35,344	-	35,344
Inventory	-	-	-	3,050	3,050
Due from other funds	-	-	-	9,071	9,071
Total assets	<u>\$ 2,761,278</u>	<u>\$ 1,471,707</u>	<u>\$ 261,449</u>	<u>\$ 457,964</u>	<u>\$ 4,952,398</u>
Liabilities:					
Liabilities:					
Accounts payable	\$ 176,799	\$ -	\$ -	\$ -	\$ 176,799
Accrued salaries	183,852	-	-	-	183,852
Due to other funds	-	-	-	9,071	9,071
Deferred revenue:					
Property taxes	-	-	-	-	-
Other governments	-	-	-	-	-
Total liabilities	<u>360,651</u>	<u>-</u>	<u>-</u>	<u>9,071</u>	<u>369,722</u>
Deferred inflows of resources:					
Property taxes levied for a future year	<u>321,483</u>	<u>244,500</u>	<u>14,756</u>	<u>-</u>	<u>580,739</u>
Fund Balances:					
Non spendable:					
Inventories	-	-	-	3,050	3,050
Restricted for:					
Capital outlay	-	-	246,693	-	246,693
Food services	-	-	-	3,537	3,537
Debt service	-	1,227,207	-	188,266	1,415,473
Other	-	-	-	69,491	69,491
Committed to:					
Economic Stabalization	175,000	-	-	-	175,000
Schools	-	-	-	90,141	90,141
Other	335,500	-	-	94,408	429,908
Assigned to:					
Program Balances	88,139	-	-	-	88,139
Unassigned:					
General fund	1,480,505	-	-	-	1,480,505
Capital projects fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Total fund balances	<u>2,079,144</u>	<u>1,227,207</u>	<u>246,693</u>	<u>448,893</u>	<u>4,001,937</u>
Total liabilities and fund balances	<u>\$ 2,761,278</u>	<u>\$ 1,471,707</u>	<u>\$ 261,449</u>	<u>\$ 457,964</u>	<u>\$ 4,952,398</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Total fund balances for governmental funds		\$ 4,001,937
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 124,999	
Construction in progress	-	
Buildings and improvements, net of \$2,183,307 accumulated depreciation	7,739,198	
Furniture and equipment, net of \$1,584,339, accumulated depreciation	598,968	8,463,165
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds and lease revenue bonds is \$49,209 and accrued interest for obligations under capital leases is \$2,355.		
		(51,564)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:		
Bonds payable	(5,500,000)	
Obligations under capital leases	(136,532)	
Notes payable	(229,167)	
Accrued vacation and sick leave	(151,230)	
Post employment benefits	(68,010)	(6,084,939)
Total net position of governmental activities		\$ 6,328,599

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

PIUTE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Revenues:					
Property taxes	\$ 463,718	\$ 344,204	\$ 20,033	\$ -	\$ 827,955
Earnings on investments	11,472	3,839	-	11,326	26,637
School lunch sales	-	-	-	32,834	32,834
Other local sources	60,522	-	25,000	256,269	341,791
State aid	3,120,173	-	200,000	54,256	3,374,429
Federal aid	393,464	253,239	-	258,514	905,217
Total revenues	<u>4,049,349</u>	<u>601,282</u>	<u>245,033</u>	<u>613,199</u>	<u>5,508,863</u>
Expenditures:					
Current:					
Instructional services	2,365,195	-	9,944	341,054	2,716,193
Supporting services:					
Instructional staff	15,248	-	-	-	15,248
District administration	355,385	-	-	-	355,385
School administration	201,530	-	-	-	201,530
Business	93,566	-	-	-	93,566
Operation and maintenance of facilities	405,854	-	-	-	405,854
Transportation	395,998	-	-	-	395,998
School lunch services	-	-	-	235,300	235,300
Capital outlay	-	-	128,364	-	128,364
Debt service:					
Principal retirement	17,246	-	20,833	-	38,079
Interest and fiscal charges	1,684	255,239	-	84,029	340,952
Total expenditures	<u>3,851,706</u>	<u>255,239</u>	<u>159,141</u>	<u>660,383</u>	<u>4,926,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>197,643</u>	<u>346,043</u>	<u>85,892</u>	<u>(47,184)</u>	<u>582,394</u>
Other financing sources (uses):					
Transfers	(68,896)	-	(84,012)	152,908	-
Execution of a capital lease	100,000	-	-	-	100,000
Total other financing sources (uses)	<u>31,104</u>	<u>-</u>	<u>(84,012)</u>	<u>152,908</u>	<u>100,000</u>
Net change in fund balances	228,747	346,043	1,880	105,724	682,394
Fund balances - beginning	<u>1,850,397</u>	<u>881,164</u>	<u>244,813</u>	<u>343,169</u>	<u>3,319,543</u>
Fund balances - ending	<u>\$ 2,079,144</u>	<u>\$ 1,227,207</u>	<u>\$ 246,693</u>	<u>\$ 448,893</u>	<u>\$ 4,001,937</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2013

Net change in fund balances-total governmental funds \$ 682,394

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements 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.

Capital outlays	\$ 158,010	
Depreciation expense	<u>(267,257)</u>	(109,247)

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net assets.

Other financing source - proceeds from execution of a capital lease	(100,000)	
Interest expense - capital leases	(869)	
Principal payments of capital leases	<u>38,079</u>	(62,790)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Interest expense - general obligation bonds	<u>(0)</u>	
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In the statement of activities, certain operating expenses - compensated absences (vacations), special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued sick leave increased by \$1,680, post retirement benefits payable increased by \$9,667. (11,347)

Change in net position of governmental activities		<u><u>\$ 499,010</u></u>
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PIUTE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 339,719	\$ 463,719	\$ 463,718	\$ (1)
Earnings on investments	9,000	9,000	11,472	2,472
Other local sources	40,000	46,502	60,522	14,020
State aid	3,124,465	3,122,024	3,120,173	(1,851)
Federal aid	346,509	393,464	393,464	-
Total revenues	<u>3,859,693</u>	<u>4,034,709</u>	<u>4,049,349</u>	<u>14,640</u>
Expenditures:				
Current:				
Instructional services	2,397,746	2,536,947	2,365,195	171,752
Supporting services:				
Instructional staff	25,763	21,156	15,248	5,908
District administration	248,990	287,345	355,385	(68,040)
School administration	129,655	138,962	201,530	(62,568)
Business	98,177	75,767	93,566	(17,799)
Operation and maintenance of facilities	467,418	466,671	405,854	60,817
Transportation	296,959	320,856	414,928	(94,072)
Total expenditures	<u>3,664,708</u>	<u>3,847,704</u>	<u>3,851,706</u>	<u>(4,002)</u>
Excess of revenues over expenditures	194,985	187,005	197,643	10,638
Other financing sources (uses):				
Capital lease proceeds	-	-	100,000	100,000
Transfer in	-	-	-	-
Transfer out	(70,000)	(70,000)	(68,896)	1,104
Net change in fund balances	124,985	117,005	228,747	111,742
Fund balances - beginning	<u>1,850,397</u>	<u>1,850,397</u>	<u>1,850,397</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,975,382</u>	<u>\$ 1,967,402</u>	<u>\$ 2,079,144</u>	<u>\$ 111,742</u>

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

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Piute County 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.

- **Reporting Entity** - The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves budgets, appoints a Superintendent with responsibilities for administering all educational activities of the District, and appoints a Business Administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government. As required by GAAP, these basic financial statements present the activities of the District. The District is not a component unit of any other primary government.

Government-wide and fund financial statements – The *government-wide financial statements* (i.e., the statement of net position and the statement of changes in net position) display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) fees and charges paid by students and other recipients of goods or services, offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

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

The District reports the following major governmental funds:

- 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 *capital projects 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.
- The *debt service fund* accounts for resources (primarily taxes) accumulated and payments made for retirement of general obligation debt and for payment of associated interest and fees on that debt.

The District reports the following nonmajor special revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- The *school food services fund* accounts for preparation and service of school lunches and breakfasts.
- The *non K-12 fund* accounts for preschool, adult education, recreation and other non K-12 programs.
- The *student activity fund* accounts for fees and revenues associated with student activities at the school level.
- The *scholarship fund* accounts for a perpetual scholarship fund.
- The *municipal building authority fund* is a blended component unit and is used to account for lease payments and debt payments on the lease revenue bonds.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and post-employment healthcare benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the student activities agency fund. 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.

- During June of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

- Copies of the proposed budget are made available for public inspection and review by the District's patrons.

If the District does not exceed the certified tax rate, a public hearing is held prior to June 22nd at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the tax rates.

- 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. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2013, have been included in the final budget approved by the Board, as presented in the financial statements. Budgets were amended at year end.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds and the internal service fund. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pool's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

Cash and Cash Equivalents – The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers’ Investment Fund (PTIF).

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either “due to/from other funds” (i.e., current portion of interfund loans) or “advances from/to other funds” (i.e., the noncurrent portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resource.

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. The consumption method of accounting is applied to the inventories of all funds.

Inventories of donated United States Department of Agriculture (USDA) commodities on hand at year-end are reported on the balance sheet at fair market value on the date received as inventory. Commodities used during the year are reported as revenues and expenditures on the operating statement.

Capital Assets – Capital assets, which include land, water stock, 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 for land, furniture and equipment and \$100,000 for buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. 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 extended asset lives are not capitalized.

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

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Furniture	15
Portable Classrooms	15
Machinery and Tools	15
Buses	15
Laboratory Equipment	10
Musical Instruments	10
Licensed Vehicles	10
Computers	5

Compensated Absences – Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated sick days to a maximum of 120 days at \$60 per day. No reimbursement or accrual is made for unused vacation leave.

All sick pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations – In the government-wide financial statements financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

Deferred Outflows/Inflows of Resources—Beginning with 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of these new Statements resulted in a restatement of the District's government-wide financial statement of net position beginning balance (see Note 12).

In addition to assets, the financial statements 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.

In addition to liabilities, the financial statements 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 two items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, *revenue for future year*, is reported in both the statement of net position and the governmental funds balance sheet. These amounts account for property taxes levied on January 1, 2013 for the 2013-2014 school year.

Net Position/Fund Balances—The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the district is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY (Continued)

- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
 - a) Unspent tax revenues for specific purposes (capital projects, debt service, student transportation, K-3 reading program, and community recreation).
 - b) Remaining fund balances in the School Lunch Fund.

- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for the following purposes:
 - a) As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to five percent of General Fund budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e. reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees."
 - b) Resources held by schools in the other governmental funds.
 - c) Employee obligations related to the phase out of early retirement stipends.

- **Assigned.** This category includes General Fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District's administration comprised of superintendent, assistant superintendents, and business administrator. This category also includes the remaining positive fund balance for other governmental funds. The District has assigned General Fund resources that are to be used for textbooks, supplies, and other unrestricted school programs.

- **Unassigned.** Residual balances in the General Fund are classified as unassigned.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY (Continued)

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

Comparative Data and Reclassifications – Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year’s presentation.

Use of Estimates - Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues and expenses. Actual results may vary from these estimates.

2. DEPOSITS AND INVESTMENTS

A. Deposits

Deposits – Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The district follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. District funds are deposited in qualified depositories as defined by the Act. The District does not have a deposit policy for custodial credit risk. As of June 30, 2013, the District’s custodial credit risk for deposits was as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2013</u>
Regular Checking Account	Insured	\$ 250,300
Regular Checking Account	Uninsured and collateralized	<u>2,564,748</u>
		<u>\$2,815,048</u>

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The District's investments are managed through participation in the state Public Treasurer's Investment Fund and through a repurchase agreement arrangement with a local bank. As of June 30, 2013, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Utah Public Treasurers' Investment Fund	Less than one year	<u>\$1,460,840</u>

Investments – Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments – Credit Risk – The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-trade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its investments. The District has no investment policy that would further limit its investment choices.

Investments – Custodial Credit Risk – 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 investments or collateral securities that are in the possession of an outside party.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Piute County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%. The interest rate period is from January 1 until the date paid.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market value statewide value of the property, as established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be subject to an “age-based” fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

As of June 30, 2013, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2013 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	6,082,222	-	(6,082,222)	-
Total capital assets, not being depreciated	<u>6,207,222</u>	<u>-</u>	<u>(6,082,222)</u>	<u>125,000</u>
Capital assets, being depreciated:				
Buildings and improvements	3,744,948	6,081,366	-	9,826,314
Furniture and equipment	2,024,441	158,866	-	2,183,307
Total capital assets, being depreciated	<u>5,769,389</u>	<u>6,240,232</u>	<u>-</u>	<u>12,009,621</u>
Accumulated depreciation for:				
Buildings and improvements	(1,926,275)	(160,841)	-	(2,087,116)
Furniture and equipment	(1,477,923)	(106,416)	-	(1,584,339)
Total accumulated depreciation	<u>(3,404,198)</u>	<u>(267,257)</u>	<u>-</u>	<u>(3,671,455)</u>
Total capital assets, being depreciated, net	<u>2,365,191</u>	<u>5,972,975</u>	<u>-</u>	<u>8,338,166</u>
Governmental activities capital assets, net	<u>\$ 8,572,413</u>	<u>\$ 5,972,975</u>	<u>\$ (6,082,222)</u>	<u>\$ 8,463,166</u>

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

Governmental activities:	
Instructional services	\$ 167,564
Supporting services:	
District administration	13,650
School administration	5,990
Central	650
Operation and maintenance of facilities	34,806
Transportation	41,025
School lunch services	3,572
Total depreciation expense, governmental activities	<u>\$ 267,257</u>

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

5. RETIREMENT PLANS

Defined Benefit Plans - The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System (Systems), which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 5% of their annual covered salary (all or part may be paid by the employer for the employee) and Piute County School District is required to contribute 14.27% (Tier 1) and 15.06% (Tier 2) of their member's annual covered salary. In the State and School Noncontributory Retirement System the Piute County School District is required to contribute 18.76% of the member's annual covered salary. The contribution rates are the actuarial determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The District's contributions to the State and School Contributory Retirement System for the years ending June 30 2013, 2012, and 2011 were \$9,888, \$5,578, and \$616 respectively. The Noncontributory Retirement System contributions for June 30, 2013, 2012, and 2011 were \$322,541, \$338,307, and \$321,486 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plan – The District participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2013, 2012, and 2011 were \$29,665, \$30,261, and \$27,628 respectively; the employee contributions for the years ending June 30, 2013, 2012, and 2011 were \$36,659, \$43,987, and \$48,052 respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

5. RETIREMENT PLANS *(Continued)*

Separation Payments Plan OPEB – The District has a separation payments plan for all eligible employees who retire after meeting certain criteria. To be eligible for the plan employees must meet certain requirements as set forth in the plan as follows:

In order to qualify for Retirement Benefits under this policy, eligible employees of Piute County School District must have, by June 30th of the year in which retirement they are under is elected, have accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full retirement benefits under the Utah State Retirement System. (Full retirement is interpreted to mean Retirement with the Utah State Retirement System without retirement benefit reduction). Eligibility is restricted to all full-time employees (at least 35 hours per week) with ten (10) or more years of service in the district.

Benefits under the plan are as follows:

The Board shall contribute \$5,000 per year on a monthly basis for health insurance for three consecutive years (including the birthday month), whichever comes first. After that period. The employee may be entitled to rights under COBRA but must make arrangements for and pay the total costs for any further insurance coverage. The employee may arrange with the district to place all or any part of these of these funds into a 401k at retirement. If an employee qualifies for Medicare a cash payment will be provided on the same ratio as the \$5,000 is to the couple coverage.

As an example, if couple coverage costs \$6,500 and a Medicare supplement costs \$2,300 the following calculations will be made to determine the proportion of the Medicare supplement the district will pay. Since \$5,000 is 77%, the District will pay 77% of the \$2,300 or \$1,771

Projections of the payments under this plan for financial reporting purposes are based on a substantive agreement between the District and it eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. In July 1, 2006 actuarial valuation, the projected unit credit using the full accrual at full eligibility age was used. An interest rate assumption of 4% was used along with demographic and other assumptions including mortality rates, public education retirement rates, the District's salary schedule, an inflationary factor, and employee termination rates by age, gender, and years of service.

The plan does not issue a separately prepared report. Funding for the plan is from ongoing operations and a separate funding plan is not in place.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined with other public entities in a common risk management and insurance program operated by the State of Utah Division of Risk Management. The District pays premiums to this risk pool, the Utah State Risk Management Fund, for its general insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of specified amounts for certain types of risks. The District is subject to a minimal deductible for claims of the risk pool. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 4,435,000	\$ -	\$ -	\$ 4,435,000	\$ -
Lease revenue bonds	1,065,000	-	-	1,065,000	-
Total bonds payable, net	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>	<u>-</u>
Obligations under capital leases	53,778	100,000	(17,246)	136,532	36,882
Notes payable	250,000	-	(20,833)	229,167	20,833
Accrued vacation or sick pay	149,550	1,680	-	151,230	-
Post employment benefits	<u>58,343</u>	<u>9,667</u>	<u>-</u>	<u>68,010</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 6,011,671</u>	<u>\$ 111,347</u>	<u>\$ (38,079)</u>	<u>\$ 6,084,939</u>	<u>\$ 57,715</u>

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. Lease revenue bonds are paid from a tax levy in the capital projects fund. The obligations under capital leases are paid by the capital projects fund or general fund depending on the lease type. Vacation, sick leave, and early retirement benefits will be paid by the fund in which the employee worked.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

7. LONG-TERM DEBT (Continued)

General Obligation Bonds – During 2010 the District issued General Obligation QSCB School Building bonds in the amount of \$4,435,000. The proceeds are to be used for the remodel and construction of Piute High School located in Junction, Utah. The bonds will mature in on April 15, 2027. However, the District is required to make annual deposits to a sinking fund account to be held by the paying agent. These bonds carry an annual interest rate of 5.71%. The District is required to make annual interest payments on the outstanding bonds however, it is anticipated that annually the District will receive a subsidy from the Federal government to cover the interest payment. The required debts service schedule is as follows:

Fiscal Year Ending June 30	\$4,435,000 Series 2010		Federal Interest Subsidy (1)	Estimated Annual Contributions to Sinking Fund (2)	Total Payment Required for Debt Service (2)
	Principal	Interest			
2014	\$ -	\$ 253,239	\$ (253,239)	\$ 260,882	\$ 260,882
2015	-	253,239	(253,239)	260,882	260,882
2016	-	253,239	(253,239)	260,882	260,882
2017	-	253,239	(253,239)	260,882	260,882
2018	-	253,239	(253,239)	260,882	260,882
2019	-	253,239	(253,239)	260,882	260,882
2020	-	253,239	(253,239)	260,882	260,882
2021	-	253,239	(253,239)	260,882	260,882
2022	-	253,239	(253,239)	260,882	260,882
2023	-	253,239	(253,239)	260,882	260,882
2024	-	253,239	(253,239)	260,882	260,882
2025	-	253,239	(253,239)	260,882	260,882
2026	-	253,239	(253,239)	260,882	260,882
2027	4,435,000	253,239	(253,239)	260,882	260,882
Totals	<u>\$ 4,435,000</u>	<u>\$ 3,545,346</u>	<u>\$ (3,545,346)</u>	<u>\$ 3,652,348</u>	<u>\$ 3,652,348</u>

(1) Assumes all interest due will be paid from the federal interest rate subsidy.

(2) The District will contribute \$260,882 annually to a sinking fund account.

The balance in the sinking fund account at June 30, 2013 is \$783,872.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

7. LONG-TERM DEBT (Continued)

MBA Lease Revenue Bonds – During 2010 the Municipal Building Authority of the District issued \$1,065,000 QSCB School Building Lease Revenue Bonds. The proceeds of these bonds are to be used in connection with the remodel and construction of Piute High School located in Junction, Utah. The bonds will mature on April 15, 2027. However, the District is required to make annual deposits to a sinking fund account to be held by the paying agent. These bonds carry an annual interest rate of 7.89%. The District is required to make annual interest payments on the outstanding bonds however, it is anticipated that annually the District will receive a subsidy from the Federal government to cover the interest payments up to 5.80%. The required debt service schedule is as follows:

Fiscal Year Ending June 30	\$1,065,000 Series 2010		Federal Interest Subsidy (1)	Estimated Annual Contributions to Sinking Fund (2)	Total Payment Required for Debt Service (2)
	Principal	Interest			
2014	\$ -	\$ 84,029	\$ (61,770)	\$ 62,647	\$ 84,906
2015	-	84,029	(61,770)	62,647	84,906
2016	-	84,029	(61,770)	62,647	84,906
2017	-	84,029	(61,770)	62,647	84,906
2018	-	84,029	(61,770)	62,647	84,906
2019	-	84,029	(61,770)	62,647	84,906
2020	-	84,029	(61,770)	62,647	84,906
2021	-	84,029	(61,770)	62,647	84,906
2022	-	84,029	(61,770)	62,647	84,906
2023	-	84,029	(61,770)	62,647	84,906
2024	-	84,029	(61,770)	62,647	84,906
2025	-	84,029	(61,770)	62,647	84,906
2026	-	84,029	(61,770)	62,647	84,906
2027	1,065,000	84,029	(61,770)	62,648	84,907
Totals	<u>\$ 1,065,000</u>	<u>\$ 1,176,406</u>	<u>\$ (864,780)</u>	<u>\$ 877,059</u>	<u>\$ 1,188,685</u>

(1) Assumes interest due will be paid from the federal interest rate subsidy up to 5.8%.

(2) The District will contribute \$62,647 annually to a sinking fund account.

The balance in the sinking fund account at June 30, 2013 is \$188,236

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

7. LONG-TERM DEBT (Continued)

Note Payable – During the year ending June 30, 2012 the District obtained a loan from the Utah State Department of Finance for energy improvements made on the remodel of the high school. The note does not bear interest and is payable over a 12 year period. Debt service requirements are as follows:

Fiscal Year Ending June 30	\$250,000 Note Payable		Total Payment Required for Debt Service
	Principal	Fee	
2014	\$ 20,833	\$ 125	\$ 20,958
2015	20,833	125	20,958
2016	20,833	125	20,958
2017	20,833	125	20,958
2018	20,833	125	20,958
2019	20,833	125	20,958
2020	20,833	125	20,958
2021	20,833	125	20,958
2022	20,833	125	20,958
2023	20,833	125	20,958
2024	20,837	125	20,962
Totals	<u>\$ 229,167</u>	<u>\$ 1,375</u>	<u>\$ 230,542</u>

Obligations Under Capital Lease – The District obtained equipment and buses under capital lease arrangements. Annual payments are funded either through the capital projects fund or from transportation. The future minimum lease payments are as follows:

	Principal	Interest	Total
2014	\$ 36,882	\$ 3,508	\$ 40,390
2015	38,030	2,229	40,259
2016	19,985	1,695	21,680
2017	20,535	1,145	21,680
2018	21,100	580	21,680
Totals	<u>\$ 136,532</u>	<u>\$ 9,157</u>	<u>\$ 145,689</u>

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

8. COMMITTED FOR ECONOMIC STABILIZATION

Utah State law allows for the establishment of an undistributed reserve. The Board of Education must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted revenues. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with Utah State Board of Education and State Auditor.

9. GRANTS

The District receives significant financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

10. INTER FUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end the District had an inter fund loan in the amount of \$9,071 between the Non K-12 Fund and the School Lunch Fund. This inter fund loan has been eliminated at the government-wide level.

The following fund transfers occurred during the year:

Fund	Transfer Out	Transfer In
General Fund	\$ (68,896)	\$ -
Food Service Fund	-	25,000
Capital Projects Fund	(84,012)	
Non K-12 Fund	-	43,896
Municipal Building Fund	-	84,012
Total Fund Transfers	<u>\$ (152,908)</u>	<u>\$ 152,908</u>

The above transfers were made in the general course of annual operations.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

10. INTER FUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Governmental funds report revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year the various components of deferred inflows of resources and unearned revenue reported in the governmental funds consisted of the following:

Type	Unavailable	Unearned
Property Tax Receivable - General Fund	\$ -	\$ 321,483
Property Tax Receivable - Debt Service Fund	-	244,500
Property Tax Receivable - Capital Projects Fund	-	14,756
Total deferred/unearned revenue for govtl funds	<u>\$ -</u>	<u>\$ 580,739</u>

11. LEGAL COMPLIANCE

All fund balances are positive at June 30, 2013. Total expenditures exceeded budget amounts in the School Lunch Fund by \$8,275 or 3.52% of the expenditures in the fund, and in the Non K-12 Fund by \$65 or .05% of the expenditures in the fund, and in the general fund by \$4,002 or 0.00% of the expenditures of the fund.

12. RESTATEMENT OF NET POSTION

The beginning net position in the government-wide statement of net position for governmental activities has been restated to reflect the effects of implementing GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities (See Note 1). The changes are as follows:

	Government-wide Financial Statements
	Governmental Activities
Net postion, as originally state June 30, 2012	\$ 5,970,741
Restate bond issuance costs as expense when occurred per GASB Statements Nos. 63 and 65	<u>(141,152)</u>
Net position, as restated June 30, 2012	<u>\$ 5,829,589</u>

REQUIRED SUPPLEMENTARY INFORMATION

PIUTE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Year Ended June 30, 2013

District Separation Payments Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
07/01/2006	\$ -	\$ 241,671	\$ 241,671	0.00%	\$ 1,902,169	12.71%

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

School Lunch Fund – This fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that students receive low-cost, nutritionally balanced meals.

Non K-12 Programs Fund – This fund is used to account for programs that are not part of the basic educational program of kindergarten, elementary and secondary students. These areas include adult education and preschool for disabled students. This fund is also used to account for costs to provide community educational and recreational activities. Financing is provided primarily through grants and student fees.

Scholarship Fund – This fund is used to account for a perpetual scholarship fund for graduating seniors.

Student Activity Fund – This fund is used to account for fees, revenues, and expenditures related to student activity funds at the school level.

Municipal Building Authority – This fund is used to account for lease revenue payments from the District that are paid to the MBA and are in turn used to service the debt associated with the lease revenue bonds issued in 2010.

PIUTE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	<u>Special Revenue</u>					Total Nonmajor Governmental Funds
	<u>School Lunch</u>	<u>Non K-12 Programs</u>	<u>Scholarship Fund</u>	<u>Municipal Building Authority</u>	<u>Student Activity Fund</u>	
Assets:						
Cash and investments	\$ -	\$ 72,788	\$ 69,491	\$ -	\$ 90,141	\$ 232,420
Cash and investments-restricted	-	-	-	188,266	-	188,266
Receivables:						
Other governments	12,608	12,549	-	-	-	25,157
Inventory	3,050	-	-	-	-	3,050
Due from other funds	-	9,071	-	-	-	9,071
Total assets	<u>\$ 15,658</u>	<u>\$ 94,408</u>	<u>\$ 69,491</u>	<u>\$ 188,266</u>	<u>\$ 90,141</u>	<u>\$ 457,964</u>
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,071	-	-	-	-	9,071
Deferred revenue:						
Property taxes	-	-	-	-	-	-
Other governments	-	-	-	-	-	-
Total liabilities	<u>9,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,071</u>
Fund balances:						
Non Spendable:						
Inventories	3,050	-	-	-	-	3,050
Restricted for:						
Debt service	-	-	-	188,266	-	188,266
Food services	3,537	-	-	-	-	3,537
Other	-	-	69,491	-	-	69,491
Committed to:						
Schools	-	-	-	-	90,141	90,141
Other	-	94,408	-	-	-	94,408
Unassigned:	-	-	-	-	-	-
Total fund balances	<u>6,587</u>	<u>94,408</u>	<u>69,491</u>	<u>188,266</u>	<u>90,141</u>	<u>448,893</u>
Total liabilities and fund balances	<u>\$ 15,658</u>	<u>\$ 94,408</u>	<u>\$ 69,491</u>	<u>\$ 188,266</u>	<u>\$ 90,141</u>	<u>\$ 457,964</u>

PIUTE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

	Special Revenue					Total Nonmajor Governmental Funds
	School Lunch	Non K-12 Programs	Scholarship Fund	Municipal Building Authority	Student Activity Fund	
Revenues:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student fees	-	42,462	-	-	213,807	256,269
Lunch sales	32,834	-	-	-	-	32,834
Earnings on investments	-	-	9,802	1,524	-	11,326
Other local revenues	-	-	-	-	-	-
State aid	29,449	24,807	-	-	-	54,256
Federal aid	150,142	46,602	-	61,770	-	258,514
Total revenues	<u>212,425</u>	<u>113,871</u>	<u>9,802</u>	<u>63,294</u>	<u>213,807</u>	<u>613,199</u>
Expenditures:						
Current:						
Instructional services	-	140,403	-	-	200,651	341,054
Supporting services:						
Other services	-	-	-	-	-	-
Debt Service:						
Interest payments	-	-	-	84,029	-	84,029
Principal retirements	-	-	-	-	-	-
School lunch services	235,300	-	-	-	-	235,300
Total expenditures	<u>235,300</u>	<u>140,403</u>	<u>-</u>	<u>84,029</u>	<u>200,651</u>	<u>660,383</u>
Excess of revenues over expenditures	(22,875)	(26,532)	9,802	(20,735)	13,156	(47,184)
Other financing sources:						
Transfer in (out)	25,000	43,896	-	84,012	-	152,908
Net change in fund balances	2,125	17,364	9,802	63,277	13,156	105,724
Fund balances - beginning	4,462	77,044	59,689	124,989	76,985	343,169
Fund balances - ending	<u>\$ 6,587</u>	<u>\$ 94,408</u>	<u>\$ 69,491</u>	<u>\$ 188,266</u>	<u>\$ 90,141</u>	<u>\$ 448,893</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2013
With Comparative Totals for 2012

	2013		Variance with Final Budget - Positive (Negative)	2012
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Lunch sales - children	\$ 29,300	\$ 27,772	\$ (1,528)	\$ 25,679
Lunch Sales - adult	6,800	5,062	(1,738)	6,689
Other local sales	180	-	(180)	451
Total local sources	<u>36,280</u>	<u>32,834</u>	<u>(3,446)</u>	<u>32,819</u>
State sources:				
State lunch program	16,000	29,449	13,449	35,254
Total state sources	<u>16,000</u>	<u>29,449</u>	<u>13,449</u>	<u>35,254</u>
Federal sources:				
Federal lunch program	11,500	17,344	5,844	13,929
Free and reduced assistance	68,000	88,784	20,784	91,802
Breakfast program	26,390	31,081	4,691	32,154
Other	-	12,933	12,933	11,700
Total federal sources	<u>105,890</u>	<u>150,142</u>	<u>44,252</u>	<u>149,585</u>
Total revenues	<u>158,170</u>	<u>212,425</u>	<u>54,255</u>	<u>217,658</u>
Expenditures:				
Current:				
Salaries	73,475	79,116	(5,641)	74,310
Employee benefits	17,200	21,935	(4,735)	18,049
Purchased services	3,850	3,214	636	1,635
Supplies	1,500	307	1,193	456
Food	125,000	126,823	(1,823)	134,872
Other	6,000	3,905	2,095	5,050
Total expenditures	<u>227,025</u>	<u>235,300</u>	<u>(8,275)</u>	<u>234,372</u>
Excess (deficiency) of revenues over expenditures	<u>(68,855)</u>	<u>(22,875)</u>	<u>45,980</u>	<u>(16,714)</u>
Other financing sources and (uses)				
Transfers in	25,000	25,000	-	17,000
Transfers out	-	-	-	-
Net change in fund balances	<u>(43,855)</u>	<u>2,125</u>	<u>45,980</u>	<u>286</u>
Fund balances - beginning	<u>4,462</u>	<u>4,462</u>	<u>-</u>	<u>4,176</u>
Fund balances - ending	<u><u>\$ (39,393)</u></u>	<u><u>\$ 6,587</u></u>	<u><u>\$ 45,980</u></u>	<u><u>\$ 4,462</u></u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non K-12 Programs
Nonmajor Special Revenue Fund
Year Ended June 30, 2013
With Comparative Totals for 2012

	2013		Variance with Final Budget - Positive (Negative)	2012
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	
Community school fees	42,420	42,462	42	42,178
Total local sources	42,420	42,462	42	42,178
State sources:				
Adult high school completion	16,779	16,779	-	18,092
Preschool	8,028	8,028	-	16,955
Medicare Outreach			-	-
Total state sources	24,807	24,807	-	35,047
Federal sources:				
Special education preschool grant	25,096	46,602	21,506	25,074
Adult education	-	-	-	
Total federal sources	25,096	46,602	21,506	25,074
Total revenues	92,323	113,871	21,548	102,299
Expenditures:				
Current:				
Salaries	104,785	104,785	-	102,889
Employee benefits	32,383	32,448	(65)	29,127
Purchased services	1,098	1,033	65	3,646
Supplies	1,852	1,917	(65)	1,134
Equipment	220	220	-	1,260
Total expenditures	140,338	140,403	(65)	138,056
Excess (deficiency) of revenues over (under) expenditures	(48,015)	(26,532)	21,483	(35,757)
Other financing sources and (uses):				
Transfers in	132,011	43,896	(88,115)	-
Transfers out	-	-	-	-
Net change in fund balances	83,996	17,364	(66,632)	(35,757)
Fund balances - beginning	77,044	77,044	-	112,801
Fund balances - ending	\$ 161,040	\$ 94,408	\$ (66,632)	\$ 77,044

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity Fund
Nonmajor Special Revenue Fund
Year Ended June 30, 2013
With Comparative Totals for 2012

	<u>2013</u>		Variance with Final Budget - Positive (Negative)	<u>2012</u>
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Student fees	182,800	213,807	31,007	167,237
Total local sources	<u>182,800</u>	<u>213,807</u>	<u>31,007</u>	<u>167,237</u>
Expenditures:				
Current:				
Fees and Supplies	178,455	200,651	(22,196)	177,118
Total expenditures	<u>178,455</u>	<u>200,651</u>	<u>(22,196)</u>	<u>177,118</u>
Excess (deficiency) of revenues over (under) expenditures	4,345	13,156	8,811	(9,881)
Other financing sources:				
Transfer in	-	-	-	-
Net change in fund balances	4,345	13,156	8,811	(9,881)
Fund balances - beginning	<u>76,985</u>	<u>76,985</u>	<u>-</u>	<u>86,866</u>
Fund balances - ending	<u><u>\$ 81,330</u></u>	<u><u>\$ 90,141</u></u>	<u><u>\$ 8,811</u></u>	<u><u>\$ 76,985</u></u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Municipal Building Authority Fund
Nonmajor Special Revenue Fund
Year Ended June 30, 2013

	2013		Variance with Final Budget - Positive (Negative)	2012
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Earnings on investments	\$ -	\$ 1,524	\$ 1,524	\$ -
Federal interest subsidy	62,000	61,770	(230)	61,770
Total revenues	<u>62,000</u>	<u>63,294</u>	<u>1,294</u>	<u>61,770</u>
Expenditures:				
Debt service:				
Bond principal	-	-	-	-
Bond interest	84,363	84,029	334	83,972
Total expenditures	<u>84,363</u>	<u>84,029</u>	<u>334</u>	<u>83,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,363)</u>	<u>(20,735)</u>	<u>1,628</u>	<u>(22,202)</u>
Other financing sources (uses):				
Transfers in	84,363	84,012	(351)	84,501
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>84,363</u>	<u>84,012</u>	<u>(351)</u>	<u>84,501</u>
Net change in fund balances	62,000	63,277	1,277	62,299
Fund balance - beginning	124,989	124,989	-	62,690
Fund balance - ending	<u>\$ 186,989</u>	<u>\$ 188,266</u>	<u>\$ 1,277</u>	<u>\$ 124,989</u>

PIUTE COUNTY SCHOOL DISTRICT
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
Scholarship Fund
Nonmajor Special Revenue Fund
Years Ended June 30, 2013 and 2012

	2013	2012
Revenues:		
Local sources:		
Contributions	\$ -	\$ -
Earnings on investments	9,802	1,860
Total revenues	9,802	1,860
Expenditures:		
Current:		
Scholarships and other expenditures	-	2,200
Total expenditures	-	2,200
Excess (deficiency) of revenues over (under) expenditures	9,802	(340)
Other financing sources (uses):		
Transfers in	-	-
Net change in fund balances	9,802	(340)
Fund balances - beginning	59,689	60,029
Fund balances - ending	\$ 69,491	\$ 59,689

MAJOR GOVERNMENTAL FUNDS

General Fund – This fund services primary on-going operation of the District. It is used to account for activity and financial resources that are not required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund is used to account for the receipt of property taxes levied for retirement of general obligation debt. The expenditures are for principal retirement and for payment of interest and fees.

Capital Projects Fund - 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. Financing is provided by an annual property tax levy. Also, state funds can be obtained by qualifying under guidelines established for districts determined to be in critical need for construction building aid.

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Year Ended June 30, 2013

	2013		Variance with Final Budget - Positive (Negative)	2012
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Property tax	\$ 344,132	\$ 344,204	\$ 72	\$ 301,262
Federal interest subsidy	239,169	253,239	14,070	253,239
Earnings on investments	-	3,839	3,839	1,896
Total revenues	<u>583,301</u>	<u>601,282</u>	<u>17,981</u>	<u>556,397</u>
Expenditures:				
Debt service:				
Bond principal	-	-	-	-
Bond interest	259,340	255,239	4,101	254,739
Total expenditures	<u>259,340</u>	<u>255,239</u>	<u>4,101</u>	<u>254,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>323,961</u>	<u>346,043</u>	<u>22,082</u>	<u>301,658</u>
Other financing sources (uses):				
Proceeds of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	323,961	346,043	22,082	301,658
Fund balance - beginning	<u>881,164</u>	<u>881,164</u>	<u>-</u>	<u>579,506</u>
Fund balance - ending	<u>\$ 1,205,125</u>	<u>\$ 1,227,207</u>	<u>\$ 22,082</u>	<u>\$ 881,164</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2013
With Comparative Totals for 2012

	2013		Variance with Final Budget - Positive (Negative)	2012
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 20,033	\$ 20,033	\$ -	\$ 17,069
Earnings on investments	-	-	-	-
Other local revenues	25,000	25,000	-	-
Total local sources	45,033	45,033	-	17,069
State sources:				
Capital outlay foundation	200,000	200,000	-	200,000
Other	-	-	-	-
Total state sources	200,000	200,000	-	200,000
Federal sources:				
Federal energy grant	-	-	-	250,000
Total revenues	245,033	245,033	-	467,069
Expenditures:				
Instructional Services:				
Supplies	2,025	9,944	(7,919)	2,603
Total instructional services	2,025	9,944	(7,919)	2,603
Land and buildings:				
Land improvements	116,716	67,686	49,030	-
Building improvements	20,927	20,958	(31)	916,401
Total land and buildings	137,643	88,644	48,999	916,401
Equipment:				
Equipment	20,927	60,553	(39,626)	8,576
Buses	-	-	-	-
Total equipment	20,927	60,553	(39,626)	8,576
Total expenditures	160,595	159,141	1,454	927,580
Excess (deficiency) of revenues over (under) expenditures	84,438	85,892	1,454	(460,511)
Other Financing Sources (Uses):				
Transfer out	(84,011)	(84,012)	(1)	(84,501)
Equipment capital lease or other loan proceeds	-	-	-	250,000
Total other financing sources (uses)	(84,011)	(84,012)	(1)	165,499
Net change in fund balances	427	1,880	1,453	(295,012)
Fund balance - beginning	244,813	244,813	-	539,825
Fund balance - ending	\$ 245,240	\$ 246,693	\$ 1,453	\$ 244,813