
OFFICIAL NOTICE OF BOND SALE

And

PRELIMINARY OFFICIAL STATEMENT

**School District No. 316
Lincoln County, State of Idaho**

\$4,000,000*

**General Obligation Bonds, Series 2018
(Sales Tax Guaranty and Credit Enhancement Programs)**

Electronic bids will be received up to 9:30:00 A.M., M.T., via the ***PARITY***® electronic bid submission system, on Tuesday, October 23, 2018.

* Preliminary; subject to change.

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Official Notice of Bond Sale

(Bond Sale to be Conducted Electronically)

School District No. 316 (Richfield), Lincoln County, State of Idaho

\$4,000,000* General Obligation Bonds, Series 2018 (Sales Tax Guaranty and Credit Enhancement Programs)

Bids will be received electronically (as described under “Procedures Regarding Electronic Bidding” below) by School District No. 316, Lincoln County, State of Idaho (the “District”) via the PARITY® electronic bid submission system (“PARITY®”) until up to 9:30 a.m., Mountain Time (“MT”), for the purchase, all or none (“AON”), of the District’s \$4,000,000* General Obligation Bonds, Series 2018 (the “2018 Bonds”) on Tuesday, October 23, 2018. The bids will be reviewed and considered by authorized officers of the District and representatives from Zions Public Finance, Inc., acting as municipal advisor to the District (the “Municipal Advisor”), in accordance with certain parameters established by the Board of Trustees of the District (the “Board”) pursuant to Resolution adopted on October 8, 2018 (the “Resolution”).

Description Of The 2018 Bonds

The 2018 Bonds will be dated as of the date of issuance and delivery¹, will be issuable only as fully-registered bonds in book-entry form, will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity, and will mature on September 15 of each of the years and in the principal amounts as follows:

¹ The anticipated date of delivery of the 2018 Bonds is Tuesday, November 6, 2018.

* Preliminary; subject to change. See “Adjustment Of Principal Amount Of The 2018 Bonds” herein.

Maturity (September 15)	Principal Amount*
2019	\$ 75,000
2020	145,000
2021	150,000
2022	155,000
2023	160,000
2024	170,000
2025	175,000
2026	180,000
2027	190,000
2028	195,000
2029	205,000
2030	215,000
2031	220,000
2032	230,000
2033	235,000
2034	245,000
2035	250,000
2036	260,000
2037	270,000
2038	275,000
Total	\$4,000,000

The 2018 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (“DTC”). DTC will act as securities depository for the 2018 Bonds. The 2018 Bonds are more fully described in the District’s Preliminary Official Statement with respect to the 2018 Bonds dated October 12, 2018 (the “Preliminary Official Statement”).

Term Bonds and Mandatory Sinking Fund Redemption at Bidder’s Option

The 2018 Bonds scheduled to mature on two or more of the above–designated maturity dates may be rescheduled, at bidder’s option, to mature as term bonds on one or more dates within that period, in which event the 2018 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above–designated maturity dates and principal amounts maturing on those dates, as adjusted.

Adjustment Of Principal Amount Of The 2018 Bonds

The District reserves the right, following determination of the best bid(s), to reduce or increase the principal amount of each maturity of the 2018 Bonds and to increase or reduce the overall principal amount of the 2018 Bonds to be issued, as described in this section. The District may adjust the aggregate principal amount of the 2018 Bonds maturing in any year as described in this paragraph, provided the aggregate principal amount of the 2018 Bonds shall not exceed \$4,000,000, and provided that total proceeds delivered to the District do not exceed the sum of the \$4,000,000 authorization and the costs of issuance, or approximately \$4,060,000. The adjustment of maturities may be made in such amounts as are necessary to provide the District with desired debt service payments during the life of the 2018 Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified

by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the District will consider the bid as having been made for the adjusted amount of the 2018 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2018 Bonds to the public and the price to be paid to the District, by (b) the principal amount of the 2018 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The District expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., MT, on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2018 Bonds will be adjusted and the corresponding changes to the principal amount of 2018 Bonds maturing on one or more of the above-designated maturity dates for the 2018 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by electronic means or facsimile transmission to the Municipal Advisor at christian.anderson@zionsbancorp.com or fax number 855.855.9702 within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2018 Bonds and the amount received from the sale of the 2018 Bonds to the public that will be retained by the successful bidder as its compensation.

Ratings

The District will, at its own expense, pay fees of Moody's Investors Service ("Moody's") for rating the 2018 Bonds. *No underlying rating will be obtained by the District.* See "Security and Sources Of Payment-Idaho Sales Tax Guaranty and Credit Enhancement Program" herein.

Any additional ratings shall be at the option and expense of the bidder.

Purchase Price

The purchase price bid for the 2018 Bonds shall not be less than 101.5% of the principal amount of the 2018 Bonds (\$4,060,000).

Interest Rates

The 2018 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum. In addition:

1. the highest interest rate bid for any of the 2018 Bonds shall not exceed five percent (5.00%) per annum;
2. the minimum price for any maturity of the 2018 Bonds shall not be less than ninety-seven percent (97.0%);
3. no Bond shall have more than one rate of interest;
4. interest shall be computed from the dated date of a 2018 Bond to its stated maturity date at the single interest rate specified in the bid for the 2018 Bonds of such maturity;

5. the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for immediately available federal funds;
6. any premium must be paid in the funds specified for the payment of the 2018 Bonds as part of the purchase price;
7. there shall be no supplemental interest coupons;
8. a zero percent (0%) interest rate may not be used; and
9. interest shall be computed on the basis of a 360-day year of 12, 30-day months.

Interest for the 2018 Bonds will be payable semiannually on March 15 and September 15 beginning March 15, 2019, at the rate or rates to be fixed at the time the 2018 Bonds are sold.

Payment Of Principal And Interest

Zions Bancorporation, National Association, Boise, Idaho, will be the paying agent and bond registrar for the 2018 Bonds. The District may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the 2018 Bonds are outstanding in book-entry form, the principal of and interest on the 2018 Bonds will be paid under the standard procedures of DTC.

Optional Redemption

The 2018 Bonds maturing on and after September 15, 2029, are subject to redemption at the option of the District, in whole or in part on September 15, 2028, and on any date thereafter at the price of par plus accrued interest, if any, to the date of redemption.

Security And Sources Of Payment

The 2018 Bonds will be full general obligations of the District, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the same as to both principal and interest. Additionally, the 2018 Bonds are secured through the Idaho Sales Tax Guaranty Program and Credit Enhancement Program, referred to below.

Idaho Sales Tax Guaranty. The District has received a Certificate of Eligibility from the Idaho State Treasurer qualifying the District for the Idaho School Bond Guaranty Program (the “Idaho Sales Tax Guaranty Program”) pursuant to the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code. Payment of the principal of and interest on the 2018 Bonds when due will be guaranteed by the sales taxes collected by the State of Idaho.

Credit Enhancement Program. The District has received a Certificate of Approval of Credit Enhancement from the endowment fund investment board pursuant to Idaho Code 57-728 (the “Credit Enhancement Program”). Payment of the principal of and interest on the 2018 Bonds when due will be additionally guaranteed by the Credit Enhancement Program.

Moody’s has assigned its “Aaa” rating to bonds that are guaranteed by the Idaho Sales Tax Guaranty Program and Credit Enhancement Program. For a detailed description of the Idaho Sales Tax Guaranty

Program and Credit Enhancement Program see the section “STATE OF IDAHO GUARANTY” in the Preliminary Official Statement.

Award

Award or rejection of bids will be made on Tuesday, October 23, 2018, by certain delegated officers of the District. The 2018 Bonds will be awarded to the responsible bidder offering to pay the lowest effective interest rate to the District computed from the date of the 2018 Bonds to maturity and taking into consideration the premium, if any, in the purchase price of the 2018 Bonds. The effective interest rate to the District shall be the interest rate per annum determined on a per annum true interest cost (“TIC”) basis by discounting the scheduled semiannual debt service payments of the District on the 2018 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2018 Bonds (based on a 360-day year consisting of 12, 30-day months), compounded semiannually and to the bid price.

Procedures Regarding Electronic Bidding

The bidding will be made and awarded for the 2018 Bonds on an AON basis.

No bid will be accepted unless the District has determined that such bidder has provided the requested Deposit described under “Good Faith Deposit” below.

Bids will be received by means of the *PARITY*® electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*® on or before 9:30 MT on Tuesday, October 23, 2018. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*®, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY*® shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Municipal Advisor, the District nor i-Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Municipal Advisor, the District nor i-Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The District is using *PARITY*® as a communication mechanism, and not as the District’s agent, to conduct the electronic bidding for the 2018 Bonds.

Notification

The Municipal Advisor, on behalf of the District, will notify the apparent successful bidder (electronically via *PARITY*®) as soon as possible after the District’s receipt of bids, that such bidder’s bid appears to be the lowest and best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification and to official action to be taken by the District as described in the next succeeding paragraph.

The award of the 2018 Bonds to the successful bidder will be considered by certain delegated officers of the District on Tuesday, October 23, 2018.

Form Of Bid

Each bidder for the 2018 Bonds is required to transmit electronically via *PARITY*® an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under “Purchase Price” above) at which the bidder will purchase the 2018 Bonds. Each bid must be for all the 2018 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2018 Bonds represented on a “true interest cost” (“TIC”) basis, as described under “Award” herein, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of *PARITY*®; *provided however*, that in the event a prospective bidder cannot access *PARITY*®, through no fault of its own, it may so notify the office of the Municipal Advisor by telephone at 208.501.7533. Thereafter, it may submit its bid by telephone to the Municipal Advisor at 208.501.7533, who shall transcribe such bid into written form, or by facsimile transmission to the Municipal Advisor at 855.855.9702, in either case before the time bids are due as stated above, on Tuesday, October 23, 2018. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by facsimile transmission, the time as maintained by *PARITY*®, shall constitute the official time. Each bid submitted as provided in the preceding sentence must specify the interest rate or rates for the 2018 Bonds and the total purchase price of all of the 2018 Bonds. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission. Neither the District nor the Municipal Advisor assumes any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of phone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Municipal Advisor, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Municipal Advisor prior to 2:00 p.m., MT, on Tuesday, October 23, 2018.

Right Of Cancellation

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2018 Bonds if the District shall fail to execute the 2018 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

Good Faith Deposit

A good faith deposit (the “Deposit”) in the amount of \$40,000 is required only from the successful bidder. The Deposit shall be payable to the order of the District in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 noon, MT, on Tuesday, October 23, 2018. As an alternative to wiring funds, a bidder may deliver a cashier’s or certified check, payable to the order of the District. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The District shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder and hold the proceeds of the Deposit of the successful bidder, or invest the same (at the District’s risk) in obligations which mature at or before the delivery of the 2018 Bonds as described under the

caption “Manner and Time of Delivery” below, until disposed of as follows: (a) at such delivery of the 2018 Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the 2018 Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the successful bidder fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Sale Reservations

The District reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the 2018 Bonds; and (iii) to resell the 2018 Bonds as provided by law.

Prompt Award

The District will take action awarding the 2018 Bonds or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder

Reoffering Prices; Purchaser’s Certificate Relating to Issue Price

The successful bidder or bidders (or manager of the purchasing account or accounts) shall notify the chief financial officer of the District and the District’s Municipal Advisor by email transmission to Christian Anderson (christian.anderson@zionsbancorp.com) within 24 hours of the bid opening, of the initial offering prices of such Bonds to the public. The notification must be confirmed in writing in form and substance satisfactory to Bond Counsel (defined hereunder) prior to the delivery of the Bonds. The confirmation will be part of the “Purchaser’s Certificate” which will be in substantially the same form as Exhibit A in the event the District receives three (3) or more bids that fit the requirements of the Official Notice of Bond Sale for the Bonds; and in substantially the same form as Exhibit B in the event the District does not receive three (3) or more such bids for the Bonds.

Each bidder, by submitting its bid, agrees to complete, execute and deliver the applicable certificate, in form and substance satisfactory to Bond Counsel, by the date of delivery of the 2018 Bonds, if its bid is accepted by the District. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation or otherwise to ascertain the facts necessary to make such certification. Any questions regarding the certificate should be directed to Nicholas G. Miller of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, 877 Main Street, Suite 1000, Boise, Idaho 83701–1617; 208.388.4849; fax 208.954.5241; nmiller@hawleytroxell.com.

Manner And Time Of Delivery

The successful bidder will be given at least seven (7) business days’ advance notice of the proposed date of the delivery of the 2018 Bonds when that date has been tentatively determined. It is now estimated that the 2018 Bonds will be delivered in book–entry form on or about Tuesday, November 6, 2018. The 2018 Bonds will be delivered as a single bond certificate for each maturity of the 2018 Bonds, registered in the name of DTC or its nominee. Delivery of the 2018 Bonds will be made in Boise, Idaho, pursuant to DTC’s FAST system. The successful bidder must also agree to pay for the Bonds in federal funds which will be immediately available to the District on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 2018 Bonds, at the expense of the District, but neither the failure to print such numbers on any Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the 2018 Bonds in accordance with terms of this Official Notice of Bond Sale.

Tax-Exempt Status

In the opinion of Hawley Troxell Ennis & Hawley LLP, Boise, Idaho (“Bond Counsel”), subject to the condition that the District comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the “Code”), under present law, interest on the 2018 Bonds is not included in gross income under the present federal income tax laws pursuant to Section 103 of the Code. The 2018 Bonds are not private activity bonds. Interest on the 2018 Bonds will not be treated as an item of tax preference for purposes of determining the alternative minimum taxable income for individuals or corporations, except that for taxable years of corporations beginning before January 1, 2018, such interest will be taken into account in the computation of the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations under Section 55 of the Code. Failure to comply with certain of such District covenants could cause interest on the 2018 Bonds to be included in gross income retroactive to the date of issuance of the 2018 Bonds. Ownership of the 2018 Bonds may result in other federal tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences with respect to the 2018 Bonds. Reference is hereby made to the discussion of the Code set forth in the Preliminary Official Statement under the caption “LEGAL MATTERS—Tax Exemption.”

Bank Qualified Designation

The District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Legal Opinion And Closing Documents

The unqualified approving opinion of Hawley Troxell Ennis & Hawley LLP covering the legality of the 2018 Bonds will be furnished to the successful bidder. A supplemental opinion shall be furnished to the successful bidder by Hawley Troxell Ennis & Hawley LLP with respect to the disclosure of certain information in the final Official Statement. Closing certificates will also be furnished, dated as of the date of delivery of and payment for the 2018 Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the 2018 Bonds.

Disclosure Certificate

The District will deliver to the successful bidder a certificate of an authorized officer(s) of the District, dated the date of the delivery of the 2018 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said authorized officer(s), and after reasonable investigation: (a) the descriptions and statements contained in the Preliminary Official Statement circulated with respect to the 2018 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the final Official Statement are at the time of the delivery of the 2018 Bonds true and correct in all material respects and do not at the time of the delivery of the 2018 Bonds contain any untrue statement of a material fact or omit to

state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, should the final Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the final Official Statement shall relate to the final Official Statement as so supplemented or amended.

Information Reporting Agreement (Disclosure Undertaking)

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the 2018 Bonds on or before the date of delivery of the 2018 Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed upon in writing by the successful bidder.

For a detailed discussion of the information reporting agreement and timing of submissions see the section titled “INFORMATION REPORTING AGREEMENT” in the Preliminary Official Statement.

The successful bidder’s obligation to purchase the 2018 Bonds shall be conditioned upon the District delivering the Undertaking on or before the date of delivery of the 2018 Bonds.

Delivery Of Copies Of Final Official Statement

The District shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the 2018 Bonds as described under the caption “Award” above, copies of the final Official Statement in sufficient quantity, as directed in writing by the successful bidder, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Board.

Additional Information

For copies of this OFFICIAL NOTICE OF BOND SALE and the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information with respect to the 2018 Bonds, contact the Municipal Advisor to the District, Zions Public Finance, Inc. at 800 W. Main Street, Suite 700, Boise, Idaho 83702; 208.501.7533; fax 855.855.9702; Christian Anderson (christian.anderson@zionsbancorp.com); Cara Bertot (cara.bertot@zionsbancorp.com); or Michael Tippetts (michael.tippetts@zionsbancorp.com). The Preliminary Official Statement is available at www.fmmunihub.com, www.i-dealprospectus.com, and www.munios.com.

DATED this 12th day of October, 2018.

SCHOOL DISTRICT NO. 316, LINCOLN COUNTY,
STATE OF IDAHO

By: /s/ Mike Smith
Superintendent

EXHIBIT A

Competitive Sale – Three Bids Received

Purchaser's Certificate:

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____
(the "Purchaser"), as representative of the underwriters for the " _____" (the
"Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$ _____, bearing interest and maturing as provided in [Instrument providing principal amount and interest rate] _____ of the _____ (the "Issuer") on _____, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the prices shown on the inside cover page of the Official Statement for the Bonds. Those prices are the reasonably expected initial offering prices of each maturity of the Bonds to the public which were used by the Purchaser in formulating its bid to purchase the Bonds. For this purpose:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party.

"Sale date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

If a yield is shown on the inside cover page for any maturity, "price" herein means the dollar price that produces that yield.

3. The underwriter was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the underwriter constituted a firm bid to purchase the Bonds.

5. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2018.

_____, as Representative of the Underwriters

By: _____

Title: _____

Exhibit 1

(Offering Prices of Bonds)

Exhibit B
Purchaser's Certificate:

IT IS HEREBY CERTIFIED by the undersigned on behalf of _____
(the "Purchaser"), as representative of the underwriters for the " _____ " (the
"Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of
\$ _____, bearing interest and maturing as provided in the _____ [Instrument providing principal
amount and interest rate] of the _____ (the "Issuer") on _____, and the instruments
described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as
nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the
prices shown on the inside cover page of the Official Statement for the Bonds. The first price at which a sub-
stantial amount of each maturity of the Bonds was sold to the public is the price shown on the inside cover
page of the Official Statement for that maturity of the Bonds. For this purpose:

"Public" means any person (including an individual, trust, estate, partnership, association,
company, or corporation) other than an underwriter or a related party.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer
(or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to
the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person
described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a
member of a selling group or a party to a retail distribution agreement participating in the initial sale of the
Bonds to the public).

"Substantial amount" is 10% or more of each maturity.

If a yield is shown on the inside cover page for any maturity, "price" herein means the dollar
price that produces that yield.

3. The Issuer and its counsel may rely on these certifications in concluding that the
Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to
tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing
any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2018.

_____, as Representative of the Underwriters

By: _____

Title: _____

Exhibit 1
(Offering Prices of Bonds)

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PRELIMINARY OFFICIAL STATEMENT

\$4,000,000*

School District No. 316
Lincoln County, State of Idaho

General Obligation Bonds, Series 2018
(Sales Tax Guaranty and Credit Enhancement Programs)

On Tuesday, October 23, 2018, up to 9:30:00 A.M., M.D.T., electronic bids will be received by means of the **PARITY**® electronic bid submission system. See the “OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding” above.

The 2018 Bonds, as defined herein, will be awarded to the successful bidder and issued pursuant to a resolution of the Board of Trustees of School District No. 316, Lincoln County, State of Idaho, adopted on October 8, 2018.

*The District has deemed this **PRELIMINARY OFFICIAL STATEMENT** final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2018 Bonds as permitted by the Rule.*

For additional information with respect to the 2018 Bonds contact the Municipal Advisor:



Zions Bank Building
800 W Main St, Ste 700
Boise ID 83702
208.501.7533 | f 855.855.9702
christian.anderson@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated October 12, 2018, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 12, 2018

NEW ISSUE

Rating: Moody's "Aaa" (State of Idaho Guaranty)

See "STATE OF IDAHO GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 Bonds (hereinafter defined) is not included in gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the 2018 Bonds is not included in alternative minimum taxable income, as defined in Section 55(b)(2) of the Code, under present federal income tax laws, except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Interest on the 2018 Bonds is not included in Idaho taxable income under present Idaho income tax laws. See "LEGAL MATTERS—Tax Exemption."

The 2018 Bonds have been designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code. See "LEGAL MATTERS—Qualified Tax-Exempt Obligations" herein.

\$4,000,000*

School District No. 316 Lincoln County, State of Idaho

General Obligation Bonds, Series 2018 (Sales Tax Guaranty and Credit Enhancement Programs)

The \$4,000,000* General Obligation Bonds, Series 2018 (Sales Tax Guaranty and Credit Enhancement Programs) (the "2018 Bonds"), dated the date of original issuance, are issuable by School District No. 316, Lincoln County, State of Idaho (the "District"), as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (the "DTC"). DTC will act as securities depository for the 2018 Bonds.

Principal of and interest on the 2018 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2019) are payable by Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent (the "Paying Agent"), to the registered owners thereof, initially DTC. See "THE 2018 BONDS—Book-Entry System" herein.

The 2018 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2018 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption At Bidder's Option" herein.

The 2018 Bonds will be general obligations of the District payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2018 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2018 Bonds when due is further secured by the

State of Idaho

pursuant to the guaranty under the Idaho School Bond Guaranty Act and the Idaho Endowment Fund Investment Board pursuant to the Credit Enhancement Program. See "STATE OF IDAHO GUARANTY" herein.

Dated: Date of Delivery¹

Due: September 15, as shown on inside cover

See the inside front cover for the maturity schedule of the 2018 Bonds.

The 2018 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Tuesday, October 23, 2018 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated October 12, 2018).

Zions Public Finance, Inc., Boise, Idaho, is acting as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated October __, 2018, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Tuesday, November 6, 2018.

\$4,000,000*

General Obligation Bonds, Series 2018
(Sales Tax Guaranty and Credit Enhancement Programs)

Dated: Date of Delivery¹

Due: September 15, as shown below

<u>Due September 15</u>	<u>CUSIP® [533167]</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield/ Price</u>
2019.....		\$ 75,000		
2020.....		145,000		
2021.....		150,000		
2022.....		155,000		
2023.....		160,000		
2024.....		170,000		
2025.....		175,000		
2026.....		180,000		
2027.....		190,000		
2028.....		195,000		
2029.....		205,000		
2030.....		215,000		
2031.....		220,000		
2032.....		230,000		
2033.....		235,000		
2034.....		245,000		
2035.....		250,000		
2036.....		260,000		
2037.....		270,000		
2038.....		275,000		

\$ _____ % Term Bond due September 15, 20__—Yield of ____% (CUSIP _____)

¹ The anticipated date of delivery is Tuesday, November 6, 2018.

* Preliminary; subject to change.

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(This page has been intentionally left blank.)

This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the principal amount of the 2018 Bonds (as defined herein) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: School District No. 316, Lincoln County, State of Idaho; Zions Public Finance, Inc., Boise, Idaho, as Municipal Advisor; Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent; the successful bidder; or any other entity. All other information contained herein has been obtained from the District, The Depository Trust Company, New York, New York, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2018 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the District, since the date hereof.

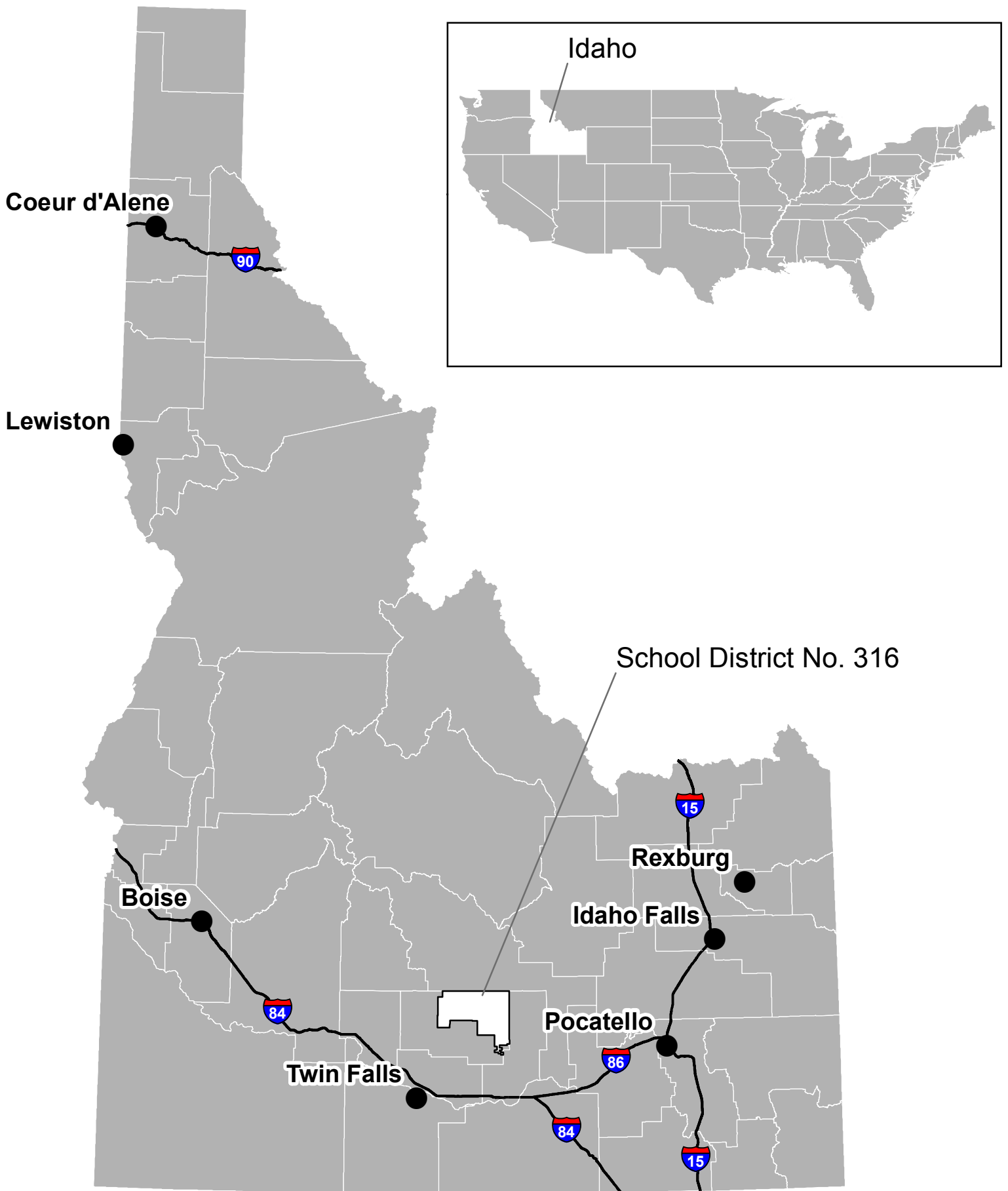
The 2018 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2018 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this OFFICIAL STATEMENT. In addition, the successful bidder may allow concessions or discounts from the initial offering prices of the 2018 Bonds to dealers and others. In connection with the offering of the 2018 Bonds, the successful bidder may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2018 Bonds. Such transactions may include overallotments in connection with the purchase of 2018 Bonds, the purchase of 2018 Bonds to stabilize their market price and the purchase of 2018 Bonds to cover the successful bidder's short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, change, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to change after the issuance of the 2018 Bonds because of subsequent actions including, but not limited to, a refunding in whole or in part of the 2018 Bonds.

The information available from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2018 Bonds and is not a part of this OFFICIAL STATEMENT.



School District No. 316
Lincoln County, Idaho

OFFICIAL STATEMENT RELATED TO

\$4,000,000*

School District No. 316

Lincoln County, State of Idaho

General Obligation Bonds, Series 2018 (Sales Tax Guaranty and Credit Enhancement Programs)

INTRODUCTION

This introduction is only a brief description of the 2018 Bonds, as hereinafter defined, the security and source of payment for the 2018 Bonds and certain information regarding School District No. 316, Lincoln County, State of Idaho (the “District”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT;” and “APPENDIX D—BOOK-ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2018 Bonds will be awarded pursuant to competitive bidding received by means of the **PARITY**® electronic bid submission system on Tuesday, October 23, 2018, as set forth in the OFFICIAL NOTICE OF BOND SALE (dated October 12, 2018).

The 2018 Bonds may be offered and sold to certain dealers (including dealers depositing the 2018 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and such public offering prices may be changed from time to time.

The District

The District serves 1,068 residents of Lincoln County, as of the 2016 U.S. Census Bureau estimates. It encompasses about forty percent of Lincoln County (the “County”) or an area of about 482 square miles. The District was organized and incorporated in 1943 and is located entirely within the County. The District is headquartered in the City of Richfield which had an estimated population of 479 in 2016, according to the U.S. Census Bureau estimates.

* Preliminary; subject to change.

A five-member board of trustees is responsible for the overall policy decisions of the District. Each trustee represents one of five zones within the District. They are elected by a majority vote within their respective zones. The Board hires a superintendent and a clerk/treasurer to serve the District. All District hires and terminations must be approved by the Board.

As a school district, the District is funded from a combination of local tax sources and state funds. See “TAXES AND STATE FUNDING” below.

The 2018 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the District of its \$4,000,000* General Obligation Bonds, Series 2018 (Sales Tax Guaranty and Credit Enhancement Programs) (the “2018 Bonds or “2018 Bond”), initially issued in book-entry form.

Security

The 2018 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the District, fully sufficient to pay the 2018 Bonds as to both principal and interest. See “THE 2018 BONDS—Security And Sources Of Payment” and “TAXES AND STATE FUNDING—Tax Levy And Collection” below.

Payment of the principal of and interest on the 2018 Bonds when due is guaranteed by the State of Idaho (the “State”) pursuant to the sales tax pledge under the provisions of the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code (the “Sales Tax Guaranty Program”) and the Credit Enhancement Program supported by the public schools’ endowment fund, pursuant to Section 57–728, Idaho Code (the “Credit Enhancement Program”). See “STATE OF IDAHO GUARANTY” below.

Authority And Purpose

The 2018 Bonds are being issued pursuant to (i) the School Bonds Law, Title 33, Chapter 11, as amended, the Registered Public Obligations Act, Title 57, Chapter 9, and the Municipal Bond Law, Title 57, Chapter 2, Idaho Code (collectively, the “Act”), (ii) Resolution of the District adopted on October 8, 2018 (the “Resolution”), which provides for the issuance of the 2018 Bonds, and (iii) other applicable provisions of law.

The 2018 Bonds were authorized at a special bond election held for that purpose on August 28, 2018. The proposition submitted to the voters was as follows:

Shall the Board of Trustees of School District No. 316, Lincoln County, State of Idaho, be authorized to issue general obligation school bonds of said District in the principal amount not to exceed \$4,000,000 for the purpose of financing the costs of (i) acquisition, construction and installation of a new heating and air conditioning system for the main school facility, including all related equipment and improvements thereto, and (ii) acquisition and construction of a new agriculture education building and a new building comprised of a gymnasium and related facilities, including all lighting, heating, ventilation and sanitation facilities and equipment and appliances necessary to maintain and operate said buildings and related facilities, the final installment of such bonds to fall due not later than twenty (20) years from the date of issuance thereof, all as provided in the Bond Election Resolution adopted by the Board on July 2, 2018?

At the election, there were 197 votes cast in favor of the issuance of bonds and 85 votes cast against the issuance of bonds, for a total vote count of 282, with approximately 69.9% in favor of the issuance of the 2018 Bonds, exceeding the two-thirds voter-approval requirement to authorize issuance of the 2018 Bonds.

* Preliminary; subject to change.

Under Idaho law, a challenge to an election outcome must be filed within 40 days of the date of canvass. The County canvassed the final election results on September 4, 2018; therefore, the 40-day challenge period will expire on Monday, October 15, 2018.

After the sale and delivery of the 2018 Bonds, the District will have no remaining authorized but unissued bonds from the August 28, 2018 voted authorization.

The 2018 Bonds are being issued for the purposes set forth in the proposition and to pay certain costs of issuance. See “THE 2018 BONDS—Sources And Uses Of Funds” below.

Redemption Provisions

The 2018 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “THE 2018 BONDS—Redemption Provisions” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” below.

Registration, Denominations, Manner Of Payment

The 2018 Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2018 Bonds. Purchases of 2018 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2018 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2018 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK-ENTRY SYSTEM” below.

Principal of and interest on the 2018 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2019) are payable by Zions Bancorporation, National Association, Boise, Idaho (“Zions Bancorporation”), as paying agent (the “Paying Agent”) for the 2018 Bonds, to the registered owners of the 2018 Bonds. So long as Cede & Co. is the registered owner of the 2018 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2018 Bonds, as described under “APPENDIX D—BOOK-ENTRY SYSTEM” below.

So long as DTC or its nominee is the registered owner of the 2018 Bonds, neither the District nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2018 Bonds. Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2018 Bonds.

Tax-Exempt Status Of The 2018 Bonds

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 Bonds is not included in gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the 2018 Bonds is not included in alternative minimum taxable income, as defined in Section 55(b)(2) of the Code, under present federal income tax laws, except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. Interest on the 2018 Bonds is not included in Idaho taxable income under present Idaho income tax laws. See “LEGAL MATTERS—Tax Exemption” below.

Qualified Tax–Exempt Obligations

The 2018 Bonds are “qualified tax–exempt obligations” under Section 265(b)(3) of the Code, as amended. See “LEGAL MATTERS—Qualified Tax–Exempt Obligations” herein.

Professional Services

In connection with the issuance of the 2018 Bonds, the following have served the District in the capacity indicated.

Bond Counsel

Hawley Troxell Ennis & Hawley LLP
877 Main St Ste 1000
PO Box 1617
Boise ID 83701–1617
208.344.6000 | f 208.954.5421
nmiller@hawleytroxell.com

Attorney for the District

Anderson, Julian & Hull, LLP
PO Box 7426
250 S Fifth St #700
Boise ID 83707–7426
208.334.5800 | f 208.344.5510
awhite@ajhlaw.com

Paying Agent and Bond Registrar

Zions Bancorporation, National Association
800 W Main St Ste 700
Boise ID 83702
208.501.7493 | f 855.855.9705
jennifer.mabbott@zionsbank.com

Municipal Advisor

Zions Public Finance, Inc.
800 W Main St, Ste 700
Boise ID 83702
208.501.7533 | f 855.855.9702
christian.anderson@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2018 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder, subject to the approval of legality of the 2018 Bonds by Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the District by Anderson, Julian & Hull, LLP, Boise, Idaho. It is expected that the 2018 Bonds, in book–entry form only, will be available for delivery in Boise, Idaho for deposit with the Paying Agent, as fast agent of DTC, on or about Tuesday, November 6, 2018.

Information Reporting Agreement (Disclosure Undertaking)

The District will enter into an Information Reporting Agreement (the “Disclosure Undertaking”) for the benefit of the owners of the 2018 Bonds. For a detailed discussion of the Disclosure Undertaking, previous undertakings and timing of submissions see “INFORMATION REPORTING AGREEMENT” below and “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the District’s Board of Trustees (the “Board”), the District, the 2018 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document, and references herein to the 2018 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation authorizing the issuance of the 2018 Bonds and establishing the rights and responsibilities of the District and other parties to the transaction may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Boise, Idaho, as municipal advisor to the District (the “Municipal Advisor”):

Christian Anderson, Vice President, christian.anderson@zionsbancorp.com

Zions Public Finance, Inc.
Zions Bank Building
800 W Main St Ste 700
Boise ID 83702
208.501.7533 | f 855.855.9702

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the District concerning the 2018 Bonds are:

Mike Smith, Superintendent, mikesmith@richfieldsd.org
Heather Wallace, Business Manager, heatwall@richfieldsd.org

School District No. 316
555 North Tiger Dr
Richfield ID 83349
208.487.2790 | f 208.487.2055

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the guaranty for the 2018 Bonds under the Sales Tax Guaranty Program is:

Paul Stewart, Investment Officer, paul.stewart@sto.idaho.gov

Office of the Idaho State Treasurer
700 West Jefferson Ste. 126
Boise ID 83720
208.332.2938 | f 208.332.2961
www.sto.idaho.gov

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Idaho Endowment Fund Investment Board concerning the guaranty for the 2018 Bonds under the Credit Enhancement Program is:

Chris Anton, Investment Officer, chris.anton@efib.idaho.gov

Idaho Endowment Fund Investment Board
816 West Bannock Street, Suite 301
Boise ID 83720
208.334.3728

INFORMATION REPORTING AGREEMENT

The District will enter into the Disclosure Undertaking for the benefit of the Beneficial Owners of the 2018 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT.”

The Disclosure Undertaking requires the District to submit its annual financial report (Fiscal Year Ending June 30) and other operating and financial information on or before December 27 (180 days from the end of the Fiscal Year). The District will submit the Fiscal Year 2019 financial report and other operating and financial information for the 2018 Bonds on or before December 27, 2019, and annually thereafter on or before each December 27.

A failure by the District to comply with the Disclosure Undertaking will not constitute a default under the Resolution, and Bondowners of the 2018 Bonds are limited to the remedies provided in the Disclosure Undertaking. A failure by the District to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2018 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2018 Bonds.

Bond Counsel expresses no opinion as to whether the Disclosure Undertaking complies with the requirements of the Rule.

STATE OF IDAHO GUARANTY

The Guaranty; Pledge of State Sales Tax

School districts are eligible to apply for a guaranty by the Idaho State School Bond Guaranty Program pursuant to the provisions of the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code (the “Sales Tax Guaranty Program”) and may apply for further credit enhancement by the Credit Enhancement Program supported by the public school’s endowment fund, pursuant to section 57-728, Idaho Code (the “Credit Enhancement Program”) (the Sales Tax Guaranty Program and the Credit Enhancement Program, collectively referred to herein as the “Programs”). School districts may have outstanding up to \$40 million of school bonds guaranteed by both the Programs and may obtain a guaranty solely by the Sales Tax Guaranty Program if bonds to be guaranteed or already guaranteed are more than \$40 million.

As of the date of this OFFICIAL STATEMENT, Moody’s has assigned its “Aa1” rating to bonds that are guaranteed by the Sales Tax Guaranty Program. Moody’s has assigned its “Aaa” rating to bonds that are guaranteed by the Credit Enhancement Program and the Sales Tax Guaranty Program. ***The 2018 Bonds are guaranteed by both Programs.***

The Sales Tax Guaranty Program

General. Any school district may apply to the Idaho State Treasurer (the “State Treasurer”) for the State’s guaranty of its eligible bonds. Pursuant to the Sales Tax Guaranty Program, the sales tax of the State is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, refunding bonds issued on and after March 1, 1999, which meet certain requirements detailed below, for voter-approved bonds which were voted on by the electorate prior to March 1, 1999, and voter-approved bonds for new projects which were voted on by the electorate on and after March 1, 1999, as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) (the “Guaranty”). The Guaranty is good for the life of the bond, even if the State Treasurer later determines a district is ineligible for future guaranties. See in this section “State Treasurer to Monitor District’s Fiscal Solvency” below.

On October 2, 2018, the State Treasurer issued to the District a Certificate of Eligibility for the Sales Tax Guaranty Program for the 2018 Bonds (the “Certificate of Eligibility”).

The Certificate of Eligibility evidences the District's eligibility for the Sales Tax Guaranty Program for 90 days from the date of issuance. Once the 2018 Bonds are issued pursuant to the Certificate of Eligibility, the Guaranty is in effect for so long as the 2018 Bonds are outstanding.

In addition, the Sales Tax Guaranty Program provides that the State pledges to and agrees with the holders of bonds guaranteed under the program that the State will not alter, impair, or limit the rights vested by the program with respect to bonds until the bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

Program Limitations. Bonds issued by the Idaho Bond Bank Authority ("IBBA") and the Sales Tax Guaranty Program are both secured by State sales tax. The State implemented a debt capacity policy that caps the Sales Tax Guaranty Program at the combined "maximum annual debt service" of bonds issued thereunder and the IBBA's revenue bonds/municipal loan program can be no greater than 20% of prior Fiscal Year audited State sales tax revenue. The State's sales tax revenue for Fiscal Year 2017 was \$1.636 billion. The combined maximum annual debt service under the Sales Tax Guaranty Program and IBBA's revenue bonds/municipal program as of June 2018 was \$188.81 million, resulting in a percentage of 11.54%.

As of the date of this OFFICIAL STATEMENT, the District has no other bonds outstanding that are guaranteed by the Sales Tax Guaranty Program.

Credit Enhancement Program

If approved to participate in the Sales Tax Guaranty Program, a school district may also apply to the Credit Enhancement Program. Pursuant to the Credit Enhancement Program, the endowment fund investment board (the "Endowment Board") is mandated to purchase notes issued by the State for the purpose of making debt service payments under the Sales Tax Guaranty Program.

Under the Credit Enhancement Program, the following shall take effect in the event moneys from the sales tax are insufficient to pay a school district's debt service payment under the Sales Tax Guaranty Program: (i) the Endowment Board may purchase on behalf of the public school endowment fund, or from other funds administered by the Endowment Board, notes from the State issued by the State Treasurer under such terms as are negotiated between the Endowment Board and the State Treasurer; or (ii) upon the request of the State Treasurer, the Endowment Board shall purchase on behalf of the public school endowment fund notes issued by the State Treasurer, the proceeds of which shall be sufficient to pay debt service payments as they become due (the "Notes").

The Notes shall bear interest at a rate equal to the annual rate of one year treasury bills, as published by the federal reserve, plus 400 basis points, plus, for the first six months of the term of the Notes, an amount, as determined by the Endowment Board, up to a maximum of 50 basis points, to cover all additional administrative and transaction costs related to the purchase of the Notes. The Notes will have a maximum term of one year and may be renewed at the request of the State Treasurer; the Notes shall be repaid from a school district's reimbursement payments pursuant to the Sales Tax Guaranty Program and the State may make additional payments on the Notes. The Endowment Board may require the State Treasurer to compel a school district to modify its fiscal practices and its general operations if the Endowment Board determines that there is a substantial likelihood that a school district will not be able to make future payments.

Pursuant to the provisions of the Credit Enhancement Program, the Endowment Board shall make available \$300 million from the public-school endowment fund for the purposes of purchasing Notes under this program, and the principal amount of bonds guaranteed by the Credit Enhancement Program shall not be greater than \$1.2 billion. The aggregate principal amount of school district bonds outstanding that may be guaranteed by the Credit Enhancement Program shall not exceed \$40 million per district.

On October 4, 2018, the Endowment Board issued to the District its Certificate of Approval of Credit Enhancement for the 2018 Bonds. The Certificate of Approval evidences the District's eligibility for the Credit Enhancement Program for 90 days following the issuance of the certificate.

As of the date of this OFFICIAL STATEMENT, the District has no other bonds outstanding that are guaranteed by the Credit Enhancement Program.

Guaranty Procedures

The Programs are for the protection of the bondholders. Ultimate liability for the payment of the 2018 Bonds remains with the District. Accordingly, the Sales Tax Guaranty Program contains provisions, including interception of State aid to the District, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its Guaranty, and various oversight provisions to assure that the District, and not the State, will ultimately be responsible for debt service on the 2018 Bonds.

Under the Sales Tax Guaranty Program, the District's Superintendent is required to transfer moneys sufficient for scheduled debt service payments on the 2018 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2018 Bonds. If the Superintendent is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Superintendent must immediately notify the Paying Agent and the State Treasurer. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2018 Bonds the Paying Agent must notify the State Treasurer in writing at least 10 days prior to the payment date. The Sales Tax Guaranty Program further provides that if sufficient moneys have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2018 Bonds discharges the obligation of the District to the bondholders for that payment to the extent of the State's payment and transfers the District's obligation for that payment to the State.

If one or more payments are made by the State Treasurer pursuant to the Sales Tax Guaranty Program, the State Treasurer shall immediately intercept any payments from any sources of operating moneys provided by the State to the District that would otherwise be paid to the District, and apply these intercepted payments to reimburse the State until all obligations of the District to the State arising from these payments are paid in full, including interest and penalties payable pursuant to the Sales Tax Guaranty Program. The State has no obligation to replace any moneys intercepted. The Sales Tax Guaranty Program obligates the District to reimburse all moneys drawn by the State Treasurer on its behalf, pay interest to the State on all moneys paid at not less than the average prime rate for national money center banks plus 1%, and to pay any additional penalties, which may be imposed by the State Treasurer pursuant to the Sales Tax Guaranty Program at a rate of not more than 5% of the amount paid by the State pursuant to its Guaranty, for each instance payment is made. If the State Treasurer determines amounts obtained pursuant to the Sales Tax Guaranty Program will not be sufficient to reimburse the State within one year from a payment the State makes, the State Treasurer must pursue any legal action against the District necessary to compel it to levy and provide tax revenues sufficient to pay debt service and to meet its repayment obligations to the State.

The District may use property taxes or other moneys to replace intercepted funds if the moneys are derived from taxes originally levied to make the payment but which were not timely received by the District; taxes from a supplemental levy made to make the missed payment or to replace the intercepted moneys; moneys transferred from the undistributed reserve, if any, of the District, or any other source of money on hand and legally available. The District may not replace operating funds intercepted by the State with moneys collected and held to make payments on the 2018 Bonds if that replacement would divert moneys from the payment of future debt service on the 2018 Bonds and increase the risk that the Guaranty would be called upon an additional time.

Since the inception of the Programs, the State has not been called upon to pay the principal of or interest on any bonds guaranteed under the Programs.

State Treasurer to Monitor District's Fiscal Solvency

The Sales Tax Guaranty Program also charges the State Treasurer with the responsibility to monitor, evaluate and, at least annually, report his or her findings as to the fiscal solvency of each school district. Pursuant to the Sales Tax Guaranty Program, the State Treasurer will receive annual statements of the financial condition of the District and a copy of the complete audit of the financial statements of the District, which is prepared pursuant to Section 33-701, Idaho Code. The State Treasurer is also required to report his conclusions regarding the fiscal solvency of the District at least annually to the Governor, the Idaho State Legislature (the "State Legislature"), the Endowment Board and the State Superintendent of Public Instruction. In addition, the State Treasurer must immediately report any circumstances suggesting that the District will be unable to meet its debt service obligations and immediately recommend a course of remedial action.

Status Of The Programs

As of the date of this OFFICIAL STATEMENT, the State has the following bonds guaranteed under the Programs:

	Sales Tax Guaranty Program (1) (2)	Sales Tax Guaranty and Credit Enhance- ment Programs (2)
Number of school districts with bonds outstanding.....	63	61
Number of outstanding bond issues.....	122	88
Outstanding principal guaranteed	\$1,301,525,014	\$627,951,824

(1) Districts included in the Sales Tax Guaranty Program column may also have bonds that are secured by both Programs.

(2) These totals do not include \$45,000,000 applied for and not yet issued by three school districts, including the District.

(Source: Office of the Idaho State Treasurer.)

State Of Idaho—Financial And Operating Information

The State produces a Comprehensive Annual Financial Report ("CAFR") in accordance with generally accepted accounting principles as defined by the Government Accounting Standards Board. The State's Fiscal Year 2017 CAFR may be found at <http://www.sco.idaho.gov>. The State's most recent official statement for its tax anticipation notes (base CUSIP®451434) is currently on file with EMMA. Such information contained on websites shall not be considered to be a part of this OFFICIAL STATEMENT and is not provided in connection with the offering of the 2018 Bonds.

BOND LEVY EQUALIZATION SUPPORT PROGRAM

Bond Levy Subsidy Program

In 2002, the State created a Bond Levy Equalization Support Program (the "Bond Levy Subsidy Program"). The Bond Levy Subsidy Program provides for a subsidy payment (the "Levy Subsidy") from the State's Bond Levy Equalization Fund to school districts to offset a portion of the costs of annual bond interest and redemption payments made on bonds approved at elections occurring on or after September 15, 2002.

Availability Of The Levy Subsidy

To determine the amount of the average payment, the Idaho State Department of Education (the "DOE") calculates a value index (the "Value Index") annually for each school district based upon the following three

components: (i) the district's market value per support unit for equalization divided by two; (ii) the average annual seasonally adjusted unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property (the "Taxable Assessed Value") is located; and (iii) the per capita income in the county in which a plurality of the school district's Taxable Assessed Value is located.

The Levy Subsidy payment to a district is determined by multiplying one, minus the district's Value Index, times the district's average annual principal and interest on bonded indebtedness, subject to the provisions that every school district with a Value Index of less than 1.50 will receive a minimum payment of no less than 10% of its interest payments. School districts with a Value Index of 1.50 or greater receive no Levy Subsidy. The DOE disburses Levy Subsidy payments no later than September 1 of each year for school districts in which voters have approved the issuance of qualifying bonds by no later than January 1 of that calendar year.

To be entitled to a Levy Subsidy payment from the DOE, a district is required to annually report the status of all qualifying bonds to the DOE by January 1 of each year, including bonds approved by the voters that have not been issued. Information submitted includes the following: (1) the actual or estimated bond interest and redemption payment schedule; (2) any qualifying bond that has been paid in full; and (3) other information as may be required by the DOE.

The 2018 State Legislature appropriated \$23.1 million for Levy Subsidy for the Fiscal Year 2019 disbursement which were disbursed to qualifying school districts on or about September 1, 2018. Amounts available for Levy Subsidy payments in future years are subject to appropriation by the State Legislature each year. Fiscal Year 2019 disbursements were funded from a mix of sources: Approximately \$10.3 million from the General Fund (transferred from cigarette tax revenue), approximately \$421,700 of fund balance carry over, and \$12.375 million of Idaho Lottery proceeds which are directed by statute to the Bond Levy Equalization Program.

The Value Index is recalculated annually. There can be no assurance that the District will qualify to receive levy equalization payments from the State or that there will be sufficient funds in the Bond Levy Equalization Fund of the State to make payments to all eligible districts. Further, there can be no assurance that the Bond Levy Subsidy Program will not be altered, amended or discontinued in the future.

Benefit Of Levy Subsidy To The District

Based on information provided by the DOE, the District's Value Index for Fiscal Year 2019 is approximately 0.7277 which would entitle the District to receive an annual Levy Subsidy payment equal to approximately 27.2% of the average annual debt service on qualifying bonds. The Value Index for future fiscal years (beginning with Fiscal Year 2020) will be recalculated annually by the DOE and provided in July, shortly after the beginning of the applicable fiscal year. Based on information provided by the District, the District's value index for Fiscal Year 2020 is not expected to exceed the 1.50 index cap. If the District's Value Index is above 1.50 for any fiscal year during the repayment of the 2018 Bonds, the District will not receive a subsidy payment for that fiscal year.

For newly-authorized bonds, such as the 2018 Bonds, school districts receive the first Levy Subsidy payment on September 1 of the year following the calendar year in which the bonds were authorized.

THE 2018 BONDS

General

The 2018 Bonds will be dated the date of their original issuance and delivery¹ (the "Dated Date") and will mature on September 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

¹ The anticipated date of delivery is Tuesday, November 6, 2018.

The 2018 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2018 Bonds is payable semiannually on each March 15 and September 15, commencing March 15, 2019. Interest on the 2018 Bonds will be computed on the basis of a 360-day year comprised of 12, 30-day months. Zions Bancorporation is the bond registrar and Paying Agent for the 2018 Bonds under the Resolution (in such respective capacities, the initial “Bond Registrar”).

The 2018 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Sources And Uses Of Funds

The sources and uses of funds in connection with the issuance of the 2018 Bonds are estimated to be as follows:

Sources:

Par amount of 2018 Bonds.....	\$
Original issue premium.....	
Total	\$

Uses:

Deposit to Project Fund	\$
Underwriter’s discount.....	
Costs of Issuance (1).....	
Total	\$

- (1) Includes legal fees, Municipal Advisor fees, rating agency fees, credit enhancement application fees, Bond Registrar and Paying Agent fees, rounding amounts, and other miscellaneous costs of issuance.

Security And Sources Of Payment

The 2018 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2018 Bonds as to both principal and interest. See “TAXES AND STATE FUNDING—Ad Valorem Tax System” and “STATE OF IDAHO SCHOOL FINANCE” below.

Payment of the principal of and interest on the 2018 Bonds will be guaranteed by the Programs. See “STATE OF IDAHO GUARANTY” above.

Redemption Provisions

Optional Redemption. The 2018 Bonds maturing on or after September 15, 2029, are subject to redemption at the option of the District on September 15, 2028 (the “First Redemption Date”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the District, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days’ prior written notice, at a redemption price equal to 100% of the principal amount of the 2018 Bonds to be redeemed, plus accrued interest thereon to the redemption date. The 2018 Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Selection for Redemption. If less than all 2018 Bonds of any maturity are to be redeemed, the particular 2018 Bonds or portion of 2018 Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2018 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount

of \$5,000 or a whole multiple thereof, and in selecting portions of such 2018 Bonds for redemption, the Bond Registrar will treat each such 2018 Bond as representing that number of 2018 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2018 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2018 BONDS—Registration And Transfer” below, of each 2018 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the District kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2018 Bonds are to be redeemed, the distinctive numbers of the 2018 Bonds or portions of 2018 Bonds to be redeemed, and will also state that the interest on the 2018 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2018 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2018 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the District will not be required to redeem such 2018 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any such notice mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2018 Bond will not affect the validity of the proceedings for redemption with respect to any other 2018 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to DTC and certain registered securities depositories and national information services as provided in the Resolution, but no defect in such further notice nor any failure to give all or any portion of such notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Resolution.

For so long as a book-entry system is in effect with respect to the 2018 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2018 Bonds. See “THE 2018 BONDS—Book-Entry System” below.

Mandatory Sinking Fund Redemption At Bidder’s Option

The 2018 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder’s Option.”

Registration And Transfer; Record Date

In the event the book-entry system is discontinued, any 2018 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2018 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2018 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new

fully-registered 2018 Bond or 2018 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the District, for a like aggregate principal amount.

The 2018 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully-registered 2018 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2018 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2018 Bonds.

The Bond Registrar will not be required to transfer or exchange any 2018 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2018 Bond. The term "Record Date" means (i) with respect to each interest payment date, the first day of the month of each interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2018 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption.

The District, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2018 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof (on the 2018 Bonds) and interest due thereon and for all other purposes whatsoever.

Book-Entry System

DTC will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX D—BOOK-ENTRY SYSTEM" for a more detailed discussion of the book-entry system and DTC.

The District, the Bond Registrar, and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the 2018 Bonds registered in its name for the purpose of payment of the principal of and interest on the 2018 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of 2018 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The District, the Bond Registrar and the Paying Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the 2018 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the District.

So long as Cede & Co. is the registered owner of the 2018 Bonds, as nominee of DTC, references herein and in the Resolution to the Bondowners or registered owners of the 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2018 Bonds.

Neither the District, the Bond Registrar nor the Paying Agent will have any responsibility or obligation to any Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice to the Participants, or Beneficial Owners of the 2018 Bonds.

In the event the book-entry system is discontinued, interest on the 2018 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration

books of the District kept for that purpose by the Bond Registrar. The principal of all 2018 Bonds will be payable at the principal office of the Paying Agent.

Debt Service On The 2018 Bonds

<u>Payment Date</u>	<u>The 2018 Bonds</u>		<u>Period Total</u>	<u>Fiscal Total</u>
	<u>Principal*</u>	<u>Interest</u>		
March 15, 2019.....	\$ 0.00			
September 15, 2019	75,000.00			
March 15, 2020.....	0.00			
September 15, 2020	145,000.00			
March 15, 2021.....	0.00			
September 15, 2021	150,000.00			
March 15, 2022.....	0.00			
September 15, 2022	155,000.00			
March 15, 2023.....	0.00			
September 15, 2023	160,000.00			
March 15, 2024.....	0.00			
September 15, 2024	170,000.00			
March 15, 2025.....	0.00			
September 15, 2025	175,000.00			
March 15, 2026.....	0.00			
September 15, 2026	180,000.00			
March 15, 2027.....	0.00			
September 1, 2027	190,000.00			
March 15, 2028.....	0.00			
September 15, 2028	195,000.00			
March 15, 2029.....	0.00			
September 15, 2029	205,000.00			
March 15, 2030.....	0.00			
September 15, 2030	215,000.00			
March 15, 2031.....	0.00			
September 1, 2031	220,000.00			
March 15, 2032.....	0.00			
September 15, 2032	230,000.00			
March 15, 2033.....	0.00			
September 15, 2033	235,000.00			
March 15, 2034.....	0.00			
September 15, 2034	245,000.00			
March 15, 2035.....	0.00			
September 15, 2035	250,000.00			
March 15, 2036.....	0.00			
September 15, 2036	260,000.00			
March 15, 2037.....	0.00			
September 15, 2037	270,000.00			
March 15, 2038.....	0.00			
September 15, 2038	<u>275,000.00</u>			
Totals	\$ <u>4,000,000.00</u>		\$	\$

* Preliminary; subject to change.

SECURITY AND SOURCES OF PAYMENT

The 2018 Bonds are general obligations of the District and the full faith, credit and resources of the District are pledged for the punctual payment of the principal of and interest on the 2018 Bonds. The 2018 Bonds are secured by ad valorem taxes to be levied against all taxable property within the District. More specifically, for the purpose of paying the principal of and interest on the 2018 Bonds as the same will become due, the District will levy on all taxable property located within the District, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the 2018 Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the 2018 Bonds and for no other purpose. See “TAXES AND STATE FUNDING—Ad Valorem Tax System” below.

The District may, subject to applicable laws, apply other funds available to make payments with respect to the 2018 Bonds and thereby reduce the amount of future tax levies for such purpose.

The 2018 Bonds also have the benefit of the Programs as described above under the caption: “STATE OF IDAHO GUARANTY,” and are eligible for the Levy Subsidy as described above under the caption “BOND LEVY EQUALIZATION SUPPORT PROGRAM.”

The funds made available under the Levy Subsidy are appropriated on an annual basis by the State Legislature and therefore do not constitute security for the 2018 Bonds because Bondowners cannot compel appropriation of the Levy Subsidy. However, in the Resolution the District covenants to deposit all payments received under the Levy Subsidy into the Bond Fund (defined herein) for the 2018 Bonds and to use them for no other purpose. See “Bond Fund For The 2018 Bonds” below. Accordingly, the Levy Subsidy provides an additional source of payment for the 2018 Bonds, and once received by the District such funds are pledged as security for the 2018 Bonds.

The 2018 Bonds do not constitute a debt or indebtedness of the County, the State (except as described under “STATE OF IDAHO GUARANTY”), or any political subdivision thereof other than the District.

Bond Fund For The 2018 Bonds

The Resolution creates a bond fund for the deposit of revenues and disbursement of payments of debt service on the 2018 Bonds (the “Bond Fund”). In the Resolution, the District covenants to levy and collect property taxes sufficient, together with other funds, to pay debt service on the 2018 Bonds, to deposit such revenues into the Bond Fund and to use the funds on deposit in the Bond Fund for no other purpose than for payment of principal and interest on the 2018 Bonds as they become due.

The Idaho system of ad valorem tax collection and disbursement does not require counties to segregate tax collections dedicated to pay principal and interest on bonded indebtedness of political subdivisions from the other revenues the county collects on behalf of the political subdivision. In addition to the revenues collected from the dedicated ad valorem tax levy for the District’s bonds, such revenues may include revenues from other levies available to the District. See “TAXES AND STATE FUNDING—Ad Valorem Tax System” and “TAXES AND STATE FUNDING—School District Levies” herein. The District maintains certain policies and internal controls to ensure that monies received from the County are properly allocated to their intended purposes, and that monies received from the bond levy are promptly deposited into the Bond Fund. The District also has policies and internal controls in place to prevent withdrawals from the Bond Fund for any purpose other than payment of principal and interest on the 2018 Bonds.

Similarly, Levy Subsidy payments received from the State are direct deposited to the District in the same manner as other state funds. In the Resolution, the District covenants to deposit the Levy Subsidy payments into the Bond Fund, and the District’s internal controls verify that Levy Subsidy payments are properly allocated to the payment of debt service and promptly recorded into the Bond Fund.

The Resolution pledges the revenues from the bond levy, Levy Subsidy payments once received, and all funds on deposit in the Bond Fund for the payment of principal and interest on the 2018 Bonds.

The 2018 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2018 Bonds as to both principal and interest. See “TAXES AND STATE FUNDING—Ad Valorem Tax System” and “STATE OF IDAHO SCHOOL FINANCE” below.

THE DISTRICT

General

The District serves 1,068 residents of Lincoln County, according to the U.S. Census Bureau 2016 estimates. It encompasses about forty percent of the County or an area of about 482 square miles. The District was organized and incorporated in 1943 and is located entirely within the County. The District is headquartered in the City of Richfield which had an estimated population of 479 in 2016, according to the U.S. Census Bureau estimates.

A five-member board of trustees is responsible for the overall policy decisions of the District. Each trustee represents one of five zones within the District. They are elected by a majority vote within their respective zones. The Board hires a superintendent and a clerk/treasurer to serve the District. All District new-hires and terminations must be approved by the Board.

The remaining portions of the County are served by five other school districts: Joint School District No. 231 (Gooding Joint), Joint School District No. 261 (Jerome Joint), Joint School District No. 331 (Minidoka Joint), School District No. 314 (Dietrich), and School District No. 312 (Shoshone).

The District presently operates one school that services kindergarten through 12th grade.

District Enrollment And Average Daily Attendance

The amount of State funding provided to each school district is determined, in part, by support units calculated for each district, which units are calculated largely based on average daily attendance (“ADA”) at each district. ADA is calculated in accordance with Idaho Code § 33–1003A, based on the entire school year except that the 28 weeks having the highest ADA, not necessarily consecutive, may be used. Accordingly, an increase or decrease in a district’s enrollment and ADA will affect the level of state funding received by the district. In the event a school district’s annual ADA drops for a period of one year, Idaho Code § 33–1003 provides for only a minimal percentage decrease in funding to allow a school district one year to adjust to the lower ADA. Although the District’s ADA has remained relatively stable to date, students of the District could be recruited to a number of area charter schools or could petition to enroll in a neighboring school district, which would result in a reduction of state funding based on the District’s decreased ADA.

Following is a table showing the historical ADA for the District, calculated in accordance with Idaho statutes.

Historical Average Daily Attendance and Enrollment

Fiscal Year (1)	Elementary (P-4)	Middle (5-8)	Secondary (9-12)	Total	% Change	ADA
2019 (2).....	89	59	46	194	2.6	190
2018.....	84	56	49	189	(11.3)	174
2017.....	90	67	56	213	2.9	204
2016.....	85	55	67	207	1.0	195
2015.....	93	52	60	205	16.5	192
2014.....	71	51	54	176	(1.7)	177
2013.....	66	60	53	179	(3.8)	161
2012.....	66	68	52	186	(6.5)	177
2011.....	69	64	66	199	(4.8)	188
2010.....	73	65	71	209	(4.1)	190
2009.....	87	67	64	218	0.5	203

(1) Historical enrollment as of fall each year, except otherwise indicated.

(2) Current enrollment; source: the District.

(Source: The Idaho State Department of Education.)

Form Of Government

Board of Trustees. The determination of policies for the management of the District is the responsibility of its Board, the members of which are elected by the qualified electors within the District. The District is divided into five representative zones, and a member of the Board is elected from each of the five zones. Members serve four-year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum; (ii) administer tests which measure the progress of each student, and are used to create plans to improve the student's progress; (iii) implement training programs for school administrators; (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the "Superintendent") is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The current Superintendent is employed by the Board for a three-year term.

Business Manager. The Business Manager (the "Business Manager") is appointed by the Board and reports to the Superintendent. The duties of the Business Manager, among others, are to (i) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury and (ii) have custody of the records and papers of the Board. The Business Manager is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Manager's office.

Current members of the Board, the Superintendent and the Business Manager and their respective terms in office are as follows:

Office	Person	Years in Service	Expiration of Current Term (1)
Chairperson	Amber Riley–Moore	2	December 2019
Vice Chairperson	Delbert Tree	11	December 2019
Trustee	Nathan Fuchs	1	December 2021
Trustee	Robert Telford	1	December 2021
Trustee	John Allen	3	December 2021
Superintendent	Mike Smith	6	Appointed
Business Manager	Heather Wallace	2	Appointed
Clerk.....	Katie Brownlee	1	Appointed

- (1) The 2018 Legislature adopted Senate Bill 1280, which changed the election date for school district trustees from the 3rd Tuesday in May in odd-numbered years, to the general election in November in odd-numbered years. The legislation extended the terms of incumbent trustees through the end of the year in which their current term would have expired on June 30. Beginning with elections in November 2019, the terms of school district trustees will run from January 1 of the year following the election for a term of four years thereafter.

District Staff

The District employs approximately 45 persons in the following capacities: 18 certified staff (including teachers); 2 administrators; 13 classified staff; 8 adjunct coaches; and 4 substitutes.

Pension System

The District is a member of the Idaho State Public Employees' Retirement System ("PERSI"). PERSI is the administrator of a multiple employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the legislature, manages the system which includes selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund, and the Judge's Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

PERSI membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2017, PERSI had 70,073 active members, 34,151 inactive members (of whom 12,669 are entitled to vested benefits), and 45,468 annuitants. In addition, there were 783 participating employers in the PERSI Base Plan and total membership in PERSI was 149,692.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI's inception. The net position for all pension and other funds administered by PERSI increased \$1.6 billion during Fiscal Year 2017 compared to a decrease of \$40.6 million during Fiscal Year 2016. The increase in the defined benefit plans reflects the total of contributions received and an investment return of more than benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2017 as a result of positive market performance. Net investment income for all of the funds administered by PERSI for the Fiscal Years ended June 30, 2017 and 2016 was \$1.9 billion and \$228 million, respectively.

As of June 30, 2017, the funding ratio (actuarial value of assets divided by actuarial accrued liability) for the PERSI Base Plan was 89.6%, which is an increase from the funding ratio of 86.3 percent as of June 30, 2016. The higher the funding ratio, the better the plan is funded. The amortization period (estimated time to payoff unfunded liability) for PERSI's Base Plan as of June 30, 2017 decreased from the previous Fiscal Year's 36.6 years to 16.2 years, which is lower than the 25-year amortization period required by statute.

Because of the statutory requirement that the amortization period for the unfunded actuarial liability be 25 years or less, the PERSI Board, at its October 18, 2016 meeting, approved a total contribution rate increase of 1% scheduled to take effect July 1, 2018. However, PERSI ended Fiscal Year 2017 with a 12.25% net investment return, providing the PERSI Board with the ability to reconsider the increase. During its October 2017 meeting, the PERSI Board voted to delay implementation of the 1% contribution rate increase for one year, making the new effective date July 1, 2019. Until July 1, 2019, PERSI contribution rates will remain unchanged. The contribution rates for the year ended June 30, 2017 follow:

	Member		Employer	
	General/ Teacher	Fire/ Police	General/ Teacher	Fire/ Police
Contribution Rates (1).....	6.79%	8.36 %	11.32%	11.66%

(1) Rate as of June 30, 2017.

(Source: Financial Statements June 30, 2017 Public Employee Retirement System of Idaho.)

The next major PERSI experience study to be completed in 2018, will cover the period of July 1, 2013 through June 30, 2017.

The District's required and paid contributions to PERSI for Fiscal Years 2017, 2016, and 2015 were \$126,341, \$122,632, and \$122,113, respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by State law.

Beginning in Fiscal Year 2015, the District became required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI due to the implementation of the Governmental Accounting Standards Board ("GASB") Statement 68. The District reported a liability for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. On July 1, 2017, the District's proportion was 0.035934 percent or \$564,821.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information and may be found at <http://www.persi.idaho.gov>. See "APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Notes To The Financial Statements—Note 11. Retirement Plan" (page A-30).

Other Post-Employment Benefits

Plan Description. The District participates in a postretirement health insurance program administered by PERSI. PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave.

The District funds the Sick Leave Insurance Reserve Fund on a monthly-basis and is based on a percentage of salary. The percentage is determined by PERSI and reported and paid by the District on a monthly basis.

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of GASB Statement 75 is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Notes To The Financial Statements—Note 12. Other Post-Employment Benefits (page A-34).

Risk Management

The District manages its risks through the purchase of individual insurance policies through a commercial insurance company. The District has flood and earthquake protection included in its insurance policies. As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The District believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the District provides. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Notes To The Financial Statements—Note 5. Risk Management” (page A-27).

Investment Of Funds

Chapter 12 of Title 67, Idaho Code, provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. District procedures are consistent with the Idaho Code. The Idaho Code limits investments to the following general types: (i) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of State and local governmental entities; (ii) time deposits accounts and tax anticipation and interest-bearing notes; (iii) bonds, treasury bills, debentures or other similar obligations issued or guaranteed by agencies or instrumentalities of the government of the State of Idaho or the United States; and (iv) repurchase agreements.

The District has adopted a formal investment policy and is governed by Idaho Code 67-1210 and 67-1210A. Local governments, including the District, are also authorized to invest in the Local Government Investment Pool (“LGIP”), established as cooperative endeavors to enable public entities of the State to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The LGIP is managed by the State Treasurer’s Office. Information about the LGIP investments is available from the Idaho State Treasurer at <http://sto.idaho.gov>. The District does invest in the LGIP.

Investments are stated at cost, except for investments in the deferred compensation agency fund, which are reported at market value. Interest income on such investments is recorded as earned in the General Fund of the District unless otherwise specified by law.

See APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Notes To The Financial Statements—Note 2. Cash and Investments” (page A-24).

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DEMOGRAPHIC INFORMATION ABOUT THE DISTRICT

Population

The following historical population information is provided for Richfield City and the County.

	<u>Richfield City</u>	<u>% Over Prior Period</u>	<u>Lincoln County</u>	<u>% Over Prior Period</u>
2017 Estimate.....	n/a	—	5,318	0.9
2016 Estimate (1).....	479	(0.6)	5,271	1.2
2010 Census.....	482	17.0	5,208	28.8
2000 Census.....	412	7.6	4,044	22.2
1990 Census.....	383	7.3	3,308	(3.7)
1980 Census.....	357	23.1	3,436	12.4
1970 Census (2).....	290	(11.9)	3,057	(17.1)

(1) 2016 estimate percent change as compared to the 2010 Census.

(2) 1970 percent change as compared to 1960 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

Economic Indicators Of The County

Per Capita, Total Personal Income and Median Income

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Per Capita Income (1)					
Lincoln County	n/a	\$34,543	\$35,010	\$35,672	\$34,068
% change from prior year	—	(1.3)	(1.9)	4.7	5.4
State of Idaho	40,507	39,543	38,931	37,258	35,761
% change from prior year	2.4	1.6	4.5	4.2	3.0
Total Personal Income (1)					
Lincoln County (\$ in thousands).....	n/a	\$182,074	\$185,866	\$189,524	\$180,866
% change from prior year	—	(2.0)	(1.9)	4.8	6.4
State of Idaho (\$ in millions)	69,548	63,433	64,209	60,744	57,581
% change from prior year	9.6	(1.2)	5.7	5.5	4.0
Median Income (2)					
Lincoln County	n/a	\$47,754	\$46,168	\$44,046	\$42,625
% change from prior year	—	3.4	4.8	3.3	0.9
State of Idaho	n/a	51,647	48,311	47,572	46,621
% change from prior year	—	6.9	1.6	2.0	2.9

(1) Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(2) Source: U.S. Census Bureau.

Largest Employers

The following is a list of the largest employers in the County as of First Quarter 2018:

Employer (1)	Business Type	Employment Range (2)
Glanbia Foods NA	Manufacturing	100–149
Shoshone Joint School District No. 312	Education	75–99
Idaho Department of Transportation.....	State government	75–99
Bureau of Land Management.....	Federal government	50–74
Valley Wide Co-op	Retail trade	50–74
Desano Place Inc.....	Health care and social assistance	25–49
Dietrich School District	Education	25–49
Richfield School District No. 316.....	Education	25–49
Extreme Excavation	Construction	25–49
Big Wood Canal Company	Utility	10–24
Shoshone Family Medical Center.....	Health care and social assistance	10–24
Shoshone City	Local government	10–24
Shaw Land & Livestock	Agriculture	10–24
American Falls Reservoir District No. 2.....	Utility	10–24
Lincoln County Ambulance District.....	Health care	10–24
Lincoln County Recreation District	Local government	1–9
Richfield City	Local government	1–9

(1) Only businesses that have granted permission are included.

(Source: Quarterly Census of Employment & Wages, Idaho Department of Labor, compiled September 2018.)

Labor Market Data Of The County and Employment By Industry

	2017	2016	2015	2014	2013
Total civilian work force.....	2,710	2,636	2,638	2,603	2,645
Unemployed.....	87	117	121	150	201
Percent of labor force unemployed.....	3.2	4.4	4.6	5.8	7.6
Total employment	2,623	2,519	2,518	2,452	2,444
Total covered average employment (all industry)	1,630	1,498	1,492	1,533	1,549
Agriculture, forestry, fishing and hunting.....	434	408	389	368	346
Construction.....	102	88	95	128	121
Manufacturing.....	120	118	124	120	135
Trade, Utilities, and Transportation	167	146	140	148	142
Information	0	0	0	0	0
Financial services.....	12	12	12	9	10
Professional and business services.....	115	60	70	119	119
Educational and healthcare	158	153	170	152	161
Leisure and hospitality	39	42	37	35	41
Other services (except public administration).....	16	15	12	8	7
Government (local, state, and federal)	467	456	443	446	467

(Source: Quarterly Census of Employment & Wages, Idaho Department of Labor; annual averages compiled September 2018.)

Annual New Privately–Owned Residential Building Permits Within The County

<u>Year</u>	<u>Buildings</u>	<u>Units</u>	<u>Construction Cost</u>
2017	3	3	\$685,000
2016	1	1	103,620
2015	2	2	223,620
2014	4	4	508,000
2013	4	4	471,000

(Source: U.S. Census Bureau.)

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>The County</u>	<u>State of Idaho</u>	<u>United States</u>
2018 (1).....	3.6%	2.9%	3.9%
2017	3.2	3.8	4.4
2016	4.4	3.8	4.9
2015	4.3	4.1	5.3
2014	5.7	4.8	6.2
2013	7.6	6.1	7.4

(1) Preliminary; subject to change. July 2018 only, seasonally adjusted.

(Source: State of Idaho Department of Labor for County and State of Idaho rates; U.S Bureau of Labor Statistics for national rate.)

DEBT STRUCTURE OF THE DISTRICT

Outstanding General Obligation Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>
2018 (1).....	School building	\$4,000,000*	September 15, 2038	<u>\$4,000,000*</u>

* Preliminary; subject to change.

(1) For purposes of this OFFICIAL STATEMENT, the 2018 Bonds will be considered issued and outstanding. Rated “Aaa” (Idaho Sales Tax and Credit Enhancement Guaranty) by Moody’s as of the date of this OFFICIAL STATEMENT.

No Debt Obligations

The District has no other debt obligations outstanding, as of the date of this OFFICIAL STATEMENT.

Other Financial Considerations; Future Issuance Of Debt

Short-term borrowing. Under Idaho Code, the District is permitted to issue notes for a period of up to one year in anticipation of taxes, State funds and other revenues receivable in the current fiscal year. The District does not currently have any notes outstanding.

The cycle for receiving State funds and local tax revenues places the greatest potential stress on the District's general fund cash flow in June and July of each year until State funds are received in mid-August. The District monitors its budget and cash flow monthly and maintains a contingency plan for short-term bank financing in the June-August time frame if needed.

Leases and Other Obligations. Idaho Code provides broad authority for the District to purchase personal property and equipment for school purposes. The District may finance such purchases over more than one year if such purchases constitute "ordinary and necessary" expenses as interpreted under the Idaho Constitution. The District may also finance such purchases under lease-purchase agreements that give the District the right to non-renew the lease on an annual basis as part of its budget and appropriation process and the right to cancel the lease without penalty. The District does not currently have any lease obligations.

Future issuance of debt. Other than the issuance of the 2018 Bonds the District does not anticipate the issuance of any other debt within the next three years.

Overlapping General Obligation Debt

As of the date of this OFFICIAL STATEMENT, there is no overlapping general obligation debt within the District's boundaries. (Source: Office of the County Clerk.)

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the market value of property within the District and the population of the District. The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.

	To 2018 Assessed Taxable Value (1)	To 2018 Full Market Value (2)	To 2016 Population Estimate Per Capita (3)
Direct general obligation debt*	5.14%	4.60%	\$3,745
Direct and overlapping general obligation debt*	5.14	4.60	3,745

* Preliminary; subject to change.

(1) Based on a 2018 Assessed Taxable Value of \$77,772,805, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on a 2018 Full Market Value of \$86,992,171, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on a 2016 population estimate of 1,068 by the U.S. Census Bureau.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

Section 33-1103, Idaho Code, establishes limits on bonded indebtedness for school districts in Idaho. An elementary school district that employs not less than six teachers, or a school district operating an elementary school or schools, and a secondary school or schools, or issuing bonds for the acquisition of a secondary school or schools, may issue bonds in an amount not to exceed 5% of the Taxable Assessed Value plus all taxable property excluded from taxation pursuant to Idaho Code 63-602G (the "Full Market Value") plus the value of any urban renewal within the District, less the Current Outstanding Indebtedness (hereinafter defined). "Current Outstanding Indebtedness" means the sum of unredeemed outstanding bonds, minus all moneys in the bond interest and redemption funds, and minus the sum of all taxes levied for the redemption of such principal of the bonds. The Current Outstanding Indebtedness and the unexhausted debt-incurring power of a district shall each

be determined as of the date of approval by the electors in the school bond election. The 2018 Bonds are general obligation bonds subject to this debt limitation.

The legal debt limit and additional debt incurring capacity of the District are based on the Full Market Value for 2018, and are calculated as follows:

2018 Full Market Value	<u>\$86,992,171</u>
“Full Market Value” times 5% equals the (“Debt Limit”)	4,349,609
Less: current outstanding general obligation debt*	<u>(4,000,000)</u>
Estimated additional debt incurring capacity*	<u>\$349,609</u>

* Preliminary; subject to change.

No Defaulted Obligations

The District has never failed to pay principal of and interest on its bond obligations when due.

FINANCIAL INFORMATION REGARDING THE DISTRICT

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State’s school districts’ accounting policies in particular. The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered to be a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Notes To The Financial Statements—Note 1—Summary of Significant Accounting Policies” below.

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction.

No later than 28 days prior to its annual meeting (the annual meeting is the date of its regular July meeting in each year) the board of trustees of each school district shall have prepared a budget, in form prescribed by the state superintendent of public instruction, and shall have called and caused to be held a public hearing thereon, and at such public hearing, or at a special meeting held no later than 14 days after the public hearing, shall adopt a budget for the ensuing year.

Financial Management

Fund Accounting System (GASB Statement 54). The Board adopted a formal fund balance policy designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District will maintain adequate fund balances and reserves in order to: (i) provide sufficient cash flow for daily financial needs; (ii) secure and maintain investment grade bond ratings; (iii) offset significant economic downturns or revenue shortfalls; and (iv) provide funds for unforeseen expenditures related to emergencies.

Undistributed Reserve In School District Budget. A board of trustees of any school district may create and establish a general fund contingency reserve within the annual school district budget. The general fund contingency reserve may not exceed 5% of the total general fund budget, or the equivalent value of one “support unit” as defined and described under the Idaho Code. Disbursements from said fund may be made by resolution from time to time as the board of trustees determines necessary for contingencies that may arise. The balance of said fund shall not be accumulated beyond the budgeted fiscal year. If any money remains in the contingency reserve, it shall be treated as an item of income in the following year’s budget.

Food Service Fund. As of June 30, 2018, the District’s Food Service Fund showed a deficit of \$57,192. This deficit has been carried forward for several years. The District took corrective actions to avoid annual losses and as a result the fund has averaged a \$1,075 surplus since Fiscal Year 2015. The District is contemplating a one-time transfer or series of transfers of unassigned General Fund reserves to the Food Service Fund to eliminate the deficit. The District does not expect the transfer(s) to materially affect the General Fund or to affect the District’s ability to repay the Bonds.

Financial Reporting

The financial statements of the District (the “Financial Statements”) are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), as prescribed by GASB. In addition to presenting the financial position, results of operations and changes in financial position of the District’s funds, the Financial Statements reconcile differences in reporting activities between the budgetary basis, as presented in the annual approved budget, and the generally accepted accounting principles as is used in the preparation of the financial report.

Financial Summaries

The summaries contained herein were extracted from the District’s basic financial statements and required supplementary information for Fiscal Years 2014 through 2018. The summaries have not been audited. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018” below.

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Richfield School District No. 316

Statement of Net Position

Governmental Activities

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Assets					
Current Assets:					
Cash and cash equivalents.....	\$ 244,652	\$ 201,070	\$ 131,073	\$ 76,231	\$ 24,391
Investments.....	964,771	966,610	866,106	803,360	639,690
Restricted - investments.....	3,466	3,421	—	—	—
Net receivables.....	219,967	218,982	177,861	198,024	206,549
Inventory.....	18,281	18,281	18,281	18,281	18,281
Noncurrent Assets:					
Long-term receivables.....	18,264	17,402	17,297	17,682	17,160
Non-depreciated assets.....	—	16,759	—	—	—
Capital assets (net).....	588,843	258,798	282,092	230,839	172,833
Total assets.....	<u>2,058,244</u>	<u>1,701,323</u>	<u>1,492,710</u>	<u>1,344,417</u>	<u>1,078,904</u>
Deferred outflows or resources					
Pension obligations.....	220,286	502,839	320,033	143,642	—
Total deferred outflows of resources.....	<u>220,286</u>	<u>502,839</u>	<u>320,033</u>	<u>143,642</u>	<u>—</u>
Total assets and deferred outflows of resources.....	<u>\$ 2,278,530</u>	<u>\$ 2,204,162</u>	<u>\$ 1,812,743</u>	<u>\$ 1,488,059</u>	<u>\$ 1,078,904</u>
Liabilities:					
Current liabilities:					
Accounts payable.....	12,395	5,153	28,461	10,854	2,216
Salaries and benefits payable.....	169,547	161,423	158,048	171,186	206,124
Total current liabilities.....	<u>181,942</u>	<u>166,576</u>	<u>186,509</u>	<u>182,040</u>	<u>208,340</u>
Noncurrent liabilities:					
Net pension liability.....	564,821	739,755	460,008	258,635	—
Total liabilities.....	<u>746,763</u>	<u>906,331</u>	<u>646,517</u>	<u>440,675</u>	<u>208,340</u>
Deferred Inflows of Resources:					
Pension sources.....	84,726	241,945	296,712	356,041	—
Total liabilities and deferred inflows of resources.....	<u>831,489</u>	<u>1,148,276</u>	<u>943,229</u>	<u>796,716</u>	<u>208,340</u>
Net Position:					
Invested in capital assets, net of related debt.....	588,843	275,557	282,092	230,839	172,833
Nonspendable:					
Inventory.....	18,281	18,281	—	—	18,281
Restricted for:					
Special revenue funds.....	91,078	56,978	25,861	86,020	61,825
Debt service.....	28,851	28,851	28,685	35,006	17,578
Capital projects.....	311,220	536,800	476,083	72,498	76,608
Unrestricted.....	408,768	139,419	56,793	266,980	523,439
Total net position.....	<u>1,447,041</u>	<u>1,055,886</u>	<u>869,514</u>	<u>691,343</u>	<u>870,564</u>
Total liabilities, deferred inflows of resources, and net pension.....	<u>\$ 2,278,530</u>	<u>\$ 2,204,162</u>	<u>\$ 1,812,743</u>	<u>\$ 1,488,059</u>	<u>\$ 1,078,904</u>

(Source: Information taken from the District's basic financial statements and supplementary information. This summary itself has not been audited.)

Richfield School District No. 316

Statement of Activities

Total Governmental Activities

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets				
	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Governmental activities:					
Instruction.....	(656,174)	(798,658)	(834,064)	(1,058,176)	\$ (811,709)
Support.....	(238,586)	(140,005)	(135,889)	(165,442)	(110,029)
General administrative.....	(389,264)	(403,693)	(400,421)	(309,675)	(289,181)
Custodial/maintenance.....	(150,069)	(170,507)	(174,268)	(209,813)	(192,321)
Student transportation.....	(45,834)	(63,406)	(53,808)	(35,352)	(41,906)
Non-instructional - food service.....	(372)	(12,646)	(2,016)	(13,224)	(57,575)
Total government activities.....	<u>\$ (1,480,299)</u>	<u>\$ (1,588,915)</u>	<u>\$ (1,600,466)</u>	<u>\$ (1,791,682)</u>	<u>\$ (1,502,721)</u>
General revenues:					
Property taxes.....	384,648	381,711	380,709	389,979	391,740
State formula support.....	1,344,922	1,269,165	1,168,915	1,286,237	1,010,187
Other State support.....	119,031	115,683	14,921	42,259	132,128
Other local revenue.....	8,318	1,492	210,346	24,172	23,055
Investment earnings.....	14,535	7,236	3,746	1,447	1,306
Total general revenues.....	<u>1,871,454</u>	<u>1,775,287</u>	<u>1,778,637</u>	<u>1,744,094</u>	<u>1,558,416</u>
Change in net position.....	<u>391,155</u>	<u>186,372</u>	<u>178,171</u>	<u>(47,588)</u>	<u>55,695</u>
Net position—beginning.....	<u>1,055,886</u>	<u>869,514</u>	<u>691,343</u>	<u>730,098</u>	<u>814,869</u>
Net position—ending.....	<u>\$ 1,447,041</u>	<u>\$ 1,055,886</u>	<u>\$ 869,514</u>	<u>\$ 682,510</u>	<u>\$ 870,564</u>

This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Position” and is not intended to be complete. For a detailed itemized report see “APPENDIX A—RICHFIELD SCHOOL DISTRICT NO. 316, IDAHO BASIC FINANCIAL STATEMENTS FOR FISCAL YEAR 2018—Statement Of Activities Fiscal Year Ended June 30, 2018” below.

(Source: Information taken from the District’s basic financial statements and supplementary information. This summary itself has not been audited.)

Richfield School District No. 316

Balance Sheet—Governmental Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Assets					
Investments.....	\$ 964,771	\$ 966,610	\$ 862,783	\$ 800,037	\$ 636,363
Property taxes receivable.....	103,313	103,313	104,716	106,824	91,801
Due from other governments.....	47,655	57,242	28,937	38,946	52,859
Local receivables.....	19,293	—	—	—	—
Total assets.....	\$ 1,135,032	\$ 1,127,165	\$ 996,436	\$ 945,807	\$ 781,023
Liabilities:					
Accounts payable.....	\$ 8,829	\$ 5,153	\$ 22,401	\$ 8,775	\$ 635
Contracts and benefits payable.....	160,387	140,737	152,857	163,267	195,456
Interfund payable.....	70,595	309,472	297,732	323,815	348,965
Total liabilities.....	239,811	455,362	472,990	495,857	545,056
Deferred Inflows of Resources:					
Deferred inflows from property taxes.....	11,517	10,655	10,897	11,139	9,625
Fund balances:					
Unassigned.....	883,704	661,148	512,549	438,811	226,342
Total fund balances.....	883,704	661,148	512,549	438,811	226,342
Total liabilities and fund balances..	\$ 1,135,032	\$ 1,127,165	\$ 996,436	\$ 945,807	\$ 781,023

(Source: Information taken from the District's basic financial statements and supplementary information. This summary itself has not been audited.)

Richfield School District No. 316

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Revenues:					
Property taxes.....	\$ 240,633	\$ 238,985	\$ 239,519	\$ 254,687	\$ 228,504
Property tax penalty and interest.....	1,599	1,477	1,413	2,841	1,991
State foundation support.....	1,577,851	1,488,137	1,373,840	1,332,514	1,201,338
Other state support/grants.....	141,713	140,442	189,004	145,991	124,481
Federal revenue/grants.....	133,306	72,924	–	3,681	800
Other local revenue.....	4,438	809	14,921	13,391	14,549
Total revenues.....	<u>2,099,540</u>	<u>1,942,774</u>	<u>1,818,697</u>	<u>1,753,105</u>	<u>1,571,663</u>
Expenditures:					
Instruction.....	1,026,062	971,754	1,014,830	939,410	937,110
Support.....	226,351	174,432	122,062	137,057	114,029
General administrative.....	392,443	394,442	398,342	264,457	263,643
Custodial/maintenance.....	171,322	135,177	112,113	124,505	127,972
Student transportation.....	72,558	85,631	75,962	66,122	69,467
Non-instructional - food service.....	2,738	5,893	9,003	9,115	9,163
Capital expenditures.....	–	34,052	3,570	9,989	3,816
Total expenditures.....	<u>1,891,474</u>	<u>1,801,381</u>	<u>1,735,882</u>	<u>1,550,655</u>	<u>1,525,200</u>
Excess of revenues over (under) expenditures.....	<u>208,066</u>	<u>141,393</u>	<u>82,815</u>	<u>202,450</u>	<u>46,463</u>
Other financing sources (uses):					
Earnings on investments.....	14,490	7,206	3,746	1,447	1,236
Proceeds from personal property sale.....	–	–	–	8,833	–
Operating transfers in (out).....	–	–	(12,823)	(261)	(18,467)
Changes in fund balance.....	<u>222,556</u>	<u>148,599</u>	<u>73,738</u>	<u>212,469</u>	<u>29,232</u>
Fund balance, beginning of year.....	<u>661,148</u>	<u>512,549</u>	<u>438,811</u>	<u>226,342</u>	<u>197,110</u>
Fund balance, end of year.....	<u>\$ 883,704</u>	<u>\$ 661,148</u>	<u>\$ 512,549</u>	<u>\$ 438,811</u>	<u>\$ 226,342</u>

(Source: Information taken from the District's basic financial statements and supplementary information. This summary itself has not been audited.)

TAXES AND STATE FUNDING

Overview

This section describes the process for levying and collecting taxes as well as receipt of State resources. Significant recent changes to State funding sources are described below and under the heading entitled “STATE OF IDAHO SCHOOL FINANCE.”

Operating Resources. The District receives revenues from three primary sources for operations: local sources, State sources, and federal sources. In Fiscal Year 2018, State sources represented 82% of the District’s total General Fund revenue, local sources (property taxes) represented 12% and federal sources represented about 6%. The District’s tax levy is certified to the Board of County Commissioners in September. The County Treasurer disburses tax receipts to the District approximately one month after the statutory payment dates.

Resources for Capital Projects. The District may pay for capital improvements from unappropriated resources, voter-approved general obligation bonds, voter-approved special plant facilities levies, and donations. General obligation bond levies and special plant facilities levies are property tax levies that are certified above and beyond all other amounts certified to be levied and collected.

Tax Levy And Collection

The District’s taxes are collected by the County. Prior to the second Monday in September, the District certifies its levy for all funds, including the debt service fund, to the Board of County Commissioners. These levies are based on the equalized or adjusted valuations assessed within the District. These levies are then incorporated within the total levy for all local government units for each property owner. Taxes become due on December 20 but may be paid in installments on December 20 and June 20. Payment is made to the treasurer of each county and transmitted to the District monthly. A penalty of 2% is applied to taxes paid after the December 20 and June 20 payment dates plus interest at the rate of 1% per month, calculated from January 1 of the year following the date of the levy, on the amount of the unpaid installment plus the penalty. Delinquent taxes on property outstanding for three years subject the property to a county tax deed and said property can be auctioned off for tax purposes.

Ad Valorem Tax System

Property taxes are established and collected by individual counties and taxing districts to provide local services and do not generate revenue for State use. The State has the responsibility of overseeing property tax procedures to make sure they comply with State laws. In addition, the Idaho State Tax Commission is responsible for valuing public utilities, railroad car companies and railroads which, collectively, are called operating property.

Property taxes apply to homes (including manufactured housing), farms, businesses, industry, warehouses, offices, most privately owned real estate, and operating property, as well as personal property such as machinery and equipment, farm implements and office furniture and equipment. Exemptions from property tax include inventories, livestock, stored property in transit, pollution control facilities, household belongings, clothing, property licensed motor or recreational vehicles, and most property belonging to religious, fraternal and educational organizations and institutions. Partial exemptions are available for residential improvement and the speculative value of agricultural land. Partial tax credits are available to elderly, widowed and disabled homeowners.

Timberland is taxed per the acreage involved and rural electrical associations pay a 3 ½% tax on adjusted gross revenue instead of property tax. Counties collect the tax, which is computed by the State Tax Commission and apportioned on a wire mile basis.

Complaints or disagreement concerning assessed values of real or personal property are being taken to the assessors of the respective county. If differences are not resolved at this level, a property owner may proceed

through the County Board of Equalization, State Board of Tax Appeals or District Court, and the Idaho State Supreme Court. Operating property assessments must be appealed to the State Tax Commission, then through the courts.

Certain property acts in the Idaho Code provide that all real and personal property within the District are to be subject to assessment as of January 1 of each year, unless otherwise provided by law. All taxes levied upon real property shall be a lien upon the real property assessed. All taxes levied upon personal property shall be a lien upon the real property of the owner.

Property Tax Exemptions

Homeowner's Property Tax Exemption. The homeowner's property tax exemption provides a permanent exemption from ad valorem taxation for 50% of the market value for assessment purposes of a homeowner's primary residence including up to one acre of the land value, up to a maximum of \$100,000 (the "Homeowner's Exemption").

Business Investment Property Tax Exemption: Under Idaho Code 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new manufacturing facilities valued at a minimum of \$500,000 and land is not eligible for the exemption. Any existing buildings are not eligible for the exemption and approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption ("Business Exemption") only exempts the collection of property taxes on new business investment and does not impact the District's ability to repay the 2018 Bonds. Following the expiration of the Business Exemption the value of the new investment of property will be included in the District's Taxable Assessed Value for future tax levy certifications. As of the date of this OFFICIAL STATEMENT, there are no projects within the County that currently receive the Business Exemption.

Personal Property Tax Exemption: The 2018 Bonds are secured by an unlimited tax on taxable property in the District. Taxable property includes real property and personal property. Idaho currently has a \$3,000 exemption on a de minimus item of personal taxable property, a \$100,000 exemption on business personal property, and an exemption on agricultural machinery and equipment. The State appropriates funds from the State sales tax receipts to taxing districts to replace revenues lost through these exemptions. Because of the replacement provision, the District does not expect these exemptions to influence the District's finances. However, there is no assurance the State Legislature will appropriate sufficient moneys in future years to replace the lost revenues.

School District Levies

Tax Levy Procedure. Prior to the commencement of each Fiscal Year, the Board adopts a resolution to adopt its annual budget and approve submission of its property tax levies to the Board of County Commissioners of the County. The budget and tax levy process is described under "FINANCIAL INFORMATION REGARDING THE DISTRICT—Budgets and Budgetary Accounting" above. The District's tax levy is certified to the Board of County Commissioners in September. The County Treasurer disburses tax receipts to the District approximately one month after the statutory payable dates. The District may levy the following ad valorem taxes for the following purposes:

Supplemental M&O Levy. Subject to voter approval school districts can levy and collect a supplemental maintenance and operation levy (the "Supplemental M&O Levy"). The Supplemental M&O Levy may be authorized for up to two years for a non-charter district through an election approved by a simple majority of the district electors voting in such an election. *The District currently levies a Supplemental Levy in the amount of up to \$275,000 annually, which is authorized through Fiscal Year 2020.*

Emergency Levy; Tort Levy; Judgment Levy. Taxes may be levied and collected for the purpose of paying for a specific, unanticipated expenditure, judgment, or legal claim for which funds were not budgeted in the prior year (a “Emergency, Tort, or Judgment Levy”). *The District currently levies a Tort Levy, but not an Emergency or Judgment Levy.*

Tuition Levy. When a pupil leaves the school district of his residence to attend a nonresident school, the receiving district is authorized to charge for the tuition of its nonresident pupils where tuition has not been waived. The District is authorized to levy (above the regular maintenance and operation levy, if levied) for the purpose of paying tuition costs of students who, under the authorization of the board of trustees of the district, attend school in another district either in or out of the State (the “Tuition Levy”). *The District does not levy a Tuition Levy.*

Bond Levy. Subject to voter approval and debt limitations the District may levy a tax for the purposes of repaying voter approved debt for specific capital projects (the “Bond Levy”). *The District has certified a Bond Levy for the 2018 Bonds.*

Plant Facilities Levy. A plant facilities levy must be authorized by voter approval. The annual dollar amount of the levy requested is limited to an amount that does not exceed 0.4% of the taxable market value of a school district as of December 31 of the year immediately prior to the year of election (the “Plant Facilities Levy”). The collection term of a Plant Facilities Levy is limited to 10 years. *The District currently does not have a Plant Facilities Levy.*

Historical Tax Rates

	Tax Rate				
	<u>2018–19*</u>	<u>2017–18</u>	<u>2016–17</u>	<u>2015–16</u>	<u>2014–15</u>
Maintenance and Operation (General Fund):					
Maintenance and Operation.....	.003535940	.002911439	.003030363	.003354588	.003282981
Emergency.....	.000000000	.000000000	.000000000	.000000000	.000000000
Tort Liability .....	.000172194	.000166638	.000165337	.000173783	.000170073
Judgment/Tuition.....	<u>.000000000</u>	<u>.000000000</u>	<u>.000000000</u>	<u>.000000000</u>	<u>.000000000</u>
Total Maintenance and Operation Fund .....	.003708134	.003078077	.003195700	.003528371	.003453054
Bond Levy .....	.002660712	.000000000	.000000000	.000000000	.000000000
Plant	<u>.000000000</u>	<u>.001798623</u>	<u>.001872091</u>	<u>.002072390</u>	<u>.002028153</u>
Total All Funds	<u>.006368846</u>	<u>.004876700</u>	<u>.005067791</u>	<u>.005600761</u>	<u>.005481207</u>

* Preliminary; subject to change. The Idaho State Tax Commission has until October 22, 2018 to approve and certify the tax rate for tax year 2018–2019.

(Source: *Tax Levies for School Purposes*, State Superintendent of Public Instruction.)

Total Property Tax Rates For The District

Taxing Entity	Total Tax Rate Within Taxing Area				
	2017–18	2016–17	2015–16	2014–15	2013–14
Richfield City.....	.007255665	.007155832	.007876805	.007571694	.006914222
Lincoln County .....	.003470654	.003810517	.003534020	.003646511	.003527582
Ambulance.....	.000406673	.000402584	.000391310	.000408587	.000384529
Cemetery (Richfield) .....	.000137884	.000136650	.000146789	.000136654	.000128739
Fire District (Richfield) .....	.000304629	.000301774	.000326900	.000302601	.000283581
Library .....	.000333246	.000330452	.000342205	.000331427	.000306349
Recreation.....	.000424681	.000440682	.000450773	.000453538	.000444091
Roads (Richfield).....	.001152838	.001138630	.001227248	.001133839	.001074059
The District (S.D. No. 316).....	.004876700	.005067791	.005600761	.005481207	.005323883
Totals.....	<u>.018362970</u>	<u>.018784912</u>	<u>.019896811</u>	<u>.019466058</u>	<u>.018387035</u>

(Source: Associated Taxpayers Of Idaho, 2018–19 information is not available.)

Market Value Of Property Of The District

The County Assessor annually assign “valuation of market value for assessment purposes” to all taxable real and personal property within the County. The following table shows the history of the values for the District during the last five years:

Tax Year	Full Market Value (1)	% Change	Homeowner’s Exemption	Taxable Assessed Value (2)	% Change
2018.....	\$86,992,171	1.2	\$9,219,366	\$77,772,805	0.6
2017.....	85,981,882	4.1	8,700,522	77,281,360	4.1
2016.....	82,622,329	11.9	8,373,807	74,248,522	10.7
2015.....	73,853,789	(2.4)	6,781,474	67,072,315	(2.1)
2014.....	75,672,441	(2.8)	7,137,161	68,535,280	(2.8)

(1) Each year all taxable property must be assessed at 100% of the current market value.

(2) Taxable Assessed Value is the Full Market Value less statutory exemptions.

(Source: Idaho State Tax Commission.)

Tax Collection Record Of The District

Tax Year	Net Taxes Levied (1)	Amount Collected	% Collected
2017.....	\$377,268	\$368,413	97.7
2016.....	377,595	371,901	98.5
2015.....	375,890	372,968	99.2
2014.....	375,707	375,707	100.0
2013.....	370,576	370,576	100.0

(1) Includes delinquent taxes, penalties, and taxes cancelled.

(Source: Offices of the county treasurer of Lincoln County.)

The Largest Taxpayers Of The District

The following list represents the ten largest taxpayers in the District.

Taxpayer	Type of Business	2018 Taxable Value	% of District's 2018 Tax- able Value
Glanbia Foods, Inc.	Food products	\$37,224,943	47.9
Union Pacific Railroad Co.	Railroads	4,455,778	5.7
Idaho Power Company	Utilities	2,495,073	3.2
Buena Vista Dairy LLC	Farmland	792,540	1.0
Private Residence.....	Private residence	709,360	0.9
Telford Lands, LLC.	Agriculture	611,280	0.8
Century Telephone of Gem State.....	Communications utility	454,445	0.6
Private Residence.....	Private residence	448,640	0.6
Private Residence.....	Private residence	438,430	0.6
SM Home Place LLC.....	Real estate	<u>431,390</u>	0.6
Totals		<u>\$48,061,879</u>	61.8

(Source: The Office of the county treasurer of Lincoln County.)

STATE OF IDAHO SCHOOL FINANCE

General

The State Legislature appropriates State and federal moneys for support of public school districts (the “Schools Appropriations”). The Schools Appropriations are deposited into the “Public School Income Fund” for further distribution by the DOE to school districts pursuant to a formula set forth in Idaho Code Section 33–1002 and accompanying rules and regulations of the DOE. See “State Support to the District” below. The amount of State funding provided to each school district is determined, in part, by support units calculated for each district, which units are calculated largely based on ADA at each district. ADA is calculated in accordance with Idaho Code Section 33–1003A, based on the entire school year except that the 28 weeks having the highest ADA, not necessarily consecutive, may be used. Accordingly, an increase or decrease in a district’s ADA will affect the level of state funding received by the district. See “THE DISTRICT—District Enrollment And Average Daily Attendance” herein for a discussion of the District’s ADA.

The State sets an annual budget based on the State’s Fiscal Year which begins on July 1 and ends on the following June 30. Both the executive and legislative branches play a role in the budget setting process. All State agencies, including the DOE, submit a budget request to the Division of Financial Management (the “DFM”) in the Governor’s office and to the Legislative Services Office not later than September 1 of each year. The Governor, through DFM, then prepares a proposed budget for the subsequent fiscal year, and the Governor submits this budget recommendation to the State Legislature within five days after the commencement of the annual legislative session in early January. The Governor’s budget recommendation is based on revenue projections developed by DFM.

The Joint Finance-Appropriations Committee (“JFAC”), a joint committee composed of the Senate Finance Committee and the House Appropriations Committee then initiates legislative action on the state budget. Considering the Governor’s recommendation, JFAC hears presentations of, or reviews without hearings, budget requests of all State agencies and drafts a series of appropriation bills that are sent to the entire legislative body. The JFAC budget is based on the revenue projections of a joint legislative economic outlook committee. Upon passage by each legislative body, the appropriation bills for each agency are sent to the Governor for signature.

The Governor has “line-item” veto power for distinct appropriations. The Idaho Constitution requires a balanced budget, stating that appropriations must match the projected revenues currently provided for by law.

The State Legislature usually adjourns before April 15, once it has adopted a budget, set appropriations for the upcoming fiscal year, and, if necessary, revised the current fiscal year’s budget. The appropriations, as enacted by the State Legislature, constitute the limit for each agency’s authorized expenditures, subject to limited flexibility for emergency situations and/or unanticipated revenue.

If during the course of a fiscal year the Governor determines anticipated revenues expected to be available fail to meet the State Legislature’s authorized expenditures, the Governor may issue an executive order to reduce (or holdback) the spending authority on file in the office of the State Controller for any department, agency, or institution of the State.

Beginning 2003, the State established a series of budget reserve funds, including principally a Public Education Stabilization Fund (the “Education Stabilization Fund”) and a general budget reserve fund (the “General Reserve Fund”). Both funds act as reserve accounts from which the State can draw funds to make up revenue shortfalls and into which funds are deposited in times of surplus. The Education Stabilization Fund is dedicated only for public education. In Fiscal Years 2009–2011 almost the entire balances in both the Education Stabilization Fund and the General Reserve Fund were drawn down to support budgets for those years. Beginning in Fiscal Year 2012, the State Legislature has appropriated surplus funds for deposit in these funds each year, restoring the Education Stabilization Fund to approximately \$65 million and the General Reserve Fund to approximately \$349.6 million at June 30, 2018.

Appropriations To Public Schools

The State Legislature adjourned its 2018 session on March 28, 2018, having set the appropriations and budgets for Fiscal Year 2019. The State Legislature approved an increase of approximately 6% for public school support appropriations from the General Fund and a 4.9% increase from all funds for Fiscal Year 2019 compared to Fiscal Year 2018.

Schools Appropriations for Fiscal Years 2015–2018 and the budgeted appropriation for Fiscal Year 2019 are presented in the table below.

Historical and Budgeted State Appropriations					
	<u>Fiscal Year (\$ In Thousands)</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund	\$1,785,265	\$1,685,262	\$1,584,669	\$1,475,784	\$1,374,598
Transfers from Public Education Stabilization Fund	0	0	0	0	0
Dedicated Funds (1)	91,011	91,637	77,496	74,189	86,812
Federal Funds	<u>264,339</u>	<u>264,339</u>	<u>264,339</u>	<u>264,339</u>	<u>215,224</u>
Total State appropriation	<u>\$2,140,615</u>	<u>\$2,041,238</u>	<u>\$1,926,504</u>	<u>\$1,814,312</u>	<u>\$1,676,634</u>
% change over previous year ..	4.9%	6.0%	6.2%	8.2%	4.9%

(1) Includes Lottery Receipts, Endowment Fund Receipts, Miscellaneous Receipt Balances, and Cigarette Taxes & Lottery Income.

(Source: Idaho State Legislature, Sine Die Report for each Fiscal Year.)

The State funding schedule for distributions is as follows:

Payment Date	Payment Amount (1)
August 15	50%
November 15	20%
February 15	20%
May 15	10%
July 15	Final payment adjustment

Percentages approximate the distribution to be received, final amounts may vary.

(1) For the Fiscal Year ending the previous June 30.

Legislation Affecting Public School Appropriations

The State Legislature annually reviews the overall framework for funding of public schools. Generally, these actions relate to operations funding and do not affect the District's ability to pay debt service on the 2018 Bonds, which is funded from local property tax revenues allowed to be levied without limitation as needed to pay debt service on the 2018 Bonds.

The current template for Legislative action is a set of twenty recommendations developed by a broad-based task force appointed by the Governor in 2013 (the "Task Force Recommendations"). The 2014 Legislature took action with regard to seven of the Task Force Recommendations, including an increase in operations funding to help reverse the recession era cuts to education funding with the intent to restore operations funding to pre-recession levels within five years. The 2015 Legislature further increased operations funding and adopted additional recommendations, including adoption of a "career ladder" compensation system and a commitment over the next five years to increase funding for teacher salaries by a total of approximately \$214 million. The 2018 Legislature appropriated an additional \$41,667,200, thus funding the fourth year of this five-year plan, and also appropriated an additional \$3,108,300, representing a 3.4% percent increase, for base salaries for administrators and classified staff, which are categories of employees not on the career ladder.

The District cannot predict the outcome of other recommendations of the task force or of other possible proposals regarding education funding, programs, or requirements, all of which are subject to the plenary authority of the State Legislature to consider and approve or reject.

State Support To The District

In Fiscal Year 2018, the dedicated and appropriated funding sources from the State account for approximately 79% of the District's budgeted General Fund revenue. A summary of funds the District has received from the State over the past five years follows:

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
August.....	\$753,101	\$698,308	\$675,075	\$596,680	\$344,659
October (1).....	—	—	—	—	345,086
November.....	301,123	278,933	270,596	239,319	230,366
February	339,250	310,453	263,161	323,839	78,259
May	136,953	146,989	136,537	135,334	151,434
July	47,655	57,241	28,937	38,945	52,859
Total	\$1,578,082	\$1,491,924	\$1,374,306	\$1,334,117	\$1,202,663
% change over prior year.	5.8	8.6	3.0	10.9	n/a

(1) The October payment has been eliminated.

(Source: The District.)

See “FINANCIAL INFORMATION REGARDING THE DISTRICT—Five-Year Financial Summaries” above.

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two-thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State’s office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

To be placed on a general election ballot, not less than four months prior to the election, the proponents must submit to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of the qualified electors in at least a majority of the State’s 35 legislative districts, and the total number of signatures must be 6% of the total registered voters of the State.

Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions; 2018 Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, initiative petitions qualified for the ballot in 2006, but none since that time through 2016.

2018 Initiative Petitions. Proponents for two initiatives have qualified for the November 6, 2018 state-wide election; one relating to Medicaid expansion and one relating to horse racing. The District does not believe that either of these two initiatives, should they become law, will affect the finances of the District or the ability of the District to levy and collect property taxes for the payment of the 2018 Bonds.

LEGAL MATTERS

Absence Of Litigation Concerning The 2018 Bonds

To the best of the District's knowledge there is no litigation pending questioning the validity of the 2018 Bonds or the power and authority of the District to issue the 2018 Bonds. To the best of the District's knowledge there is no litigation pending which would materially affect the finances of the District or affect the District's ability to meet debt service requirements on the 2018 Bonds. Additionally, the attorneys for the District, Anderson, Julian & Hull, LLP, Boise, Idaho, have advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2018 Bonds.

Litigation

Pending Class Action Lawsuit. On May 9, 2018, parents of children in two other Idaho school districts filed a class action lawsuit (the "Lawsuit") in the United States District Court for the District of Idaho against every school district and charter school in the State, including the District. The Lawsuit alleges violations of the Fifth and Fourteenth Amendments to the Constitution of the United States of America, Article I, Section 14 of the Idaho Constitution and requests a declaratory judgment that certain fees and other costs school districts require students to pay violate Article IX, Section 1 of the Constitution of the State of Idaho and constitute a taking of private property without just compensation. The Lawsuit also alleges damages of at least \$20 million per year since October 1, 2012.

The District has filed an answer to the complaint denying all claims and entitlement to relief. A number of procedural measures must be met before the case can proceed against the District, all of which can be contested by the District. Additionally, in the event the class is certified and the case proceeds, the District believes it has various defenses to the claims. Nonetheless, the District expects to monitor the case closely because the same legal counsel has filed a similar case against two Idaho school districts in State of Idaho District Court and has a long history of challenging various aspects of school funding in the State.

Under Idaho Law, the District may certify a special ad valorem tax levy without voter approval to discharge a judgment, and the amount permitted to be certified is not legally limited. If a judgment were to be entered against the District in a significant sum, the District would be able to pay the judgment from the special tax levy. Accordingly, regardless of the outcome of the Lawsuit, the District does not expect the Lawsuit to have a material adverse effect on the on-going operations of the District, nor its ability to pay principal and interest on the 2018 Bonds which are paid from a separate dedicated tax levy.

Tax Exemption

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2018 Bonds is not included in gross income under present federal income tax laws pursuant to Section 103 of the Code, and is exempt from all State of Idaho income taxes under present State income tax laws, and interest on the 2018 Bonds is not included in alternative minimum taxable income as defined in Section 55(b)(2) of the Code under present federal income tax laws except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. The Code imposes several requirements that must be met with respect to the 2018 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations).

Certain of these requirements must be met on a continuous basis throughout the term of the 2018 Bonds. These requirements include: (i) limitations as to the use of proceeds of the 2018 Bonds, and (ii) limitations on the extent to which the proceeds of the 2018 Bonds may be invested in higher yielding investments. The Board

will covenant that they will take all steps to comply with the requirements of the Code to the extent necessary to maintain the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under present federal income tax laws. Bond Counsel's opinion as to the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the 2018 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance.

Section 55 of the Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Code, for taxable years beginning after 1989, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the 2018 Bonds.

The alternative minimum tax on corporations described in this paragraph has been repealed effective for taxable years beginning after December 31, 2017, but continues to apply for taxable years of corporations that begin before January 1, 2018. Corporations with taxable years that do not coincide with the calendar year should consult their tax advisors about inclusion of interest on the 2018 Bonds in alternative minimum taxable income of the corporation as described in this paragraph during the corporation's taxable year that begins during calendar year 2017.

The Code contains numerous provisions that may affect an investor's decision to purchase the 2018 Bonds. Beneficial Owners should be aware that the ownership of tax exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "Subchapter S" corporations, may result in adverse federal tax consequences. Bond Counsel's opinion relates only to the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on ownership of the 2018 Bonds. Beneficial Owners should consult their own tax advisors as to the applicability of these consequences.

Amendments to the federal tax laws could be proposed or enacted in the future, and there can be no assurance that any such future amendments which may be made to the federal tax laws will not adversely affect the value of the 2018 Bonds, the exclusion of interest on the 2018 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2018 Bonds or any other date, or result in other adverse federal tax consequences.

The Internal Revenue Service (the "IRS") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the 2018 Bonds. If an audit is commenced, under current procedures the IRS may treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2018 Bonds until the audit is concluded, regardless of the ultimate outcome. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2018 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2018 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

The opinions expressed by Bond Counsel are based on existing law as of the date of delivery of the 2018 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed litigation. Amendments to the federal or state laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2018 Bonds, the exclusion of interest on the 2018 Bonds or any other from gross income or alternative minimum taxable income or both from the date of issuance of the 2018 Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the market value of the 2018 Bonds. For example, although the U.S. Supreme Court recently decided that the U.S. Constitution does not preclude the current practice that states grant more favorable tax treatment to bonds issued by issuers inside the state than bonds issued outside that state, the pendency of such case caused uncertainty until it was decided. There can be no assurance that other cases may from time to time create uncertainty or could result in a change in the treatment for state tax purposes of obligations such as the 2018 Bonds, or a change in the market value of the 2018 Bonds. Owners of the 2018 Bonds are advised to consult with their own tax advisors with respect to such matters.

Qualified Tax-Exempt Obligations

The District has designated the 2018 Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Code, which affords banks and thrift institutions purchasing the 2018 Bonds more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code for taxable years of such financial institutions ending after December 31, 1986.

Premium Bonds

The initial public offering price of certain maturities of the 2018 Bonds (the “Premium Bonds”), as shown on the inside front cover, are issued at original offering prices more than their original principal amount. The difference between the amount of the Premium Bonds at the original offering price and the principal amount payable at maturity represents “bond premium” under the Code. As a result of requirements of the Code relating to the amortization of bond premium, under certain circumstances an initial owner of a Bond may realize a taxable gain upon disposition of such a bond, even though such bond is sold or redeemed for an amount equal to the original owner’s cost of acquiring such bond. All owners of 2018 Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning and disposing of 2018 Bonds, whether the disposition is pursuant to a sale of the 2018 Bonds or other transfer, or redemption.

Original Issue Discount

[The initial public offering price of certain maturities of the 2018 Bonds (the “Discount Bonds”), as shown on the inside cover page hereof, is less than the amount payable on such 2018 Bonds at maturity. The difference between the amount of the Discount Bonds payable at maturity and the initial public offering price of the Discount Bonds will be treated as “original issue discount” for federal income tax purposes. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on March 15 and September 15 with straight line interpolation between compounding dates. In the case of a purchaser who acquires the Discount Bonds in this offering, the amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income and Idaho taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity).

Beneficial Owners who purchase Discount Bonds in the initial offering at a price other than the original offering price shown on the inside cover page hereof and owners who purchase Discount Bonds after the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the

Discount Bonds. Beneficial Owners who are subject to state or local income taxation (other than Idaho state income taxation) should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.]

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the 2018 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the 2018 Bonds. Prospective purchasers of the 2018 Bonds should consult with their own tax advisors with respect to the effects of any proposed or future legislation.

Municipal Reorganization

Idaho Code Section 67–3903 permits school districts, as taxing districts of the State, to file a petition for federal bankruptcy relief, in accordance with Chapter 9 of the United States Bankruptcy Code, which permits municipalities to file a voluntary petition for the adjustment of debts. Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of moneys payable under bonds, warrants or other obligations; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation or reduction in taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

Bankruptcy proceedings by the District could have an adverse effect on the owners of the 2018 Bonds, including but not limited to delay in the enforcement of their remedies, subordination of their claims to those supplying goods or services to the District and to the administrative expenses of the bankruptcy proceedings and the imposition of a plan of reorganization reducing or delaying payment of the 2018 Bonds.

The District does not expect to file a petition for federal bankruptcy relief.

General

The authorization and issuance of the 2018 Bonds are subject to the approval of Hawley Troxell Ennis & Hawley LLP, Boise, Idaho, Bond Counsel. Certain legal matters will be passed upon for the District by Anderson, Julian & Hull, LLP, Boise, Idaho. The approving opinion of Bond Counsel will be delivered with the 2018 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL” of this OFFICIAL STATEMENT will be made available upon request from the contact person as indicated under “INTRODUCTION—Contact Persons” above.

Bond Counsel has reviewed this document only to confirm that the portions of it describing the 2018 Bonds and the authority to issue the 2018 Bonds, the security for the 2018 Bonds and tax matters relative to the 2018 Bonds present a fair summary of such matters.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2018 Bonds have been rated “Aaa” by Moody’s based upon the guaranty of the 2018 Bonds under the Programs. The District has not applied for an underlying rating. Moody’s rates all bond issues guaranteed under the Programs “Aaa”. An explanation of the above ratings may be obtained from Moody’s. The District has not directly applied to S&P or Fitch Ratings for a rating on the 2018 Bonds.

Such ratings do not constitute a recommendation by the rating agencies to buy, sell or hold the 2018 Bonds. Such ratings reflect only the views of Moody’s and any desired explanation of the significance of such ratings should be obtained from Moody’s. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the ratings given 2018 Bonds will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2018 Bonds.

Municipal Advisor

The District has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the District with respect to preparation for sale of the 2018 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2018 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors; Qualified Opinion

All State school districts, pursuant to Idaho Code 33–701, must obtain an audit annually. The required audit may be performed by independent public accountants certified by the State as capable of auditing municipal corporations. The District’s audit reports for Fiscal Years 2014 through 2018 fairly represent the District’s financial condition and results of its operations and the cash flows of its proprietary fund types are in conformance with GAAP.

The financial statements of the District as of June 30, 2018 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by R. Michael Burr, Certified Public Accountant, Twin Falls, Idaho (“R. Michael Burr”) as stated in its report in “APPENDIX A—ANNUAL FINANCIAL REPORT FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018.” The District’s audits for Fiscal Years 2014 through 2018 were performed by R. Michael Burr.

R. Michael Burr has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon his non-participation, he has not consented to the use of his name in this OFFICIAL STATEMENT.

Qualified Opinion. As noted in the Independent Auditor’s Report, the GASB Statement No. 75 was not implemented in the District’s 2018 Basic Financial Statements; thus, resulting in a qualified opinion. However, it should also be noted that except for the departure of the GASB Statement No. 75, as stated in the audited financial statements, it is the opinion of R. Michael Burr that all aspects of the District’s 2018 Annual Financial

Report are presented fairly, in all material respects. For additional information regarding the District's qualified opinion, please see "APPENDIX A—ANNUAL FINANCIAL STATEMENTS FOR RICHFIELD SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018—Independent Auditor's Report" (page 1).

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the District.

**Board of Trustees of School District No. 316,
Lincoln County, State of Idaho**

APPENDIX A

ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 316 FOR FISCAL YEAR 2018

The annual financial statements for Fiscal Year 2018 are contained herein. Copies of current and prior financial statements are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” above.

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RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2018

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2018

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R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

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INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Trustees
Richfield School District No. 316
Richfield, ID 83349

September 16, 2018

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richfield School District No. 316 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Qualified Opinion

Management has not adopted a methodology for reporting other postemployment benefits under the guidelines of *GASB 75* in the government-wide statements and, accordingly, has not considered the need to record a liability for such benefits. Accounting principles generally accepted in the United States of America require that an adequate liability be provided for postemployment benefits, which would increase the liabilities and decrease fund balance and change the revenues in the government-wide statements. The amount by which this departure would affect the assets, net position, and expenses of the government-wide statements is not reasonably determinable.

Summary of Opinions

Governmental Activities
Each major fund
Aggregate remaining fund information

Qualified Opinion
Unmodified Opinion
Unmodified Opinion

Qualified Opinion

In my opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide activities of Richfield School District No. 316, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Richfield School District No. 316, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer's contribution on pages 36 through 45 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richfield School District No. 316's basic financial statements. The combining and individual 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 my opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 16, 2018, on our consideration of the Richfield School District No. 316's internal control over financial reporting and on my 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 Richfield School District No. 316's internal control over financial reporting and compliance

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Restricted - Cash and Cash Equivalents	\$ 244,652
Investments	964,771
Restricted - Investments	3,466
Net Receivables	219,967
Inventory	<u>18,281</u>
<u>TOTAL CURRENT ASSETS</u>	\$ 1,451,137
<u>NONCURRENT ASSETS</u>	
Long-Term Receivables	\$ 18,264
Capital Assets (net)	<u>588,843</u>
<u>TOTAL NONCURRENT ASSETS</u>	<u>607,107</u>
<u>TOTAL ASSETS</u>	<u>2,058,244</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Obligations	<u>\$ 220,286</u>
<u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>	<u>220,286</u>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$ 12,395
Salaries and Benefits Payable	<u>169,547</u>
<u>TOTAL CURRENT LIABILITIES</u>	181,942
<u>NONCURRENT LIABILITIES</u>	
Net Pension Liability	<u>\$ 564,821</u>
<u>TOTAL NONCURRENT LIABILITIES</u>	<u>564,821</u>
<u>TOTAL LIABILITIES</u>	<u>746,763</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Sources	<u>\$ 84,726</u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>84,726</u>

See accompanying notes to the basic financial statements

	<u>Governmental Activities</u>	
<u>NET POSITION</u>		
Invested in Capital Assets, net of related debt	\$ 588,843	
Non-Spendable:		
Inventory	18,281	
Restricted for:		
Special Revenue Funds	91,078	
Debt Service	28,851	
Capital Projects	311,220	
Unrestricted	<u>408,768</u>	
		<u>\$ 1,447,041</u>
<u>TOTAL NET POSITION</u>		

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Primary Government Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 1,216,444	\$ 1,425	\$ 558,845	
Support	238,586			
General Administrative	389,264			
Custodial/Maintenance	172,751		22,682	
Student Transportation	99,641		53,807	
Non-Instructional - Food Service	115,224	16,115	98,737	
Debt Service - Interest on Debt	0			
<u>Total Governmental Activities</u>	<u>2,231,910</u>	<u>17,540</u>	<u>734,071</u>	<u>\$ 0</u>
Business-Type Activities				
None				
<u>Total Business-Type Activities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Primary Government</u>	<u>\$ 2,231,910</u>	<u>\$ 17,540</u>	<u>\$ 734,071</u>	<u>\$ 0</u>

General Revenue

Property Taxes
State Formula Support
Other State Support
Other Local Revenue
Investment Earnings

Total General Revenue

Changes in Net Position

Net Position - Beginning

Net Position - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (656,174)		\$ (656,174)
(238,586)		(238,586)
(389,264)		(389,264)
(150,069)		(150,069)
(45,834)		(45,834)
(372)		(372)
0		0
<u>(1,480,299)</u>		<u>(1,480,299)</u>
<u>0</u>	<u>\$ 0</u>	<u>0</u>
<u>(1,480,299)</u>	<u>0</u>	<u>(1,480,299)</u>
384,648		384,648
1,344,922		1,344,922
119,031		119,031
8,318		8,318
14,535		14,535
<u>1,871,454</u>	<u>0</u>	<u>1,871,454</u>
391,155	0	391,155
<u>1,055,886</u>	<u>0</u>	<u>1,055,886</u>
<u>\$ 1,447,041</u>	<u>\$ 0</u>	<u>\$ 1,447,041</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Food Service Fund	Debt Service Fund
<u>ASSETS</u>			
Cash and Cash Equivalents			
Restricted - Cash and Cash Equivalents			\$ 28,851
Investments	\$ 964,771		
Restricted - Investments			
Property Taxes Receivable	103,313		
Local Receivables	19,293		
Due From Other Governments	47,655		
Interfund Receivables			
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 1,135,032</u>	<u>\$ 0</u>	<u>\$ 28,851</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 8,829		
Contracts and Benefits Payable	160,387		
Interfund Payables	<u>70,595</u>	<u>\$ 57,192</u>	<u> </u>
	<u>239,811</u>	<u>57,192</u>	<u>\$ 0</u>
<u>TOTAL LIABILITIES</u>			
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows from Property Taxes	<u>11,517</u>	<u> </u>	<u> </u>
	<u>11,517</u>	<u>0</u>	<u>0</u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>			
<u>FUND BALANCES</u>			
Restricted - Special Revenue Funds			
Restricted - Debt Service Fund			28,851
Restricted - Capital Projects Fund			
Unassigned	<u>883,704</u>	<u>(57,192)</u>	<u> </u>
	<u>883,704</u>	<u>(57,192)</u>	<u>28,851</u>
<u>TOTAL FUND BALANCES</u>			
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>\$ 1,135,032</u>	<u>\$ 0</u>	<u>\$ 28,851</u>

See accompanying notes to the basic financial statements

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
		\$ 0
\$ 108,631	\$ 107,170	244,652
		964,771
3,466		3,466
60,522		163,835
		19,293
	7,448	55,103
142,167		142,167
<u>\$ 314,786</u>	<u>\$ 114,618</u>	<u>\$ 1,593,287</u>
\$ 3,566		\$ 12,395
	\$ 9,160	169,547
	14,380	142,167
<u>3,566</u>	<u>23,540</u>	<u>324,109</u>
6,747		18,264
<u>6,747</u>	<u>0</u>	<u>18,264</u>
	91,078	91,078
		28,851
304,473		304,473
		826,512
<u>304,473</u>	<u>91,078</u>	<u>1,250,914</u>
<u>\$ 314,786</u>	<u>\$ 114,618</u>	<u>\$ 1,593,287</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>REVENUES</u>			
Property Taxes	\$ 240,633		
Property Tax Penalty and Interest	1,599		
State Foundation Support	1,577,851		
Other State Support/Grants	141,713		
Medicaid Reimbursement	133,306		
Federal Revenue/Grants		\$ 98,737	
Other Local Revenue	4,438	16,115	
	<u>2,099,540</u>	<u>114,852</u>	<u>\$ 0</u>
<u>TOTAL REVENUES</u>			
<u>EXPENDITURES</u>			
Instruction	1,026,062		
Support	226,351		
General Administrative	392,443		
Custodial/Maintenance	171,322		
Student Transportation	72,558		
Non-Instructional - Food Service	2,738	113,506	
Capital Expenditures		5,015	
	<u>1,891,474</u>	<u>118,521</u>	<u>0</u>
<u>TOTAL EXPENDITURES</u>			
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>208,066</u>	<u>(3,669)</u>	<u>0</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments	14,490		
	<u>14,490</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>			
<u>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</u>	222,556	(3,669)	0
<u>FUND BALANCE - BEGINNING</u>	661,148	(53,523)	28,851
<u>FUND BALANCE - ENDING</u>	<u>\$ 883,704</u>	<u>\$ (57,192)</u>	<u>\$ 28,851</u>

See accompanying notes to the basic financial statements

<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 140,625		\$ 381,258
929		2,528
		1,577,851
	\$ 79,296	221,009
		133,306
	167,121	265,858
	5,305	25,858
<u>141,554</u>	<u>251,722</u>	<u>2,607,668</u>
	206,277	1,232,339
	1,494	227,845
		392,443
3,967		175,289
		72,558
		116,244
<u>363,212</u>	<u>9,851</u>	<u>378,078</u>
<u>367,179</u>	<u>217,622</u>	<u>2,594,796</u>
<u>(225,625)</u>	<u>34,100</u>	<u>12,872</u>
<u>45</u>	<u></u>	<u>14,535</u>
<u>45</u>	<u>0</u>	<u>14,535</u>
(225,580)	34,100	27,407
<u>530,053</u>	<u>56,978</u>	<u>1,223,507</u>
<u>\$ 304,473</u>	<u>\$ 91,078</u>	<u>\$ 1,250,914</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

<u>Total Governmental Fund Balances</u>	\$ 1,250,914
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Amounts Reported for Governmental Activities in the
Statement of Net Assets are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, non-depreciated assets of \$0, \$1,965,558 net of accumulated depreciation of \$1,376,715.	\$ 588,843
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	18,264
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Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:

-Deferred Outflows Pension Obligations	220,286
-Deferred Inflows Pension Sources	(84,726)
-Net Pension Liability	(564,821)

Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements.	<u>18,281</u>
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<u>Net Changes</u>	<u>196,127</u>
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<u>Net Position of Governmental Activities</u>	<u><u>\$ 1,447,041</u></u>
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See accompanying notes to the basic financial statements

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Net Change in Fund Balances - Governmental Fund Balances</u>	\$ 27,407
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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, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

- Depreciation	\$ (48,588)
- Capital Expenditures	361,874

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

- Long-term Taxes Receivable	862
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Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.

	<u>49,600</u>
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<u>Net Changes</u>	<u>363,748</u>
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<u>Change in Net Position of Governmental Activities</u>	<u>\$ 391,155</u>
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See accompanying notes to the basic financial statements

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	<u>\$ 85,711</u>
<u>Total Assets</u>	<u>85,711</u>
<u>Liabilities</u>	
Due to Student Groups	<u>85,711</u>
<u>Total Liabilities</u>	<u>85,711</u>
<u>Total Net Position</u>	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Richfield School District No. 316 are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2018.

The District is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. All operations controlled by the Board are included within these financial statements.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

B - REPORTING ENTITY

These financial statements present the District (the primary government) and any component units of the District. As defined by GASB No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on this definition, the District has no component units.

The District was established in November 10, 1910, under the laws and regulations of the State of Idaho. Idaho Code 33-301 *School Districts Bodies Corporate* states that each school district, now or hereafter established, when validly organized and existing, is declared to be a body corporate and politic, and in its corporate capacity may sue and be sued and may acquire, hold and convey real and personal property necessary to its establishment, extension and existence. It shall have authority to issue negotiable coupon bonds and incur such other debt, in the amounts and manner, as provided by law. Title 33 of Idaho statutes dictates the laws that the District must operate under. The District is governed by a Board of Trustees.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's federal grants, state grants, debt service, capital projects, plant facilities, and general administrative services are classified as governmental activities. The District has no services classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Neither fiduciary funds nor component units that are fiduciary in nature are included in the Statement of Net Positions.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (local revenue, education foundation support, grants, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instruction, support, administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs. All interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. *GASBS No. 34* sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District can electively add funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for all financial resources restricted, committed or assigned for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The District has no enterprise funds.

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund maintained by the District is the student body account.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

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

1. Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.
1. Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits of the District.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as “due to/from other funds.” Short-term interfund loans are reported as “interfund receivable/payable .” Long-term interfund loans (noncurrent portion) are reported as “advances to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 7 for details of interfund transactions, including receivables and payables at year-end. All interfund activity has been eliminated in the government-wide statement of activity.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the District and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the District uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The District does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are decreases in net assets that relate to future periods and are reported in a separate section of its government-wide and governmental funds financial statements. Deferred outflows of resources from pension obligations affect the government-wide statements and no deferred outflows effect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

Deferred inflows of resources reflects an increase in net assets that applies to a future period(s) and is because the District will not recognize the related revenues until a future event occurs. The District's governmental funds report a separate section for deferred inflows of resources and has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The deferred outflows of resources reported in its government-wide financial statements is a deferred amount arising from the pension sources.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the District has maintained a \$500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the District's financial statements and the District has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Description</u>	<u>Life</u>	<u>Capitalization Amount</u>
Aggregate Cost of Library Books	3	\$5,000
Automobiles	5 - 15	\$5,000
Office and Light-weight Equipment	5 - 15	\$5,000
Heavy Equipment	7 - 15	\$10,000
Buildings and Improvements	40	\$15,000
Infrastructure	50	\$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue 5 days personal leave each year. At the end of the year, the employees are paid for all unused personal days. The days are paid at the rate paid to substitutes and is included in their June pay check. Therefore, no liability for compensated absences has been incurred or recorded at year end.

Vacation and sick days are not allowed to be carried over at the District level. Therefore, there is no liability associated with vacation or sick leave days.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method. Bond premiums are reported in the deferred inflows of resources section in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and 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.

Pensions

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

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense;(expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. This policy is due to GASB 75 which the District has not yet implemented.

Budget

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

1. At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
2. At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
3. The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
4. The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Investment in Capital Assets, Net of Related Debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted net position—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision making authority, the Board of Trustees. Formal action is done by making and approving a motion of the Board.

Assigned Fund Balance - Includes amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board delegates, in Policy 7215, to the Superintendent or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance - Includes the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned. If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing committed, then assigned, then unassigned fund balances will be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of Idaho Code Sections 33-701 and 67-1210. Under Idaho Code, the District, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

2 - CASH AND INVESTMENTS (Continued)

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At June 30, 2018, the District had a carrying value of cash deposits of \$330,322 and a bank balance of \$380,074. Based on the above definitions, the District is subject to \$130,074 of concentration of credit risk.

Restricted cash is to be used as follows:

Payment of debt or capital projects	\$ 28,851
Capital projects and plant maintenance	108,631
State and Federal grants	<u>107,170</u>
Total	<u><u>\$ 244,652</u></u>

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was \$968,237 (\$779,209 in the Idaho State Local Government Investment Pool and \$189,028 in Zions Bank Money Market account) which approximates market value. The Idaho State Local Government Investment Pool has no credit rating. \$3,466 is restricted for capital projects.

Investments by the District in the State Treasury Pool are considered unclassified as to credit risk because they are not evidence by securities that exists in physical or book entry form.

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2017, upon which the 2017 levy was based was \$77,281,360.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2018, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

<u>Type</u>	<u>Rate</u>	<u>Maximum Rate</u>
General	0.00000%	Not Allowed
Tort	0.01666%	No Limit
Supplemental	0.29114%	Voter Approved
Plant Facilities	0.17986%	Voter Approved

At June 30, 2018, the components of taxes receivable are as follows:

<u>Property Tax year</u>	<u>General Fund</u>	<u>Plant Facilities</u>	<u>Total</u>
2017	\$ 97,332	\$ 57,015	\$ 154,347
2016	4,045	2,370	6,415
2015	1,936	1,137	3,073
<u>Total</u>	<u>\$ 103,313</u>	<u>\$ 60,522</u>	<u>\$ 163,835</u>

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2018, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2018, are deferred inflows of resources (deferred revenue). The components of deferred inflows of resources are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 11,517
Plant Facilities	6,747
<u>Total</u>	<u>\$ 18,264</u>

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount. Also, the above deferred amounts are not included in the government-wide statements.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho through the School Foundation Program. All federal grants received by the District are passed through the State Department of Education. Amounts due from federal and state governments at June 30, 2018, are as follows:

<u>Source - Description</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
State - Foundation	\$ 47,655		\$ 47,655
State Grants		\$ 0	0
Federal Grants		7,448	7,448
<u>Total</u>	<u>\$ 47,655</u>	<u>\$ 7,448</u>	<u>\$ 55,103</u>

NOTE 5 - 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 and natural disasters for which the District carries commercial insurance. There have been no reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years and the District believes that the low coverage is proper to protect the District from any losses.

The District controls risk of loss by having adequate insurance coverage. Coverage amount is listed below:

Workers Compensation Insurance	Limited by State Law
General Liability	\$ 5,000,000
Building	6,269,352
Auto	3,000,000
Criminal Acts	300,000
Educators Legal Liability	2,000,000
Abuse and Molestation Coverage	2,000,000
Equipment Breakdown	50,000,000

NOTE 6 - CAPITAL ASSET ACTIVITY

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,858
Support	14,255
General Administration	3,188
Student Transportation	28,571
Non-instructional	716
<u>Total</u>	<u>\$ 48,588</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

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

	Primary Government - Governmental Activities			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-depreciated assets:				
Construction-in-progress	\$ 16,759		\$ 16,759	\$ 0
Subtotal	<u>16,759</u>	<u>\$ 0</u>	<u>16,759</u>	<u>0</u>
Other capital assets:				
Buildings and Improvements	\$ 815,496	373,618		\$ 1,189,114
Library	332,415			332,415
Heavy Equipment and Busses	333,305			333,305
Equipment	<u>105,709</u>	<u>5,015</u>		<u>110,724</u>
Subtotal	<u>1,586,925</u>	<u>378,633</u>	<u>0</u>	<u>1,965,558</u>
Less accumulated depreciation for:				
Buildings and Improvements	(653,937)	(17,138)		(671,075)
Library	(328,699)	(1,858)		(330,557)
Heavy Equipment and Busses	(250,975)	(26,077)		(277,052)
Equipment	<u>(94,516)</u>	<u>(3,515)</u>		<u>(98,031)</u>
Subtotal	<u>(1,328,127)</u>	<u>(48,588)</u>	<u>0</u>	<u>(1,376,715)</u>
Net Capital Assets	<u>\$ 258,798</u>	<u>\$ 330,045</u>	<u>\$ 0</u>	<u>\$ 588,843</u>

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2018, are summarized below:

Purpose	Receiving Fund	Paying Fund	Amount
Transfers:			
To close fund	State Drug Free	Fed. Drug Free	\$ 172
Due To/From:			
To cover current expenditures	General Fund	Capital Projects	\$ 70,595
To cover current expenditures	Food Service	Capital Projects	57,192
To cover current expenditures	Special Revenue	Capital Projects	14,380

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2018, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements are contained on pages 59 - 61. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 9 - DEFICIT FUND BALANCES

The following are the funds that had deficit fund balances at year end:

Special Education—Grants to States (IDEA, Part B)	\$ (9,529)
Food Service	(57,192)
Title II-A Improving Teacher Quality	(474)
Special Education—Preschool (IDEA Preschool)	(400)
Title I-A Local	(3,598)
Rural Education Initiative	(474)

NOTE 10 - DEBT

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

	<u>Amount Outstanding Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding Ending</u>
None	\$ 0			\$ 0
<u>Total</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The annual requirements to amortize the debt as of June 30, 2018, is as follows:

- None

NOTE 11 - RETIREMENT PLAN

Plan Description

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

RICHFIELD SCHOOL DISTRICT NO. 316
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

NOTE 11 - RETIREMENT PLAN (Continued)

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

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. The District's employer contributions required and paid were \$131,595, \$126,341 and \$122,632 for the three years ended June 30, 2018, 2017, and 2016, respectively.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2016, the District's proportion was .0359340 percent.

For the year ended June 30, 2018, the District recognized pension expense (revenue) of \$129,871. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,246	\$ 50,886
Changes in assumptions or other inputs	10,445	
Net difference between projected and actual earnings on pension plan investments	-	33,840
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	
District contributions subsequent to the measurement date	131,595	
Total	<u>\$ 220,286</u>	<u>\$ 84,726</u>

\$131,595 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2017 is 4.9 and 5.5 for the measurement period June 30, 2016.

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

Year ended	
<u>June 30,</u>	
2018	\$ (30,706)
2019	\$ 53,065

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

2020	\$	15,057
2021	\$	(33,452)

NOTE 11 - RETIREMENT PLAN (Continued)

Actuarial Assumptions

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

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

Inflation	3.25%
Salary increases including inflation	3.75%
Investment rate of return	7.10%, net of pension plan investment expenses

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

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

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

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

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

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

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

Capital Market Assumptions

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

Note: Expected arithmetic return net of fees and expenses.

Actuarial Assumptions:

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

Discount Rate

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

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

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

<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
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RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Employer's proportionate share of the net pension liability (asset)	<u>\$ 1,312,760</u>	<u>\$ 564,821</u>	<u>\$ (56,736)</u>
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NOTE 11 - RETIREMENT PLAN (Continued)

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2018, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Richfield School District No. 316 has not implemented *Governmental Accounting Standards Board (GASB) Statement 75*. *Statement 75* is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other postemployment benefits (OPEB) other than pensions. Reported OPEBs may include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Typically an actuary (or actuaries) with both pension and health experience must perform the calculations following generally accepted actuarial methods. *GASB 75* was instigated by the Governmental Accounting Standards Board (GASB) in June, 2015, because of the growing concern over the potential magnitude of government employer obligations for postemployment benefits.

Plan Description

The District participates in a postretirement health insurance program administered by Public Employee Retirement System of Idaho (PERSI). PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave.

Funding Policy

Payment to the Fund is done monthly and is based on a percentage of salary. The percentage is determined by PERSI and reported and paid by the District on a monthly basis.

Annual OPEB Cost and Net OPEB Obligation

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of *GASB 75* is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 - MAINTENANCE OF EFFORT

Under federal law, local educational agencies (LEAs) that receive Individuals with Disabilities Education Act, Part B (IDEA-B) funds must maintain local or combined local and state expenditures in each subsequent year of funding. This requirement is called "maintenance of effort" (MOE). Below is the MOE for the District.

Account	For the year ended June 30,			
	2018	2017	2016	2015
100-521XXX	\$ 71,695	\$ 52,685	\$ 136,782	\$ 79,560
100-522XXX	818	0	0	17,309
100-616XXX	128,539	83,213	0	0
Medicaid Reimbursement	<u>(133,306)</u>	<u>(72,924)</u>	<u>(80,396)</u>	<u>(34,660)</u>
Maintenance of Effort	<u>\$ 67,746</u>	<u>\$ 62,974</u>	<u>\$ 56,386</u>	<u>\$ 62,209</u>

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 661,148</u>	<u>\$ 661,148</u>
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	237,962	237,962	240,633	2,671
Property Tax Penalty and Interest	1,600	1,600	1,599	(1)
Earnings on Investments	0	0	14,490	14,490
Other Local Revenue	<u>0</u>	<u>0</u>	<u>4,438</u>	<u>4,438</u>
<u>Total Local Revenue</u>	<u>239,562</u>	<u>239,562</u>	<u>261,160</u>	<u>21,598</u>
<u>State Revenue</u>				
Base Support Program	1,344,016	1,344,016	1,344,922	906
Transportation Support	51,800	51,800	53,807	2,007
Benefit Apportionment	179,356	179,356	179,122	(234)
Other State Support	162,028	162,028	119,031	(42,997)
Medicaid Reimbursement			133,306	133,306
Ag Replacement/Revenue in Lieu of Taxes	<u>25,556</u>	<u>25,556</u>	<u>22,682</u>	<u>(2,874)</u>
<u>Total State Revenue</u>	<u>1,762,756</u>	<u>1,762,756</u>	<u>1,852,870</u>	<u>90,114</u>
<u>Federal Revenue</u>				
Indirect Federal Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Federal Revenue</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Transfers From Other Funds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Amounts Available for Appropriations</u>	<u>2,002,318</u>	<u>2,002,318</u>	<u>2,775,178</u>	<u>772,860</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	339,652	339,652	335,151	4,501
Benefits	126,381	126,381	115,902	10,479
Purchased Services	4,500	4,500	464	4,036
Supplies	<u>25,900</u>	<u>25,900</u>	<u>5,234</u>	<u>20,666</u>
<u>Total Elementary School Program</u>	<u>496,433</u>	<u>496,433</u>	<u>456,751</u>	<u>39,682</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Secondary School Program</u>				
Salaries	\$ 346,993	\$ 346,993	\$ 318,933	\$ 28,060
Benefits	123,775	123,775	106,868	16,907
Purchased Services	1,400	1,400	963	437
Supplies	8,600	8,600	7,553	1,047
<u>Total Secondary School Program</u>	<u>480,768</u>	<u>480,768</u>	<u>434,317</u>	<u>46,451</u>
<u>Special Education Program</u>				
Salaries	25,099	25,099	20,916	4,183
Benefits	11,672	11,672	7,188	4,484
Purchased Services	10,000	10,000	43,341	(33,341)
Supplies	600	600	250	350
<u>Total Special Education Program</u>	<u>47,371</u>	<u>47,371</u>	<u>71,695</u>	<u>(24,324)</u>
<u>Special Education Preschool Program</u>				
Salaries	1,000	1,000	818	182
Benefits	210	210	0	210
<u>Total Special Education Preschool Prog.</u>	<u>1,210</u>	<u>1,210</u>	<u>818</u>	<u>392</u>
<u>Interscholastic</u>				
Salaries	40,626	40,626	43,646	(3,020)
Benefits	8,178	8,178	6,620	1,558
Purchased Services	2,650	2,650	4,520	(1,870)
Supplies	6,500	6,500	3,977	2,523
<u>Total Interscholastic</u>	<u>57,954</u>	<u>57,954</u>	<u>58,763</u>	<u>(809)</u>
<u>Summer School</u>				
Salaries	3,000	3,000	3,000	0
Benefits	604	604	608	(4)
Supplies	700	700	110	590
<u>Total Summer School</u>	<u>4,304</u>	<u>4,304</u>	<u>3,718</u>	<u>586</u>
<u>Total Instructional</u>	<u>1,088,040</u>	<u>1,088,040</u>	<u>1,026,062</u>	<u>61,978</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Support</u>				
<u>Guidance</u>				
Salaries	\$ 43,276	\$ 43,276	\$ 42,661	\$ 615
Benefits	15,335	15,335	14,983	352
Purchased Services	4,390	4,390	842	3,548
Supplies	4,040	4,040	361	3,679
<u>Total Guidance</u>	<u>67,041</u>	<u>67,041</u>	<u>58,847</u>	<u>8,194</u>
<u>Special Services</u>				
Purchased Services	80,000	80,000	128,277	(48,277)
Supplies	0	0	262	(262)
<u>Total Special Services</u>	<u>80,000</u>	<u>80,000</u>	<u>128,539</u>	<u>(48,539)</u>
<u>Technology</u>				
Salaries	29,572	29,572	18,616	10,956
Benefits	12,580	12,580	14,157	(1,577)
Purchased Services	1,000	1,000	38	962
Supplies	5,000	5,000	438	4,562
Capital Outlay	0	0	0	0
<u>Total Technology</u>	<u>48,152</u>	<u>48,152</u>	<u>33,249</u>	<u>14,903</u>
<u>Educational Media</u>				
Salaries	4,000	4,000	3,259	741
Benefits	805	805	850	(45)
Supplies	3,500	3,500	1,607	1,893
<u>Total Educational Media</u>	<u>8,305</u>	<u>8,305</u>	<u>5,716</u>	<u>2,589</u>
<u>Total Support</u>	<u>203,498</u>	<u>203,498</u>	<u>226,351</u>	<u>(22,853)</u>
<u>General Administrative</u>				
<u>Board of Education</u>				
Benefits	48	48	0	48
Purchased Services	6,100	6,100	8,506	(2,406)
Supplies	1,000	1,000	742	258
<u>Total Board of Education</u>	<u>7,148</u>	<u>7,148</u>	<u>9,248</u>	<u>(2,100)</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>District Administration</u>				
Salaries	\$ 94,514	\$ 94,514	\$ 94,739	\$ (225)
Benefits	25,796	25,796	25,612	184
Purchased Services	19,000	19,000	17,072	1,928
Supplies	36,500	36,500	18,975	17,525
<u>Total District Administration</u>	<u>175,810</u>	<u>175,810</u>	<u>156,398</u>	<u>19,412</u>
<u>School Administration</u>				
Salaries	100,609	100,609	100,834	(225)
Benefits	33,236	33,236	32,340	896
Purchased Services	4,950	4,950	3,570	1,380
Supplies	4,000	4,000	3,714	286
<u>Total School Administration</u>	<u>142,795</u>	<u>142,795</u>	<u>140,458</u>	<u>2,337</u>
<u>Business Operations</u>				
Salaries	13,760	13,760	13,523	237
Benefits	19,170	19,170	5,223	13,947
Purchased Services	60,539	60,539	48,549	11,990
Supplies	2,400	2,400	1,618	782
Insurance	17,366	17,366	17,426	(60)
<u>Total Business Operations</u>	<u>113,235</u>	<u>113,235</u>	<u>86,339</u>	<u>26,896</u>
<u>Total General Administrative</u>	<u>438,988</u>	<u>438,988</u>	<u>392,443</u>	<u>46,545</u>
<u>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	36,813	36,813	38,298	(1,485)
Benefits	17,459	17,459	14,978	2,481
Purchased Services	72,700	72,700	69,694	3,006
Supplies	0	0	13,017	(13,017)
Capital Outlay	18,000	18,000	0	18,000
<u>Total Custodians</u>	<u>144,972</u>	<u>144,972</u>	<u>135,987</u>	<u>8,985</u>
<u>Maintenance - Student Occupied</u>				
Salaries	11,471	11,471	10,786	685
Benefits	5,659	5,659	5,624	35
Supplies	5,154	5,154	9,090	(3,936)
<u>Total Maintenance - Student Occupied</u>	<u>22,284</u>	<u>22,284</u>	<u>25,500</u>	<u>(3,216)</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Maintenance - Grounds</u>				
Salaries	\$ 2,650	\$ 2,650	\$ 450	\$ 2,200
Benefits	3,600	3,600	0	3,600
Purchased Services	0	0	3,338	(3,338)
Supplies	0	0	6,047	
Capital Outlay	5,000	5,000	0	5,000
<u>Total Maintenance - Grounds</u>	<u>11,250</u>	<u>11,250</u>	<u>9,835</u>	<u>7,462</u>
<u>Total Custodial / Maintenance</u>	<u>178,506</u>	<u>178,506</u>	<u>171,322</u>	<u>13,231</u>
<u>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	30,000	30,000	29,175	825
Benefits	6,039	6,039	7,345	(1,306)
Purchased Services	22,530	22,530	17,444	5,086
Supplies	19,600	19,600	12,890	6,710
<u>Total School Transportation</u>	<u>78,169</u>	<u>78,169</u>	<u>66,854</u>	<u>11,315</u>
<u>Activity Transportation</u>				
Salaries	10,000	10,000	4,604	5,396
Benefits	2,012	2,012	1,100	912
Purchased Services	0	0	0	0
<u>Total Activity Transportation</u>	<u>12,012</u>	<u>12,012</u>	<u>5,704</u>	<u>6,308</u>
<u>Total Transportation</u>	<u>90,181</u>	<u>90,181</u>	<u>72,558</u>	<u>17,623</u>
<u>Non-Instructional</u>				
Benefits	3,105	3,105	2,738	367
<u>Total Non-Instructional</u>	<u>3,105</u>	<u>3,105</u>	<u>2,738</u>	<u>367</u>
<u>Interfund Transfers</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Charges to Appropriations</u>	<u>2,002,318</u>	<u>2,002,318</u>	<u>1,891,474</u>	<u>110,844</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 883,704</u>	<u>\$ 883,704</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (53,523)</u>	<u>\$ (53,523)</u>
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	10,000	10,000	12,290	2,290
Adult Meal Sales	2,500	2,500	3,802	1,302
Other Local Revenue	<u>0</u>	<u>0</u>	<u>23</u>	<u>23</u>
<u>Total Local Revenue</u>	<u>12,500</u>	<u>12,500</u>	<u>16,115</u>	<u>3,615</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	<u>80,000</u>	<u>80,000</u>	<u>98,737</u>	<u>18,737</u>
<u>Total Federal Revenue</u>	<u>80,000</u>	<u>80,000</u>	<u>98,737</u>	<u>18,737</u>
<u>Amounts Available for Appropriations</u>	<u>92,500</u>	<u>92,500</u>	<u>61,329</u>	<u>(31,171)</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	40,580	40,580	42,163	(1,583)
Benefits	18,143	18,143	19,324	(1,181)
Purchased Services	1,100	1,100	381	719
Supplies	32,677	32,677	51,638	(18,961)
Capital Expenditures	<u>0</u>	<u>0</u>	<u>5,015</u>	<u>(5,015)</u>
<u>Total Non-Instructional</u>	<u>92,500</u>	<u>92,500</u>	<u>118,521</u>	<u>(26,021)</u>
<u>Total Charges to Appropriations</u>	<u>92,500</u>	<u>92,500</u>	<u>118,521</u>	<u>(26,021)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (57,192)</u>	<u>\$ (57,192)</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered- employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.0359340%	\$ 564,821	\$ 1,162,504	48.59%	90.68%
2017	0.0364923%	\$ 739,755	\$ 1,116,085	66.28%	87.26%
2016	0.0349328%	\$ 460,008	\$ 1,083,322	42.46%	91.38%
2015	0.0351331%	\$ 258,635	\$ 1,078,724	23.98%	94.95%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

Data reported is measured as of July 1, 2017

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Statutorily required	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2018	\$ 131,595	\$ 131,595	\$ -	\$ 1,162,504	11.32%
2017	\$ 126,341	\$ 126,341	\$ -	\$ 1,116,085	11.32%
2016	\$ 122,632	\$ 122,632	\$ -	\$ 1,083,322	11.32%
2015	\$ 122,113	\$ 122,113	\$ -	\$ 1,078,724	11.32%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

Data reported is measured as of June 30, 2018

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

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	<u>General Fund</u>	<u>Food Service</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,775,178	\$ 61,329
<u>Differences - Budget to GAAP</u>		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(661,148)	53,523
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	0	0
Earnings from investments are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(14,490)</u>	<u>0</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 2,099,540</u>	<u>\$ 114,852</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,891,474	\$ 118,521
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>0</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,891,474</u>	<u>\$ 118,521</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 2 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
Food Service	\$ 92,500	\$ 118,521	\$ 26,021

NOTE 3 - BUDGETING PROCEDURE

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other special revenue funds shown as major funds in the fund financial statements.

The following procedures are followed in establishing the budget for the District:

- 1) At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
- 2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
- 3) The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
- 4) The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

NOTE 4 - PENSION DISCLOSURES

The following information is required to be disclosed as it relates to the pension:

- | | |
|--|------|
| - Changes of benefit terms: | None |
| - Changes in composition of the population covered by the benefit terms: | None |
| - Changes of assumptions: | None |

SUPPLEMENTAL INFORMATION SECTION

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Drivers Education</u>	<u>Vocational Technology</u>	<u>Basic Technology Grant</u>	<u>Title I-A Local Program</u>
<u>ASSETS</u>				
Cash	\$ 195	\$ 66,610	\$ 30,373	
Interfund Receivable				
Due From Other Governments				\$ 3,370
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 195</u>	<u>\$ 66,610</u>	<u>\$ 30,373</u>	<u>\$ 3,370</u>
<u>LIABILITIES</u>				
Accounts Payable				
Interfund Payable				\$ 3,549
Contracts and Benefits Payable		\$ 1,302	\$ 59	3,419
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>1,302</u>	<u>59</u>	<u>6,968</u>
<u>FUND BALANCES</u>				
Restricted - Special Revenue Funds	<u>195</u>	<u>65,308</u>	<u>30,314</u>	<u>(3,598)</u>
<u>TOTAL FUND BALANCES</u>	<u>195</u>	<u>65,308</u>	<u>30,314</u>	<u>(3,598)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 195</u>	<u>\$ 66,610</u>	<u>\$ 30,373</u>	<u>\$ 3,370</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Special Education - Grants to States (IDEA, Part B)	Special Education - Preschool (IDEA Preschool)	Rural Education Initiative	Title II-A Improving Teacher Quality
<u>ASSETS</u>				
Cash				
Interfund Receivable				
Due From Other Governments	\$ 3,231			\$ 847
<u>TOTAL ASSETS</u>	<u>\$ 3,231</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 847</u>
<u>LIABILITIES</u>				
Accounts Payable				
Interfund Payable	\$ 9,110	\$ 400		\$ 1,321
Contracts and Benefits Payable	3,650		\$ 730	
<u>TOTAL LIABILITIES</u>	<u>12,760</u>	<u>400</u>	<u>730</u>	<u>1,321</u>
<u>FUND BALANCES</u>				
Restricted - Special Revenue Funds	(9,529)	(400)	(730)	(474)
<u>TOTAL FUND BALANCES</u>	<u>(9,529)</u>	<u>(400)</u>	<u>(730)</u>	<u>(474)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,231</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 847</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>State Drug Free Schools</u>	<u>Federal Drug Free Schools</u>	<u>Title IV Student Support</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 9,992			\$ 107,170
Interfund Receivable				0
Due From Other Governments				7,448
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 9,992</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 114,618</u>
<u>LIABILITIES</u>				
Accounts Payable				\$ 0
Interfund Payable				14,380
Contracts and Benefits Payable				9,160
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>23,540</u>
<u>FUND BALANCES</u>				
Restricted - Special Revenue Funds	<u>9,992</u>	<u>0</u>	<u>0</u>	<u>91,078</u>
<u>TOTAL FUND BALANCES</u>	<u>9,992</u>	<u>0</u>	<u>0</u>	<u>91,078</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 9,992</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 114,618</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Drivers Education</u>	<u>Vocational Technology</u>	<u>Basic Technology Grant</u>	<u>Title I-A Local Program</u>
<u>REVENUES</u>				
Local	\$ 1,425		\$ 3,880	
State	1,334	\$ 21,333	51,940	
Federal		3,923		\$ 66,636
<u>TOTAL REVENUES</u>	<u>2,759</u>	<u>25,256</u>	<u>55,820</u>	<u>66,636</u>
<u>EXPENDITURES</u>				
Instructional	2,750	25,770	25,596	52,849
Support				
Administrative				
Non-Instructional - Food Service				
Capital Expenditures			8,655	
<u>TOTAL EXPENDITURES</u>	<u>2,750</u>	<u>25,770</u>	<u>34,251</u>	<u>52,849</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>9</u>	<u>(514)</u>	<u>21,569</u>	<u>13,787</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	9	(514)	21,569	13,787
<u>FUND BALANCE - BEGINNING</u>	<u>186</u>	<u>65,822</u>	<u>8,745</u>	<u>(17,385)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 195</u>	<u>\$ 65,308</u>	<u>\$ 30,314</u>	<u>\$ (3,598)</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Education - Grants to States (IDEA, Part B)	Special Education - Preschool (IDEA Preschool)	Rural Education Initiative	Title II-A Improving Teacher Quality
<u>REVENUES</u>				
Local				
State				
Federal	\$ 49,694	\$ 8,660	\$ 19,391	\$ 15,633
<u>TOTAL REVENUES</u>	<u>49,694</u>	<u>8,660</u>	<u>19,391</u>	<u>15,633</u>
<u>EXPENDITURES</u>				
Instructional	38,738	8,660	33,367	15,363
Support				
Administrative				
Non-Instructional - Food Service				
Capital Expenditures	<u>1,196</u>			
<u>TOTAL EXPENDITURES</u>	<u>39,934</u>	<u>8,660</u>	<u>33,367</u>	<u>15,363</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>9,760</u>	<u>0</u>	<u>(13,976)</u>	<u>270</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	9,760	0	(13,976)	270
<u>FUND BALANCE - BEGINNING</u>	<u>(19,289)</u>	<u>(400)</u>	<u>13,246</u>	<u>(744)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (9,529)</u>	<u>\$ (400)</u>	<u>\$ (730)</u>	<u>\$ (474)</u>

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>State Drug Free Schools</u>	<u>Federal Drug Free Schools</u>	<u>Title IV Student Support</u>	<u>Total</u>
<u>REVENUES</u>				
Local				\$ 5,305
State	\$ 4,689			79,296
Federal			\$ 3,184	167,121
	<u>4,689</u>	<u>0</u>	<u>3,184</u>	<u>251,722</u>
<u>TOTAL REVENUES</u>	<u>4,689</u>	<u>\$ 0</u>	<u>3,184</u>	<u>251,722</u>
<u>EXPENDITURES</u>				
Instructional			3,184	206,277
Support		1,494		1,494
Administrative				0
Non-Instructional - Food Service				0
Capital Expenditures				9,851
	<u>0</u>	<u>1,494</u>	<u>3,184</u>	<u>217,622</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>4,689</u>	<u>(1,494)</u>	<u>0</u>	<u>34,100</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers	172	(172)		0
	<u>172</u>	<u>(172)</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>172</u>	<u>(172)</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	4,861	(1,666)	0	34,100
<u>FUND BALANCE - BEGINNING</u>	5,131	1,666	0	56,978
<u>FUND BALANCE - ENDING</u>	<u>\$ 9,992</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,078</u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Plant Facilities</u>	<u>Lottery</u>	<u>Building Maintenance</u>
<u>ASSETS</u>			
Cash	\$ 89,698	\$ 664	\$ 18,269
Investments	3,466		
Interfund Receivable	142,167		
Property Taxes Receivable	60,522		
<u>TOTAL ASSETS</u>	<u>\$ 295,853</u>	<u>\$ 664</u>	<u>\$ 18,269</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,566		
Interfund Payable			
<u>TOTAL LIABILITIES</u>	<u>3,566</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows From Property Taxes	6,747		
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>6,747</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCES</u>			
Restricted - Capital Projects	285,540	664	18,269
<u>TOTAL FUND BALANCES</u>	<u>285,540</u>	<u>664</u>	<u>18,269</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>\$ 295,853</u>	<u>\$ 664</u>	<u>\$ 18,269</u>

	<u>Total</u>
\$	108,631
	3,466
	142,167
	<u>60,522</u>
\$	<u><u>314,786</u></u>

\$	3,566
	<u>0</u>
	<u>3,566</u>

	<u>6,747</u>
	<u>6,747</u>

	<u>304,473</u>
	<u>304,473</u>

\$	<u><u>314,786</u></u>
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RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Plant Facilities</u>	<u>Lottery</u>	<u>Building Maintenance</u>
<u>REVENUES</u>			
Property Taxes	\$ 140,625		
Property Tax Penalty and Interest	929		
State Revenue			
Other Local Revenue			
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL REVENUE</u>	<u>141,554</u>	<u>\$ 0</u>	<u>0</u>
<u>EXPENDITURES</u>			
Maintenance	3,967		
Capital Expenditures	363,212		
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL EXPENDITURES</u>	<u>367,179</u>	<u>0</u>	<u>0</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>(225,625)</u>	<u>0</u>	<u>0</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments	45		
Interfund Transfers			
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>45</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(225,580)</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCE - BEGINNING</u>	<u>511,120</u>	<u>664</u>	<u>18,269</u>
<u>FUND BALANCE - ENDING</u>	<u><u>\$ 285,540</u></u>	<u><u>\$ 664</u></u>	<u><u>\$ 18,269</u></u>

<u>Total</u>	
\$	140,625
	929
	0
	<u>0</u>
	141,554
	<u>141,554</u>
	3,967
	<u>363,212</u>
	367,179
	<u>367,179</u>
	(225,625)
	<u>(225,625)</u>
	45
	<u>0</u>
	45
	<u>45</u>
	(225,580)
	<u>530,053</u>
\$	<u><u>304,473</u></u>

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD , IDAHO
SCHEDULE OF CHANGE IN NET ASSETS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers In (Out)</u>	<u>Ending Balance</u>
ACTIVITY FUND	\$ 2,882.63	\$ 6,049.87	\$ 3,604.86	\$ (1,000.00)	\$ 4,327.64
BOYS FUND RAISERS	526.37			445.00	971.37
STATE BOYS FUNDRAISERS	4,882.56				4,882.56
YEA JAMBOREE ACCOUNT	328.87	267.92	267.92		328.87
GIRLS VOLLEYBALL	986.35	957.75	699.25		1,244.85
STATE VB FUNDRAISER	61.43				61.43
HIGH SCHOOL FOOTBALL	388.79	3,332.75	3,511.94		209.60
FOOTBALL HELMETS	1,359.11	1,500.00	825.17		2,033.94
UNIFORMS	142.90		936.00	1,000.00	206.90
GIRLS BASKETBALL	304.60	539.00	575.00	580.00	848.60
STATE GIRLS BASKETBALL	2,230.16				2,230.16
GIRLS SUMMER BASKETBALL	1,005.78	268.25	1,167.54		106.49
BOYS BASKETBALL	286.86	340.00	50.00		576.86
TRACK	279.40	682.00	540.58		420.82
CROSS COUNTRY	80.00	25.00	73.00		32.00
JR. HIGH VOLLEYBALL	43.30	732.75	670.00		106.05
JR. HIGH FOOTBALL	(367.50)	1,132.75	670.00		95.25
JR. HIGH BASKETBALL	(3.00)	3,200.00	3,152.92		44.08
JR. HIGH TRACK	(309.14)	800.00	343.25		147.61
EDUCATIONAL TRIPS	491.64	260.00	188.44		563.20
ROBOTICS	169.90				169.90
FUTURE FARMERS OF AMERICA	1,165.45	3,206.97	3,372.06	25.00	1,025.36
ISAT INCENTIVE FUNDS	523.46	380.00	398.11		505.35
SALES TAX	1,389.25	1,587.84	1,839.44		1,137.65
VENDING INCENTIVES	90.26	339.18	378.75		50.69
LEADERSHIP	45.55	152.60	152.60		45.55
ADJUSTMENTS	11.85				11.85
PENNIES FOR PATIENTS	0.00	76.00	76.00		0.00
LIFETIME SPORTS	378.93	96.00	73.00	(18.00)	383.93
ELEMENTARY BASKETBALL	5.00				5.00
R CLUB	12.37				12.37
STUDENT COUNCIL	732.47	2,420.12	2,056.01		1,096.58
KINDERGARTEN	0.00	200.00			200.00
SENIOR GRADUATION	0.00	55.12			55.12
CLASS OF 2020	877.55	104.75	188.35		793.95
CLASS OF 2022	297.00	64.67	28.49		333.18
CLASS OF 2021	979.19	779.53	163.43		1,595.29
CLASS OF 2023	0.00	151.28	22.21	880.00	1,009.07
CLASS OF 2017	857.95		307.45		550.50
CLASS OF 2018	681.96	660.44	703.49		638.91
CLASS OF 2019	1,007.02	299.75	11.44		1,295.33

Continued

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD , IDAHO
SCHEDULE OF CHANGE IN NET ASSETS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers In (Out)</u>	<u>Ending Balance</u>
1ST GRADE	\$ 48.53	\$ 287.74	\$ 267.80	\$ 68.00	\$ 136.47
2ND GRADE	15.44				15.44
3RD GRADE	368.55				368.55
4TH GRADE	0.97				0.97
5TH GRADE	415.48				415.48
6TH GRADE	39.10				39.10
YELLOWSTONE	1,211.63	9,142.38	6,375.38	80.33	4,058.96
DISCRETIONARY FUNDS	0.00				0.00
YEARBOOK	389.01	517.88	901.86	18.00	23.03
IDLA	841.25	250.00	150.00		941.25
TIGER STOP	379.66	3,808.54	1,486.75	(2,308.33)	393.12
CHEERLEADERS	1,326.58	653.00	646.04		1,333.54
CHROMEBOOK INSURANCE	1,175.05	650.00	60.00		1,765.05
AG RESALE	1,509.90	116.00			1,625.90
COMPUTER EDUCATION	300.00				300.00
BUSINESS CLUB	3,795.42	1,326.33	670.68		4,451.07
LIBRARY	1,206.35	3,293.38	3,478.53		1,021.20
SKI TRIPS	31.55				31.55
DRIVERS EDUCATION	150.00	1,425.00	1,425.00		150.00
STUDENT BOOK FEE	744.63	825.00	1,024.92		544.71
DONATION HELP FUND	492.40	633.83	335.00		791.23
MUSIC	0.56				0.56
TRANSFER FUND	12.01	1,500.00			1,512.01
MUSIC CHIMES	3.68				3.68
BOX TOPS FOR EDUCATION	321.70	393.30	489.16	(68.00)	157.84
SPECIAL EDUCATION	2.62				2.62
SHANNON ERWIN MEMORIAL	(21.36)	12,000.00			11,978.64
GEAR UP TO PLAY	1,449.66	4,000.00	3,263.50		2,186.16
BOOSTER CLUB	0.00	1,855.62	1,298.24	298.00	855.38
REFEREES	972.79	6,834.10	6,553.30		1,253.59
SCHOLARSHIP FUND	19,500.00		2,000.00		17,500.00
BUILDING IMPROVEMENT	1,500.00				1,500.00
TOTAL	<u>\$ 63,009.43</u>	<u>\$ 80,174.39</u>	<u>\$ 57,472.86</u>	<u>\$ 0.00</u>	<u>\$ 85,710.96</u>

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Chairman and Board of Trustees
Richfield School District No. 316
Richfield, ID 83349

September 16, 2018

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richfield School District No. 316, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Richfield School District No. 316's basic financial statements and have issued my report thereon dated September 16, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Richfield School District No. 316's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Richfield School District No. 316's internal control. Accordingly, I do not express an opinion on the effectiveness of Richfield School District No. 316's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies,

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses, 2018-001.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider none of the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Richfield School District No. 316's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses, 2018-002.

Richfield School District No. 316's Response to Findings

Richfield School District No. 316's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Richfield School District No. 316's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

RICHFIELD SCHOOL DISTRICT NO. 316
RICHFIELD, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

MATERIAL WAEKNESSES

FINDING 2018-001: Lack of Segregation of Duties

Condition: Only one person is employed by the District in the accounting department which does not allow for a strict segregation of duties.

Criteria: Segregation of duties is an internal control that should be in place to provide reasonable assurance that one person does not have complete control over the entire accounting system.

Cause: There are not enough personnel hired to segregate the accounting functions.

Effect: May allow for misstatement of general purpose financial statements and misuse of assets.

Recommendation: Hire additional staff to provide a proper segregation of duties.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, due to a lack of financial resources to pay for the additional staff and other controls currently in place, no action will be taken at this point.

SIGNIFICANT DEFICIENCIES

None

NONCOMPLIANCE

2018-002 GASB 75 NOT IMPLEMENTED

Condition: GASB 75 has not yet been implemented for reporting OPEB (other post employment benefits other than pensions).

Criteria: GASB 75 was supposed to be implemented for fiscal years beginning after 6-15-2017 with reporting criteria.

Cause: Failed to get it done due to time and financial constraints.

Effect: Will not properly report government-wide statements, required supplemental information, and note disclosers in accordance with GASB requirements.

Recommendation: Implement GASB 75 and get actuarial measurements done.

Views of Responsible Official and Planned Corrective Actions: We concur with the recommendation.

Summary Schedule of Prior Audit Findings

Finding 2017-001 Lack of Segregation of Duties

The District believes that this finding applies only to the financial reporting and does not effect the federal award programs. No corrective action was taken.

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2018 Bonds, Hawley Troxell Ennis & Hawley LLP, Bond Counsel, proposes to issue their final approving opinion in substantially the following form:

(The remainder of this page has been intentionally left blank.)

[Date of Delivery]

Board of Trustees
School District No. 316, Lincoln County, State of Idaho
555 North Tiger Dr.
Richfield, ID 83349

Re: *School District No. 316, Lincoln County, State of Idaho -- General Obligation
Bonds, Series 2018*

This is to certify that we have acted as Bond Counsel in connection with the issuance by School District No. 316, Lincoln County, State of Idaho (the "District"), of its General Obligation Bonds, Series 2018, in the principal amount of \$_____ (the "Bonds"), dated the date hereof, and issued pursuant to a Resolution of the District adopted on October 8, 2018 (the "Resolution") and the Certificate as to Bond Pricing and Related Matters dated October __, 2018, authorized pursuant to the Resolution (the "Pricing Certificate," and together with the Resolution, the "Resolution"). The Bonds represent general obligation bonds authorized in the aggregate principal amount of up to \$4,000,000 pursuant to an election held in the District on August 28, 2018, and are being issued under the authority of chapter 11 of Title 33 and chapters 2 and 9 of Title 57, Idaho Code, as amended. We have examined the Constitution and laws of the State of Idaho and such certified proceedings and other papers as we deem necessary to render this opinion.

Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certifications. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

The Bonds bear interest from their date at the rates per annum payable pursuant to the provisions of the Resolution, and mature on the dates in each of the designated years and in the principal amounts set forth below:

<u>September 15</u> <u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest Rate</u> <u>(Per Annum)</u>
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

The Bonds are issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity pursuant to the Resolution.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Resolution has been duly adopted and authorized by the District's Board of Trustees and constitutes a legal, valid, and binding agreement of the District, enforceable against the District in accordance with its terms, except as such enforceability may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and public policy limitations on the exercise of any rights to indemnification and contribution.

2. The Bonds have been duly authorized, executed, and delivered under the Constitution and the laws of the State of Idaho.

3. The Bonds are valid and legally binding general obligations of the District, enforceable in accordance with their terms except to the extent such enforcement is limited by

the bankruptcy laws of the United States of America and by the reasonable exercise of the sovereign police power of the State of Idaho.

4. Provision has been made for the levy and collection each year of ad valorem taxes on all the taxable property within the District sufficient to pay the principal of and interest on the Bonds as the same become due, and all of the taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate or amount.

5. The interest on the Bonds is not includable in gross income of the owners of the Bonds for federal income tax purposes and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The foregoing opinion set forth in this paragraph 5 assumes that the District will comply with certain covenants in the Resolution relating to requirements of the Code.

6. To the extent that interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes, interest on the Bonds is exempt from taxes imposed by the Idaho Income Tax Act, as amended.

7. The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

8. Based upon the certificate of eligibility issued to the District by the Treasurer of the State of Idaho, payment of the interest and the principal of the Bonds when due is guaranteed by the sales tax collected by the State of Idaho under the provisions of the Idaho School Bond Guaranty Act, Title 33, chapter 53, Idaho Code. Based upon the certificate of approval of credit enhancement issued to the District by the State of Idaho Endowment Fund Investment Board, payment of the principal of and interest on the Bonds when due is further guaranteed by the school district bond credit enhancement program under Title 57, chapter 7, Idaho Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability of any such collateral consequences.

Very truly yours,

HAWLEY TROXELL ENNIS & HAWLEY LLP

APPENDIX C

PROPOSED FORM OF INFORMATION REPORTING AGREEMENT

SCHOOL DISTRICT NO. 316, LINCOLN COUNTY, STATE OF IDAHO

INFORMATION REPORTING AGREEMENT

Re: \$_____ initial principal amount of General Obligation Bonds, Series 2018, dated _____, 2018 (the "Bonds"), of School District No. 316, Lincoln County, State of Idaho (the "Issuer") and issued pursuant to a Resolution authorizing the issuance and providing for the sale of the Bonds (the "Resolution")

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and Zions Public Finance, Inc., as disclosure agent (the "Disclosure Agent") as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. **Background.** The Issuer has issued the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is _____.

2. **Appointment of Disclosure Agent.** The Issuer hereby appoints the Disclosure Agent as its agent under this Agreement to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. **Information to be Furnished by the Issuer.** The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Resolution, the Issuer will deliver the following information to the Disclosure Agent:

a. Within 180 days after the end of the Issuer's fiscal year (no later than December 27 of each year), the audited financial statements of the Issuer prepared in accordance with generally-accepted accounting principles as defined by the Governmental Accounting Standards Board, together with the report thereon of the Issuer's independent auditors, beginning with fiscal year ending June 30, 2019. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Agreement and that they comply with the applicable requirements of this Agreement. For the purposes of determining whether information received

from the Issuer is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

b. Within 180 days after the end of the Issuer's fiscal year (no later than December 27 of each year), the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in the Issuer's Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement reflected on the below-referenced pages of the Official Statement:

THE DISTRICT

- District Enrollment and Average Daily Attendance - Historical Average Daily Attendance and Enrollment - page 17

DEBT STRUCTURE OF THE DISTRICT

- Outstanding General Obligation Bonded Indebtedness - page 23

FINANCIAL INFORMATION REGARDING THE DISTRICT

- Financial Summaries- pages 27-30

TAXES AND STATE FUNDING

- Historical Tax Rates- page 33
- Market Value of Property of the District- page 34
- Tax Collection Record of the District- page 34
- The Largest Taxpayers of the District- page 35

STATE OF IDAHO SCHOOL FINANCE

- State Support to the District- page 37

c. The Disclosure Agent shall provide notice to the Issuer of its requirement to provide the information listed in Sections 3.a. and 3.b. at least thirty (30) days prior to the date such information is to be provided to the Disclosure Agent by the Issuer. Any or all of the items listed above in Sections 3.a. or 3.b. may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

d. Within ten (10) business days after the occurrence of the event, the Issuer will ensure written notice of any of the following events with respect to the Bonds is delivered to the Repository:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

¹ For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(15) In a timely manner, notice of a failure of the Issuer or the obligated person to provide the required annual financial information specified in Sections 3.a. and 3.b. above, on or before the date specified therein.

e. Although the Disclosure Agent disclaims any affirmative obligation to monitor occurrences affecting the Issuer, the Disclosure Agent shall promptly advise the Issuer whenever, in the course of performing its duties hereunder, the Disclosure Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the events listed in Section 3.d. above; provided that the failure of the Disclosure Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder. The Disclosure Agent shall only send notice of such event listed in Section 3.d. above to the Repository if such written notice is provided to it by the Issuer, and in no event shall the Disclosure Agent be required to determine the materiality of such event.

4. Manner and Time by Which Information is to be made Public by the Disclosure Agent.

a. The information required to be delivered to the Disclosure Agent pursuant to Sections 3.a. and 3.b. hereof shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information"), and the notices required to be delivered to the Disclosure Agent pursuant to Section 3.d. hereof shall be referred to as the Event Information (the "Event Information").

b. After the receipt of any Continuous Disclosure Information or any Event Information, the Disclosure Agent will deliver the information as provided in the following Section 4.c.

c. It shall be the Disclosure Agent's duty

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the Issuer not later than five (5) business days after receipt thereof; and

(2) to deliver the Event Information to the Repository immediately upon receipt from the Issuer and in any event not more than two (2) business days following receipt from the Issuer.

d. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received written notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement. The Disclosure Agent's

duties and obligations are only those specifically set forth in this Agreement, and the Disclosure Agent shall have no implied duties or obligations.

e. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

5. Indemnification.

a. The Disclosure Agent shall have no obligation to examine or review the Continuous Disclosure Information or the Event Information and shall have no liability or responsibility for the form of or the accurateness or completeness of, the Continuous Disclosure Information or the Event Information disseminated by the Disclosure Agent hereunder. The Continuous Disclosure Information shall contain a legend to such effect. The Disclosure Agent's duties under this Agreement are ministerial in nature.

b. The Issuer hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Agreement. This Section 5.b shall survive the termination of the Agreement, payment of the Bonds and the removal and resignation of the Disclosure Agent. In no event shall Disclosure Agent be liable for special, indirect, or consequential losses or damages of any kind whatsoever (including but not limited to lost profits) even if Disclosure Agent has previously been advised of such losses and damages.

6. Compensation. The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder.

7. Enforcement. The obligations of the Issuer under this Agreement shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any beneficial owner of the Bonds, may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Agreement shall not constitute a default under the Resolution.

This Agreement shall inure solely to the benefit of the Issuer, the Disclosure Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

8. Definitions. As used herein, the following terms shall have the following meanings:

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" shall mean the final official statement relating to the Bonds dated _____, 2018.

"Repository" shall mean MSRB through its Electronic Municipal Market Access system ("EMMA") at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule, the identity of which will be provided to the Disclosure Agent by the Issuer as required.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions and upon receipt of an opinion of nationally recognized bond counsel delivered to the Disclosure Agent opining as to the following:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Disclosure Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided

that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Disclosure Agent may resign as Disclosure Agent by giving written notice of intent to resign to the Issuer at least ninety (90) days prior to resignation.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid in full pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Agreement is terminated pursuant to (iii), above.

10. Successor Disclosure Agent. Upon the transfer of the duties hereunder from the current Disclosure Agent to a successor Disclosure Agent, such successor Disclosure Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Agreement or cause it to be amended as provided in section 9.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Continuous Disclosure Information or Event Information, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Continuous Disclosure Information or Event Information, in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Continuous Disclosure Information or Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the Bonds, which information is not designated as Continuous Disclosure Information or Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

12. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

13. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

14. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this ____ day of _____, 2018.

ISSUER: SCHOOL DISTRICT NO. 316,
LINCOLN COUNTY, STATE OF IDAHO

By _____
Chair, Board of Trustees

DISCLOSURE AGENT: ZIONS PUBLIC FINANCE, INC.

By _____
Vice President

APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at dtcc.com.

Purchases of 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2018 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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