

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2010**

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

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**FINANCIAL SECTION**

## Independent Auditor's Report

Board of Trustees  
Joint School District No. 371 – Payette

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Joint School District No. 371 – Payette (the School) as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2010 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2010 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary information listed as required supplemental information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information 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, and historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's financial statements as a whole. The accompanying combining fund financial statements, and the schedule of expenditures of federal awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*), are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Folke CPAs, P.C.***

July 21, 2010

## **BASIC FINANCIAL STATEMENTS**

# JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

## Statement of Net Assets

June 30, 2010

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets	
Cash & Investments	\$3,372,558
Receivables:	
Local Sources	382,249
State Sources	507,282
Federal Sources	823,875
Inventory	59,615
Total Current Assets	<u>5,145,579</u>
Noncurrent Assets	
Nondepreciable Capital Assets	831,666
Depreciable Net Capital Assets	11,286,950
Total Noncurrent Assets	<u>12,118,616</u>
<b>Total Assets</b>	<u><u>\$17,264,195</u></u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$12,791
Salaries & Benefits Payable	1,431,807
Deferred Revenue	465,668
Accrued Interest	45,853
Long-Term Debt, Current	845,000
Total Current Liabilities	<u>2,801,119</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	4,660,000
Total Noncurrent Liabilities	<u>4,660,000</u>
<b>Total Liabilities</b>	<u>7,461,119</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	6,567,763
Restricted:	
Special Programs	462,147
Debt Service	1,135,101
Capital Projects	612,809
Unrestricted	1,025,256
<b>Total Net Assets</b>	<u>9,803,076</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$17,264,195</u></u>



# JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

## Statement of Activities Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue And Changes in Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>					
Instructional Programs					
Elementary School	\$3,039,034		\$720,131		(\$2,318,903)
Secondary School	2,160,784	\$14,330	126,524	\$60,610	(1,959,320)
Alternative School	104,971				(104,971)
Exceptional Child	1,060,217		621,370		(438,847)
Preschool Exceptional	44,116		23,143		(20,973)
Gifted & Talented	36,945				(36,945)
Interscholastic	200,227				(200,227)
Support Service Programs					
Attendance - Guidance - Health	300,383				(300,383)
Special Services	80,953		43,178		(37,775)
Instructional Improvement	292,137		218,847		(73,290)
Educational Media	149,191				(149,191)
Instruction-Related Technology	47,618		47,618		0
District Administration	301,123		7,313		(293,810)
School Administration	670,493				(670,493)
Administrative Technology	6,461		6,461		0
Buildings - Care	611,379		1,104		(610,275)
Maintenance - Non-Student Occupied	740				(740)
Maintenance - Student Occupied	239,984				(239,984)
Maintenance - Grounds	68,335				(68,335)
Pupil-To-School Transportation	456,278				(456,278)
Pupil-Activity Transportation	5,538				(5,538)
General Transportation	20,659				(20,659)
Non-Instructional Programs					
Child Nutrition	726,498	84,282	651,262		9,046
Community Services	5,412				(5,412)
Capital Assets - Student Occupied	642,981			493	(642,488)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	189,568				(189,568)
<b>Total</b>	<b>\$11,462,025</b>	<b>\$98,612</b>	<b>\$2,466,951</b>	<b>\$61,103</b>	<b>(8,835,359)</b>
<b>General Revenues</b>					
					889,313
					109,638
					7,701,374
					1,078,821
					<b>9,779,146</b>
<b>Change in Net Assets</b>					
					943,787
<b>Net Assets - Beginning</b>					
					8,859,289
<b>Net Assets - Ending</b>					
					<b>\$9,803,076</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Balance Sheet - Governmental Funds

June 30, 2010

	<b>General Fund</b>	<b>Child Nutrition Fund</b>	<b>Debt Service Fund</b>	<b>Plant Facilities Fund</b>
<b>Assets</b>				
Cash & Investments	\$1,356,398	\$216,676	\$895,064	\$612,809
Receivables:				
Local Sources	86,472		295,777	
State Sources	473,444	18,345		
Federal Sources				
Due From Other Funds	199,865			
Inventory		59,615		
<b>Total Assets</b>	<b>\$2,116,179</b>	<b>\$294,636</b>	<b>\$1,190,841</b>	<b>\$612,809</b>
<b>Liabilities</b>				
Accounts Payable		\$12,791		
Due To Other Funds				
Salaries & Benefits Payable	\$1,206,278	38,432		
Deferred Revenue	287,407		\$55,740	
<b>Total Liabilities</b>	<b>1,493,685</b>	<b>51,223</b>	<b>55,740</b>	<b>\$0</b>
<b>Fund Balances</b>				
Restricted:				
Special Programs		183,798		
Debt Service			1,135,101	
Capital Projects				612,809
Nonspendable		59,615		
Unassigned	622,494			
<b>Total Fund Balances</b>	<b>622,494</b>	<b>243,413</b>	<b>1,135,101</b>	<b>612,809</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,116,179</b>	<b>\$294,636</b>	<b>\$1,190,841</b>	<b>\$612,809</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Balance Sheet - Governmental Funds

June 30, 2010

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash & Investments	\$291,611	\$3,372,558
Receivables:		
Local Sources	0	382,249
State Sources	15,493	507,282
Federal Sources	823,875	823,875
Due From Other Funds	0	199,865
Inventory	0	59,615
<b>Total Assets</b>	<b>\$1,130,979</b>	<b>\$5,345,444</b>
<b>Liabilities</b>		
Accounts Payable	\$0	\$12,791
Due To Other Funds	199,865	199,865
Salaries & Benefits Payable	187,097	1,431,807
Deferred Revenue	465,668	808,815
<b>Total Liabilities</b>	<b>852,630</b>	<b>2,453,278</b>
<b>Fund Balances</b>		
Restricted:		
Special Programs	278,349	462,147
Debt Service	0	1,135,101
Capital Projects	0	612,809
Nonspendable	0	59,615
Unassigned	0	622,494
<b>Total Fund Balances</b>	<b>278,349</b>	<b>2,892,166</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,130,979</b>	<b>\$5,345,444</b>

## Balance Sheet - Governmental Funds

June 30, 2010

**Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities**

<b>Total Governmental Fund Balances</b>	\$2,892,166
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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 funds.	12,118,616
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	343,147
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Certain liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(5,550,853)
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<b>Net Assets of Governmental Activities</b>	<u><u>\$9,803,076</u></u>
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**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2010

	<b>General Fund</b>	<b>Child Nutrition Fund</b>	<b>Debt Service Fund</b>	<b>Plant Facilities Fund</b>
<b>Revenues</b>				
Local Taxes	\$198,111		\$673,226	
Other Local Revenue	99,304	\$85,214	7,711	\$21,684
State Revenue	7,427,966		315,899	
Federal Revenue	1,079,314	651,262		
<b>Total Revenues</b>	<b>8,804,695</b>	<b>736,476</b>	<b>996,836</b>	<b>21,684</b>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	2,318,903			
Secondary School	2,034,260			
Alternative School	104,971			
Exceptional Child	438,847			
Preschool Exceptional	20,973			
Gifted & Talented	36,945			
Interscholastic	200,227			
Support Service Programs				
Attendance - Guidance - Health	300,383			
Special Services	37,775			
Instructional Improvement	79,655			
Educational Media	149,191			
Instruction-Related Technology				
District Administration	293,810			
School Administration	670,493			
Administrative Technology				
Buildings - Care	618,726			
Maintenance - Non-Student Occupied	740			
Maintenance - Student Occupied	239,984			
Maintenance - Grounds	80,435			
Pupil-To-School Transportation	395,085			
Pupil-Activity Transportation	5,538			
General Transportation	28,659			
Non-Instructional Programs				
Child Nutrition	17,042	709,456		
Community Services	5,412			
Capital Assets - Student Occupied				32,349
Capital Assets - Non-Student Occupied				162,029
Debt Service - Principal			825,000	
Debt Service - Interest			194,725	
<b>Total Expenditures</b>	<b>8,078,054</b>	<b>709,456</b>	<b>1,019,725</b>	<b>194,378</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	726,641	27,020	(22,889)	(172,694)
<b>Other Financing Sources (Uses)</b>				
Transfers In	19,212	0	0	568,345
Transfers Out	(568,345)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(549,133)</b>	<b>0</b>	<b>0</b>	<b>568,345</b>
<b>Net Change in Fund Balances</b>	<b>177,508</b>	<b>27,020</b>	<b>(22,889)</b>	<b>395,651</b>
<b>Fund Balances - Beginning</b>	<b>444,986</b>	<b>216,393</b>	<b>1,157,990</b>	<b>217,158</b>
<b>Fund Balances - Ending</b>	<b>\$622,494</b>	<b>\$243,413</b>	<b>\$1,135,101</b>	<b>\$612,809</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2010

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Local Taxes	\$0	\$871,337
Other Local Revenue	187,692	401,605
State Revenue	158,665	7,902,530
Federal Revenue	1,524,279	3,254,855
<b>Total Revenues</b>	<b>1,870,636</b>	<b>12,430,327</b>
<b>Expenditures</b>		
Instructional Programs		
Elementary School	720,131	3,039,034
Secondary School	126,524	2,160,784
Alternative School	0	104,971
Exceptional Child	621,370	1,060,217
Preschool Exceptional	23,143	44,116
Gifted & Talented	0	36,945
Interscholastic	0	200,227
Support Service Programs		
Attendance - Guidance - Health	0	300,383
Special Services	43,178	80,953
Instructional Improvement	218,847	298,502
Educational Media	0	149,191
Instruction-Related Technology	47,618	47,618
District Administration	7,313	301,123
School Administration	0	670,493
Administrative Technology	6,461	6,461
Buildings - Care	1,104	619,830
Maintenance - Non-Student Occupied	0	740
Maintenance - Student Occupied	0	239,984
Maintenance - Grounds	0	80,435
Pupil-To-School Transportation	0	395,085
Pupil-Activity Transportation	0	5,538
General Transportation	0	28,659
Non-Instructional Programs		
Child Nutrition	0	726,498
Community Services	0	5,412
Capital Assets - Student Occupied	0	32,349
Capital Assets - Non-Student Occupied	0	162,029
Debt Service - Principal	0	825,000
Debt Service - Interest	0	194,725
<b>Total Expenditures</b>	<b>1,815,689</b>	<b>11,817,302</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>54,947</b>	<b>613,025</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	0	587,557
Transfers Out	(19,212)	(587,557)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,212)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>35,735</b>	<b>613,025</b>
<b>Fund Balances - Beginning</b>	<b>242,614</b>	<b>2,279,141</b>
<b>Fund Balances - Ending</b>	<b>\$278,349</b>	<b>\$2,892,166</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2010

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**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds to the  
Statement of Activities**

**Net Change in Fund Balances - Total Governmental Funds** \$613,025

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

Government 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 excess of capital outlays over (under) depreciation expense in the current period. (474,880)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (24,515)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net assets. 825,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 5,157

**Change in Net Assets of Governmental Activities** \$943,787

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Statement of Fiduciary Net Assets

June 30, 2010

	<b>Employee Benefit Trust Fund</b>	<b>Private Purpose Trust Funds - Scholarship</b>	<b>Agency Funds - Student Activity</b>	<b>Total</b>
<b>Assets</b>				
Cash & Investments	\$110,473	\$113,279	\$181,848	\$405,600
<b>Total Assets</b>	<u>\$110,473</u>	<u>\$113,279</u>	<u>\$181,848</u>	<u>\$405,600</u>
<b>Liabilities</b>				
Due to Student Groups			\$181,848	\$181,848
<b>Total Liabilities</b>	<u>\$0</u>	<u>\$0</u>	<u>181,848</u>	<u>181,848</u>
<b>Net Assets</b>				
Restricted:				
Scholarships		113,279		113,279
Employees	110,473			110,473
<b>Total Net Assets</b>	<u>110,473</u>	<u>113,279</u>	<u>0</u>	<u>223,752</u>
<b>Total Liabilities and Net Assets</b>	<u>\$110,473</u>	<u>\$113,279</u>	<u>\$181,848</u>	<u>\$405,600</u>



**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Statement of Changes in Fiduciary Net Assets

Year Ended June 30, 2010

	<u>Employee Benefit Trust Fund</u>	<u>Private Purpose Trust Funds - Scholarship</u>	<u>Total</u>
<b>Additions</b>			
Contributions		\$200	\$200
Investment Income (Loss)	\$4,733	309	5,042
<b>Total Additions</b>	<u>4,733</u>	<u>509</u>	<u>5,242</u>
<b>Deductions</b>			
Distributions	7,570		7,570
Scholarships Awarded		1,500	1,500
<b>Total Deductions</b>	<u>7,570</u>	<u>1,500</u>	<u>9,070</u>
<b>Change in Net Assets</b>	(2,837)	(991)	(3,828)
<b>Net Assets - Beginning</b>	<u>113,310</u>	<u>114,270</u>	<u>227,580</u>
<b>Net Assets - Ending</b>	<u>\$110,473</u>	<u>\$113,279</u>	<u>\$223,752</u>

# JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

## Notes to Financial Statements

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### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – Joint School District No. 371 – Payette (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Payette and Washington Counties.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to school districts. The significant accounting policies of the School are described below.

**Basic Financial Statements - Government-Wide Statements** – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net assets, the 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. The School's net assets may be reported in three parts - invested in capital assets, net of related debt (when related debt exists), restricted net assets, and unrestricted net assets. The School first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. 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) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net assets resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**Basic Financial Statements - Fund Financial Statements** – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted

## JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

### Notes to Financial Statements

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for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures/expenses of the funds) for the determination of major funds. Major governmental funds of the School include:

*General Fund* – The general fund is the School’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

*Debt Service Fund* – The debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt.

*Capital Projects Funds* – Capital projects funds are used to account for the acquisition of major capital assets. Major capital project funds include the plant facilities fund, used to account for the maintenance of facilities and other capital assets.

Fiduciary funds of the School include:

*Private Purpose Trust Funds* – Private purpose trust funds are used to account for the assets, and related income producing and disbursement activities, for which the School acts as a scholarship trustee.

*Employee Benefit Trust Funds* – Employee benefit trust funds are used to account for the assets, and related income producing and disbursement activities, for which the School acts as a trustee for certain benefits of its employees.

*Agency Funds* – Agency funds are used to account for assets held by the School on behalf of students.

**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.

Activities in the government-wide financial statements are presented on the accrual basis of accounting and are required to follow both governmental accounting standards board pronouncements and financial accounting standards board pronouncements issued before November 30, 1989. Revenues are recognized when earned and expenses are recognized when incurred.

## JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

### Notes to Financial Statements

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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 (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

The School may report deferred revenue on its financial statements. For the fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the revenue is recognized. For both the government-wide and fund financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditures; any excess revenues are reported as deferred revenue.

**Cash and Investments** – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds in proportion to each fund's respective investment balance. Investments include monies invested in the local government investment pool and deferred compensation plan and are stated at fair value using either quoted market prices or best available estimate. The reported value of the local government investment pool is materially the same as the fair value of its shares.

**Receivables** – Receivables are reported net of any estimated uncollectible amounts.

**Inventories** – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

**Capital Assets and Depreciation** – Significant capital asset acquisitions with an original cost of \$1,000 or more are recorded at cost if purchased or fair value if contributed. Minor repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method, except for certain transportation vehicles which use the declining balance method.

**Compensated Absences and Post-Retirement Benefits** – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Government accounting standards board statement 45 requires employers to accrue future estimated post-retirement benefits on the employer's government-wide financial statements when such benefits are deemed material to the employer. The future estimated post-retirement benefits are deemed immaterial to the School, and accordingly, are not reflected on the government-wide financial statements.

## JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

### Notes to Financial Statements

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**Net Assets** – Net assets is the difference between assets and liabilities. Net assets invested in capital assets - net of related debt, are capital assets net of accumulated depreciation and reduced by any outstanding debt related to the financing of those assets. Restricted net assets are net assets less related debt that are subject to constraints on their use by creditors, grantors, contributors, legislation, and other parties. All other net assets are reported as unrestricted.

**Fund Balance Classifications** – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that are not expected to be converted into cash. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Assigned fund balance classifications are not actively used by the entity. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources.

**Property Taxes** – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

**Contingent Liabilities** – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

**Teacher Contracts** – Contracts for teachers' salaries are payable in twelve monthly installments beginning in September. At June 30, the liability for the remaining two months of the current contracts is accrued.

**Interfund Activity** – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Notes to Financial Statements

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**Concentrations of Credit Risk** – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning concentrations of credit risk.

**Risk Management** – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

**Nonmonetary Transactions** – Items received via food commodities programs are recognized at their stated fair market value.

**Subsequent Events** – Subsequent events were evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

**B. CASH AND INVESTMENTS**

Cash and investments consist of the following at year end:

Cash - Deposits	\$1,144,809
Investments - Local Government Investment Pool	2,522,876
Investments - IRC 457 Deferred Compensation Plan	110,473
<b>Total</b>	<u><u>\$3,778,158</u></u>

**Deposits** – At year end, the carrying amounts of the School's deposits were \$1,144,809 and the bank balances were \$1,245,275. The bank balances were insured.

**Investments** – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. Government accounting standards board statement 40 requires government entities to disclose credit quality ratings, concentration of credit risk, and interest rate risk on investment balances. Investments in the local government investment pool and deferred compensation plan (comprised of mutual funds and unrated collectively) are, due to their nature, not required to be rated in terms of credit quality, and are excluded from the other disclosure requirements. These investments include insured or registered investments or investments for which the securities are held by the School or its agent in the School's name. Collateralized securities in the local government investment pool are held in trust by a safekeeping bank.

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Notes to Financial Statements

**C. RECEIVABLES**

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
Local Sources			
Local Taxes	\$86,472		\$295,777
<b>Total</b>	<u>\$86,472</u>		<u>\$295,777</u>
State Sources			
Foundation Program	\$179,179		
Transportation	274,230		
Special Programs	20,035	\$33,838	
<b>Total</b>	<u>\$473,444</u>	<u>\$33,838</u>	
Federal Sources			
Special Programs		\$823,875	
<b>Total</b>		<u>\$823,875</u>	

**D. DEFERRED REVENUE**

Deferred revenue consists of the following at year end:

<u>Description</u>	<u>Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
Property Taxes	\$68,917	
Grant Advances	465,668	\$465,668
Transportation Reimbursement	274,230	
<b>Total</b>	<u>\$808,815</u>	<u>\$465,668</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Notes to Financial Statements

**E. CAPITAL ASSETS**

A summary of capital assets for the year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$831,666			\$831,666
<b>Total</b>	<u>831,666</u>	<u>\$0</u>	<u>\$0</u>	<u>831,666</u>
Depreciable Capital Assets				
Buildings	16,678,080	139,306		16,817,386
Equipment	1,724,181	8,000		1,732,181
Transportation	987,648	78,587		1,066,235
Subtotal	<u>19,389,909</u>	<u>225,893</u>	<u>0</u>	<u>19,615,802</u>
Accumulated Depreciation				
Buildings	5,648,533	392,126		6,040,659
Equipment	1,240,692	247,454		1,488,146
Transportation	738,854	61,193		800,047
Subtotal	<u>7,628,079</u>	<u>700,773</u>	<u>0</u>	<u>8,328,852</u>
<b>Total</b>	<u>11,761,830</u>	<u>(474,880)</u>	<u>0</u>	<u>11,286,950</u>
<b>Net Capital Assets</b>	<u>\$12,593,496</u>	<u>(\$474,880)</u>	<u>\$0</u>	<u>\$12,118,616</u>

Depreciation expense was charged to the following programs:

Transportation	\$61,193
Capital Assets	639,580
<b>Total</b>	<u>\$700,773</u>

**F. LONG-TERM DEBT**

At year end, the School's bonded debt was as follows:

	<u>Outstanding</u>
2003 - \$8,300,000 - general obligation bonds for capital improvements due in annual installments with interest at 2.00% - 3.40% through 2015, secured by future taxes, paid through the debt service fund	\$5,505,000
<b>Total</b>	<u>\$5,505,000</u>



**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Notes to Financial Statements

Changes in long-term debt are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2003 G.O. Bonds	\$6,330,000		\$825,000	\$5,505,000	\$845,000
<b>Total</b>	<u>\$6,330,000</u>	<u>\$0</u>	<u>\$825,000</u>	<u>\$5,505,000</u>	<u>\$845,000</u>

Interest costs during the year amounted to \$189,568 and were charged to expense in the statement of activities.

Maturities on long-term debt are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/11	\$845,000	\$171,794
6/30/12	870,000	144,950
6/30/13	900,000	113,975
6/30/14	930,000	81,950
6/30/15	965,000	49,752
6/30/16	995,000	16,915
<b>Total</b>	<u>\$5,505,000</u>	<u>\$579,336</u>

**G. RETIREMENT PLAN**

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov).

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Notes to Financial Statements

The contribution requirements of employer and employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2010, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Additionally, PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions while employed and pays insurance premiums for state and school employees at retirement based on a portion of the accumulated balance of their unused sick leave. State and school employers pre-fund this termination payment with contributions to PERSI during active employment.

The School's contributions required and paid were \$718,566, \$755,349, and \$800,789, for the three years ended June 30, 2010, 2009, and 2008 respectively.

**H. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at year end consist of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	
	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$199,865	\$199,865
<b>Total</b>	<u>\$199,865</u>	<u>\$199,865</u>

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$19,212	\$568,345	Reimbursements; depreciation allowance; capital outlay
Plant Facilities	568,345		Depreciation allowance; capital outlay
Nonmajor Governmental		19,212	Reimbursements
<b>Total</b>	<u>\$587,557</u>	<u>\$587,557</u>	

**I. DEFERRED COMPENSATION PLAN**

A few of the School's current or former employees participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is funded with employee contributions only.

**REQUIRED SUPPLEMENTAL INFORMATION**

Budgetary Comparison Schedule - General and Major Special Revenue Funds  
Year Ended June 30, 2010

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$25,527	\$208,177	\$198,111	(\$10,066)
Other Local Revenue	40,000	97,988	99,304	1,316
State Revenue	8,315,577	7,480,048	7,427,966	(52,082)
Federal Revenue	0	736,637	1,079,314	342,677
<b>Total Revenues</b>	<u>8,381,104</u>	<u>8,522,850</u>	<u>8,804,695</u>	<u>281,845</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	2,273,478	2,321,744	2,318,903	2,841
Secondary School	2,172,324	2,086,214	2,034,260	51,954
Alternative School	122,156	123,156	104,971	18,185
Exceptional Child	470,610	445,940	438,847	7,093
Preschool Exceptional	28,369	21,328	20,973	355
Gifted & Talented	39,408	39,414	36,945	2,469
Interscholastic	227,566	227,566	200,227	27,339
Support Service Programs				
Attendance - Guidance - Health	380,310	328,560	300,383	28,177
Special Services	0	27,934	37,775	(9,841)
Instructional Improvement	82,086	140,916	79,655	61,261
Educational Media	156,912	154,320	149,191	5,129
Instruction-Related Technology	0	0	0	0
District Administration	281,669	281,669	293,810	(12,141)
School Administration	693,559	693,569	670,493	23,076
Administrative Technology	0	0	0	0
Buildings - Care	687,389	707,189	618,726	88,463
Maintenance - Non-Student Occupied	2,500	2,500	740	1,760
Maintenance - Student Occupied	260,544	260,544	239,984	20,560
Maintenance - Grounds	89,900	89,900	80,435	9,465
Pupil-To-School Transportation	436,736	437,186	395,085	42,101
Pupil-Activity Transportation	7,818	7,818	5,538	2,280
General Transportation	24,664	30,664	28,659	2,005
Non-Instructional Programs				
Child Nutrition	18,500	18,500	17,042	1,458
Community Services	10,000	8,000	5,412	2,588
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
<b>Total Expenditures</b>	<u>8,466,498</u>	<u>8,454,631</u>	<u>8,078,054</u>	<u>376,577 *</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(85,394)	68,219	726,641	658,422
<b>Other Financing Sources (Uses)</b>				
Transfers In	20,000	20,000	19,212	(788)
Transfers Out	(112,844)	(112,844)	(568,345)	(455,501)
<b>Total Other Financing Sources (Uses)</b>	<u>(92,844)</u>	<u>(92,844)</u>	<u>(549,133)</u>	<u>(456,289)</u>
<b>Net Change in Fund Balances</b>	<u>(178,238)</u>	<u>(24,625)</u>	<u>177,508</u>	<u>202,133</u>
<b>Fund Balances - Beginning</b>	<u>180,702</u>	<u>444,986</u>	<u>444,986</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u>\$2,464</u>	<u>\$420,361</u>	<u>\$622,494</u>	<u>\$202,133</u>

\*Total expenditures (over) under appropriations.

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Budgetary Comparison Schedule - General and Major Special Revenue Funds

Year Ended June 30, 2010

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Child Nutrition Fund</b>				
<b>Revenues</b>				
Other Local Revenue	\$87,600	\$87,600	\$85,214	(\$2,386)
Federal Revenue	570,000	570,000	651,262	81,262
<b>Total Revenues</b>	<u>657,600</u>	<u>657,600</u>	<u>736,476</u>	<u>78,876</u>
<b>Expenditures</b>				
Non-Instructional Programs				
Child Nutrition	656,000	656,000	709,456	(53,456)
<b>Total Expenditures</b>	<u>656,000</u>	<u>656,000</u>	<u>709,456</u>	<u>(53,456) *</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,600	1,600	27,020	25,420
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	1,600	1,600	27,020	25,420
<b>Fund Balances - Beginning</b>	0	216,393	216,393	0
<b>Fund Balances - Ending</b>	<u>\$1,600</u>	<u>\$217,993</u>	<u>\$243,413</u>	<u>\$25,420</u>

*\*Total expenditures (over) under appropriations.*

**SUPPLEMENTARY INFORMATION**

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Local Special Projects</b>	<b>McCain Middle School</b>	<b>Driver Education</b>	<b>Professional Technical</b>
<b>Assets</b>				
Cash & Investments	\$30,204	\$236,347	\$2,895	
Receivables:				
Local Sources				
State Sources				\$14,778
Federal Sources				
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<b>\$30,204</b>	<b>\$236,347</b>	<b>\$2,895</b>	<b>\$14,778</b>
<b>Liabilities</b>				
Accounts Payable				
Due To Other Funds				\$11,780
Salaries & Benefits Payable	\$8,273		\$370	2,998
Deferred Revenue				
<b>Total Liabilities</b>	<b>8,273</b>	<b>\$0</b>	<b>370</b>	<b>14,778</b>
<b>Fund Balances</b>				
Restricted:				
Special Programs	21,931	236,347	2,525	
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<b>21,931</b>	<b>236,347</b>	<b>2,525</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$30,204</b>	<b>\$236,347</b>	<b>\$2,895</b>	<b>\$14,778</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Technology</b>	<b>Substance Abuse</b>	<b>Title I-A ESEA IBP</b>	<b>Title I-C ESEA EMC</b>
<b>Assets</b>				
Cash & Investments	\$15,675	\$6,490		
Receivables:				
Local Sources				
State Sources		715		
Federal Sources			\$322,926	\$13,836
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$15,675</u>	<u>\$7,205</u>	<u>\$322,926</u>	<u>\$13,836</u>
<b>Liabilities</b>				
Accounts Payable				
Due To Other Funds			\$58,337	\$3,134
Salaries & Benefits Payable	\$238	\$5,096	91,017	6,625
Deferred Revenue			173,572	4,077
<b>Total Liabilities</b>	<u>238</u>	<u>5,096</u>	<u>322,926</u>	<u>13,836</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs	15,437	2,109		
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>15,437</u>	<u>2,109</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$15,675</u>	<u>\$7,205</u>	<u>\$322,926</u>	<u>\$13,836</u>



**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2010

	Special Revenue Funds			
	Special Educ. IDEA Part B	Special Educ. IDEA Preschool	Perkins III Professional Technical Act	Title III ESEA LILEP&I
<b>Assets</b>				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$327,189	\$21,744	\$15,811	\$10,113
Due From Other Funds				
Inventory				
<b>Total Assets</b>	\$327,189	\$21,744	\$15,811	\$10,113
<b>Liabilities</b>				
Accounts Payable				
Due To Other Funds	\$45,463	\$8,568	\$15,811	\$2,120
Salaries & Benefits Payable	48,310	1,413		4,053
Deferred Revenue	233,416	11,763		3,940
<b>Total Liabilities</b>	327,189	21,744	15,811	10,113
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	0	0	0	0
<b>Total Liabilities and Fund Balances</b>	\$327,189	\$21,744	\$15,811	\$10,113

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Title II-A Improving Teacher Quality</b>	<b>Title IV-A ESEA S&amp;DFS/C</b>	<b>Title II-D ESEA Technology</b>	<b>ISEE Grant</b>
<b>Assets</b>				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$45,696	\$3,459	\$58,601	\$4,500
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$45,696</u>	<u>\$3,459</u>	<u>\$58,601</u>	<u>\$4,500</u>
<b>Liabilities</b>				
Accounts Payable				
Due To Other Funds	\$14,974	\$3,162	\$36,516	
Salaries & Benefits Payable	18,704			
Deferred Revenue	12,018	297	22,085	\$4,500
<b>Total Liabilities</b>	<u>45,696</u>	<u>3,459</u>	<u>58,601</u>	<u>4,500</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$45,696</u>	<u>\$3,459</u>	<u>\$58,601</u>	<u>\$4,500</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2010

	<b>Special Revenue Funds</b>	
	<b>School Garden Grant</b>	<b>Total</b>
<b>Assets</b>		
Cash & Investments		\$291,611
Receivables:		
Local Sources		0
State Sources		15,493
Federal Sources		823,875
Due From Other Funds		0
Inventory		0
<b>Total Assets</b>	<b>\$0</b>	<b>\$1,130,979</b>
 <b>Liabilities</b>		
Accounts Payable		\$0
Due To Other Funds		199,865
Salaries & Benefits Payable		187,097
Deferred Revenue		465,668
<b>Total Liabilities</b>	<b>\$0</b>	<b>852,630</b>
 <b>Fund Balances</b>		
Restricted:		
Special Programs		278,349
Debt Service		0
Capital Projects		0
Nonspendable		0
Unassigned		0
<b>Total Fund Balances</b>	<b>0</b>	<b>278,349</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$0</b>	<b>\$1,130,979</b>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	<u>Special Revenue Funds</u>			
	<u>Local Special Projects</u>	<u>McCain Middle School</u>	<u>Driver Education</u>	<u>Professional Technical</u>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue	\$112,222	\$61,140	\$14,330	
State Revenue			18,841	\$49,248
Federal Revenue				
<b>Total Revenues</b>	<u>112,222</u>	<u>61,140</u>	<u>33,171</u>	<u>49,248</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School		32	29,439	49,248
Alternative School				
Exceptional Child	143,557			
Preschool Exceptional				
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Services				
Instructional Improvement				
Educational Media				
Instruction-Related Technology				
District Administration	4,313			
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>147,870</u>	<u>32</u>	<u>29,439</u>	<u>49,248</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(35,648)	61,108	3,732	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(35,648)	61,108	3,732	0
<b>Fund Balances - Beginning</b>	57,579	175,239	(1,207)	0
<b>Fund Balances - Ending</b>	<u>\$21,931</u>	<u>\$236,347</u>	<u>\$2,525</u>	<u>\$0</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Technology</b>	<b>Substance Abuse</b>	<b>Title I-A ESEA IBP</b>	<b>Title I-C ESEA EMC</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue	\$62,375	\$28,201		
Federal Revenue			\$633,069	\$39,640
<b>Total Revenues</b>	<u>62,375</u>	<u>28,201</u>	<u>633,069</u>	<u>39,640</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School			571,214	31,038
Secondary School	1,751		9,547	
Alternative School				
Exceptional Child				
Preschool Exceptional				
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Services				
Instructional Improvement		28,203	39,376	8,602
Educational Media				
Instruction-Related Technology	47,618			
District Administration				
School Administration				
Administrative Technology	6,461			
Buildings - Care			1,104	
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>55,830</u>	<u>28,203</u>	<u>621,241</u>	<u>39,640</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	6,545	(2)	11,828	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	(11,828)	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(11,828)</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	6,545	(2)	0	0
<b>Fund Balances - Beginning</b>	8,892	2,111	0	0
<b>Fund Balances - Ending</b>	<u>\$15,437</u>	<u>\$2,109</u>	<u>\$0</u>	<u>\$0</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Special Educ.</b>	<b>Special Educ.</b>	<b>Perkins III</b>	<b>Title III</b>
	<b>IDEA Part B</b>	<b>IDEA Preschool</b>	<b>Professional Technical Act</b>	<b>ESEA LILEP&amp;I</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$527,330	\$23,143	\$35,944	\$28,440
<b>Total Revenues</b>	<u>527,330</u>	<u>23,143</u>	<u>35,944</u>	<u>28,440</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School			35,944	
Alternative School				
Exceptional Child	477,813			
Preschool Exceptional		23,143		
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Services	43,178			
Instructional Improvement				28,440
Educational Media				
Instruction-Related Technology				
District Administration				
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>520,991</u>	<u>23,143</u>	<u>35,944</u>	<u>28,440</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	6,339	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	(6,339)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(6,339)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	0	0	0
<b>Fund Balances - Beginning</b>	0	0	0	0
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	<u>Special Revenue Funds</u>			
	<u>Title II-A</u> <u>Improving</u> <u>Teacher Quality</u>	<u>Title IV-A</u> <u>ESEA</u> <u>S&amp;DFS/C</u>	<u>Title II-D</u> <u>ESEA</u> <u>Technology</u>	<u>ISEE</u> <u>Grant</u>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$117,879	\$26,380	\$88,891	\$3,000
<b>Total Revenues</b>	<u>117,879</u>	<u>26,380</u>	<u>88,891</u>	<u>3,000</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	117,879			
Secondary School				
Alternative School				
Exceptional Child				
Preschool Exceptional				
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Services				
Instructional Improvement		26,380	87,846	
Educational Media				
Instruction-Related Technology				
District Administration				3,000
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>117,879</u>	<u>26,380</u>	<u>87,846</u>	<u>3,000</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	1,045	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	(1,045)	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(1,045)</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2010

	<u>Special Revenue Funds</u>	
	<u>School Garden Grant</u>	<u>Total</u>
<b>Revenues</b>		
Local Taxes		\$0
Other Local Revenue		187,692
State Revenue		158,665
Federal Revenue	\$563	1,524,279
<b>Total Revenues</b>	<u>563</u>	<u>1,870,636</u>
<b>Expenditures</b>		
Instructional Programs		
Elementary School		720,131
Secondary School	563	126,524
Alternative School		0
Exceptional Child		621,370
Preschool Exceptional		23,143
Gifted & Talented		0
Interscholastic		0
Support Service Programs		
Attendance - Guidance - Health		0
Special Services		43,178
Instructional Improvement		218,847
Educational Media		0
Instruction-Related Technology		47,618
District Administration		7,313
School Administration		0
Administrative Technology		6,461
Buildings - Care		1,104
Maintenance - Non-Student Occupied		0
Maintenance - Student Occupied		0
Maintenance - Grounds		0
Pupil-To-School Transportation		0
Pupil-Activity Transportation		0
General Transportation		0
Non-Instructional Programs		
Child Nutrition		0
Community Services		0
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
<b>Total Expenditures</b>	<u>563</u>	<u>1,815,689</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	54,947
<b>Other Financing Sources (Uses)</b>		
Transfers In	0	0
Transfers Out	0	(19,212)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(19,212)</u>
<b>Net Change in Fund Balances</b>	0	35,735
<b>Fund Balances - Beginning</b>	0	242,614
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$278,349</u>



# JOINT SCHOOL DISTRICT NO. 371 - PAYETTE

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2010

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>US Dept of Agriculture</b>			
<i>Passed Through Washington County:</i>			
Schools and Roads Cluster:			
Schools and Roads - Grants to Counties	10.666	None	\$493
Total Schools and Roads Cluster			<u>493</u>
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	10.553	169,914
ARRA - National School Lunch Program	10.555	10.555	420,994
Summer Food Service Program for Children	10.559	10.559	18,345
Total Child Nutrition Cluster			<u>609,253</u>
Team Nutrition Grants	10.574	10.574	563
Fresh Fruit & Vegetable Program	10.582	10.582	42,010
<b>Total US Dept of Agriculture</b>			<u>652,319</u>
<b>US Dept of Education</b>			
<i>Passed Through Idaho Dept of Education:</i>			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	84.010	452,406
ARRA - Title I Grants to Local Educational Agencies	84.389	84.389	180,663
Total Title I, Part A Cluster			<u>633,069</u>
Special Education Cluster:			
Special Education - Grants to States	84.027	84.027	346,573
Special Education - Preschool Grants	84.173	84.173	16,490
ARRA - Special Education - Grants to States	84.391	84.391	180,757
ARRA - Special Education - Preschool Grants	84.392	84.392	6,652
Total Special Education Cluster			<u>550,472</u>
State Fiscal Stabilization Fund Cluster:			
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	84.394	1,081,821
Total State Fiscal Stabilization Fund Cluster			<u>1,081,821</u>
Migrant Education - State Grant Program	84.011	84.011	39,640
Career & Technical Education - Basic Grants to States	84.048	84.048	35,944
Safe & Drug-Free Schools & Communities - State Grants	84.186	84.186	15,587
Twenty-First Century Community Learning Centers	84.287	84.287	10,793
Education Technology State Grants	84.318	84.318	56,486
ARRA - Education Technology State Grants	84.386	84.386	32,405
English Language Acquisition Grants	84.365	84.365	28,440
Improving Teacher Quality State Grants	84.367	84.367	117,879
<b>Total US Dept of Education</b>			<u>2,602,536</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$3,254,855</u>

**NOTES:**

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

**Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$43,342.

**OTHER REPORTS AND SCHEDULES**

**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***

Board of Trustees  
Joint School District No. 371 – Payette

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Joint School District No. 371 – Payette (the School) as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements and have issued our report thereon dated July 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as B-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

## **Compliance and Other Matters**

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

The School's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Folke CPAs, P.C.***

July 21, 2010

**Report on Compliance With Requirements Applicable to  
Each Major Program and on Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

Board of Trustees  
Joint School District No. 371 – Payette

**Compliance**

We have audited the compliance of Joint School District No. 371 – Payette (the School) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

*A control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

*A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Folke CPAs, P.C.***

July 21, 2010

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2010

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**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the School.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*. The deficiency is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the School were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133. Due to additional monitoring and other oversight by the board, management, and others, the significant deficiency relating to segregation of duties does not extend to, or include, major federal programs.
5. The auditor's report on compliance for the major federal award programs for the School expresses an unqualified opinion on all major federal programs.
6. Audit findings, if any, that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in part C. of this schedule.
7. The programs tested as major programs include:
  - a. Child Nutrition Cluster – CFDA #10.553, 10.555, 10.559
  - b. Title 1, Part A Cluster – CFDA #84.010, 84.389
  - c. Special Education Cluster – CFDA #84.027, 84.173, 84.391, 84.392
  - d. State Fiscal Stabilization Fund Cluster – CFDA #84.394
8. The threshold used for distinguishing between Type A and Type B programs was \$300,000.
9. The Organization did not qualify as a low-risk auditee.

**JOINT SCHOOL DISTRICT NO. 371 - PAYETTE**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2010

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**Significant Deficiency**

1. *Segregation of Duties*

**Condition** – Although the School has implemented various checks and balances in internal control to the degree possible given available staff, it does not have a complete segregation of duties over assets.

**Criteria** – Inherent in an ideal internal control structure is a complete segregation of duties over assets.

**Cause** – This situation is due to staffing limitations common to an entity this size.

**Effect** – The lack of a complete segregation of duties may increase the risk that a loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

**Recommendation and Response** – It is requested that the School take note that this situation exists. Management has taken steps to improve in this area insofar as is possible with an entity this size. However, substantial changes cannot be expected until the benefits are deemed to outweigh the costs of hiring additional staff.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.