

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

FINANCIAL STATEMENTS

Year Ended June 30, 2009

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	11
Statement of Activities	12
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Statement of Fiduciary Net Assets – Fiduciary Funds	17
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	18
NOTES TO FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Budgetary Comparison Schedule - General Fund	32
Budgetary Comparison Schedule – Forest Reserve	33
Budgetary Comparison Schedule - School Lunch	34
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report – Government Auditing Standards	35
Single Audit Act	37
Supplementary Information	39
Schedule of Expenditures of Federal Awards – Modified Accrual Basis	40
Schedule of Findings and Questioned Costs	41
Governmental Funds	43
Combining Balance Sheet - All Governmental Funds	47
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds	50
Trust and Agency Funds	53
Combining Balance Sheet - All Trust and Agency Funds	55
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Trust Funds	57
Combining Statements of Revenues, Functional Expenditures, and Changes in Fund Balances – All Governmental Funds - 2009 and 2008	59



Independent Auditor's Report

Board of Trustees
Mountain View School District No. 244
Grangeville, Idaho

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain View School District No. 244, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2008 financial statements and, in our report dated October 13, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with United States generally accepted auditing standards 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 the 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 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 of Mountain View School District No. 244, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with United States generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2009, on our consideration of Mountain View School District No. 244's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The Management's Discussion and Analysis and budgetary comparison information on pages 4 to 10 and 32 to 34 are not a required part of the basic financial statements but are supplementary information required by United States generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit the information and express no opinion on it.

Presnell Gege, PLLC
October 13, 2009

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Mountain View School District No. 244's financial performance provides an overview of the District's financial activities for the fiscal years ended June 30, 2009 and 2008. We hope that you find it informative.

Good fiscal management has assisted us in moving forward with our strategic mission to better serve the needs of our students and patrons. Mountain View School District No. 244 is working toward the following goals:

- To provide a safe environment for learning.
- To provide an atmosphere where all students feel a sense of belonging.
- To provide a high standard of academics.
- To provide extra-curricular opportunities.
- To develop good citizens within our community.

Using This Annual Report

This annual report consists of four distinct series of financial statements: the District-wide financial statements, the fund financial statements, the fiduciary financial statements, and supplementary information.

- The statement of net assets and the statement of activities (on pages 11 and 12) provide information about the activities of the District as a whole and present a longer-term view of the District's finances.
- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.
- The Fiduciary Funds provide information about activities for which the District acts solely as a trustee or agent for the benefit of student groups and individual students.
- The remaining statements and schedules provide information about individual funds within the District and the results of their operations compared to budget.

The Statement of Net Assets and the Statement of Activities

The statement of net assets and the statement of activities report information about the District as a whole and about its activities in a way that may help answer the question, "Is the District as a whole better off or worse off as a result of the year's activities"? These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and the liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and student enrollment to assess the overall health of the District.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

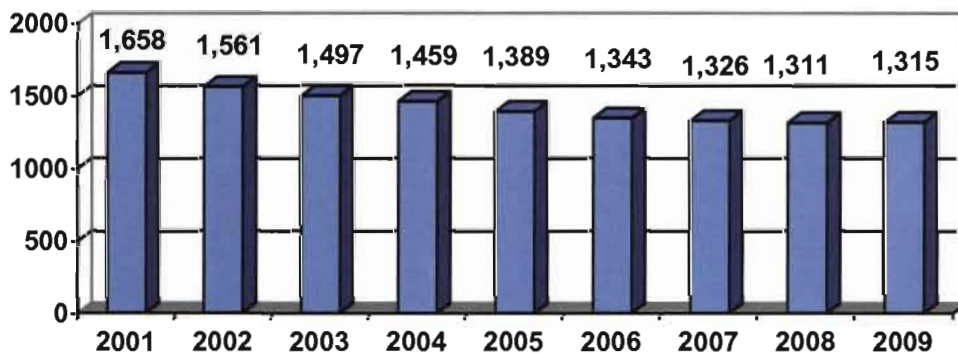
The Statement of Net Assets and the Statement of Activities (Continued)

Financial Highlights

- The District's funding through the Craig Wyden funds was renewed at an increase for 2008-09 with declining future funding.
- The District's net assets increased by \$1,236,675 for the year ended June 20, 2009, compared to an increase of \$531,846 for 2008. Mountain View School District No. 244 has net assets of \$8,175,468 and total assets of \$10,326,411.
- The total cost of District operations amounted to \$12,316,575 for the year ended June 30, 2009, of which \$7,337,518 was generated from operating grants and contributions, and \$392,911 from charges for services. General revenues amounted to \$5,822,821.
- The District has outstanding liabilities of \$1,499,685 of which \$1,108,230 are for salaries and benefits to be paid in July and August.

Approximately 57 percent of governmental fund revenue is provided by the State of Idaho foundation program, which is based upon student enrollment and attendance. Fall enrollment in the areas served by Joint School District No. 241 declined from 1,658 in 2000-01 to 1,326 in 2006-07. The 2008-09 enrollment for the same area was 1,315 of which fall enrollment was 1,178 for Mountain View School District No. 244 (89 percent of total) and 137 for Salmon River Joint School District No. 243. Following is a graph on enrollment for the last nine years.

Fall enrollment



Program revenue consists of funds received for specific District programs. **General revenue** consists of funds received where the Trustees have a great deal of discretion on what and how to spend the funds. All property taxes are considered general revenue regardless of the committed purpose.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Assets and the Statement of Activities (Continued)

Financial Highlights (Continued)

A summary of District revenue follows:

Revenues

Program revenue		
State foundation revenue	\$ 5,292,359	\$ 5,204,558
State and federal grants	2,045,159	2,032,479
Charges for service	392,911	374,397
	<u>7,730,429</u>	<u>7,611,434</u>
General revenue		
Property taxes	1,827,577	2,210,260
State foundation revenue	1,834,317	1,798,974
Federal forest receipts and in-lieu revenue	1,718,013	788,663
State and federal grants	159,777	279,425
Other	283,137	215,296
	<u>5,822,821</u>	<u>5,292,618</u>
Total revenues	<u>\$ 13,553,250</u>	<u>\$ 12,904,052</u>

Approximately 42 percent of District expenses are for regular instruction expenses. The State Foundation Program and federal grant programs are primarily dedicated towards salaries and benefits. After deducting dedicated revenues, the net expense of the programs paid by the District's general revenues (including property taxes) is 25 percent for regular instruction expenses, and 28 percent for maintenance and operations.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Assets and the Statement of Activities (Continued)

Financial Highlights (Continued)

Following is a summary of program expenses:

	<u>2009</u>	<u>%</u>	<u>2008</u>	<u>%</u>
Program expenses				
Instruction				
Regular programs	\$ 5,155,249	42%	\$ 5,345,491	43%
Special programs	856,386	7%	799,499	6%
Interscholastic and school activity	419,255		410,821	
Other instructional programs	9,424		2,506	
Support services				
Pupil support	527,506		533,326	
Staff support	763,204	6%	740,272	
General administration	246,034		352,291	
School administration	618,858		510,427	
Business services	211,577		181,583	
Maintenance and operations	1,623,626	13%	1,392,904	11%
Transportation	1,083,143	9%	885,082	7%
Food services	527,999		471,293	
Community services	250,700		231,898	
Capital outlay	23,614		0	
Debt services	0		514,813	
	<u>\$ 12,316,575</u>		<u>\$ 12,372,206</u>	

	<u>2009</u>	<u>%</u>	<u>2008</u>	<u>%</u>
Net program expense after program revenue				
Instruction				
Regular programs	\$ 1,126,266	25%	\$ 1,299,624	27%
Special programs	425,673	9%	494,711	10%
Interscholastic and school activity	270,916		219,079	
Other instructional programs	9,424		1,778	
Support services				
Pupil support	220,442		65,619	
Staff support	275,844	6%	247,025	
General administration	106,055		202,385	
School administration	272,650		171,995	
Business services	132,157		138,030	
Maintenance and operations	1,302,143	28%	1,088,901	23%
Transportation	388,924	8%	255,312	
Food services	11,916		(5,047)	
Community services	20,122		66,547	
Capital outlay	23,614		0	
Debt services	0		514,813	11%
	<u>\$ 4,586,146</u>		<u>\$ 4,760,772</u>	

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

- Mountain View School District has assumed liability for 86.06 percent of a judgment that Joint School District No. 241 was obligated to pay back to Idaho County on a property tax assessment appeal. The District's remaining share of the judgment is \$23,146.
- All other long-term debt from Joint School District No. 241 has been repaid as of June 30, 2009.

Reporting the District's Most Significant Funds

The fund financial statements begin on page 13 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation that follows the fund financial statements.

The District is the fiduciary for its student activity funds and scholarship funds established through the District. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 17 and 18. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The District's first year of operation ended with actual general fund revenues exceeding budgeted amounts by over \$259,000 due largely to additional amounts realized from charges for services in excess of budget and fundraisers for student activities.

General fund expenditures were less than budgeted by \$264,000 largely due to the District being able to operate without using the contingency budget amount.

Purchased services were greater than budgeted in the following areas:

- Contracted repairs to buses and vehicles by approximately \$30,000.
- Electrical costs were greater than budget by approximately \$60,000.
- Continuing education costs were greater than budget by approximately \$17,000.
- Special services contracted costs were greater than budget by approximately \$17,000.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reporting the District's Most Significant Funds (Continued)

General fund expenditures for 2009 compared to 2008 rose by only \$33,314, approximately 0.3 percent.

General fund carryover of \$555,396 at June 30, 2009, consists of:

\$342,896 Designated for instructional materials, extracurricular programs, and amounts remaining in specific state programs.

\$212,500 Undesignated carryover for contingency purposes.

The federal forest reserve fund revenue is no longer directly tied to the timber harvest on the national forests.

- In 2000, the 106th Congress enacted the *Secure Rural Schools and Community Self-Determination Act (SRSCA)* to restore stability to the annual payments made to states and counties containing national forest system lands. *SRSCA* provided funding for seven years requiring reauthorization after that time.
- In 2007, the 110th Congress enacted a one-year emergency extension.
- At the time the 2009 budget was adopted, there was no federal funding in place; the District trustees and administration worked diligently with the Idaho Legislature to secure "stop-gap" funding from the State in the event that federal payments were not authorized. Late in 2008, *SRSCA* was included in the *Tax Extender Financial Stimulus Package* approved by Congress; it provides for four years of payments beginning in 2009 and lasting through the District's fiscal year ending 2012. The 2009 federal payment of \$1,686,347 negated the need for the State to disburse the "stop-gap" funding. The federal payments will decline by 10 percent each year for the next three years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 714 Jefferson Street, Grangeville, Idaho.

(THIS PAGE INTENTIONALLY BLANK)

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

STATEMENT OF NET ASSETS

June 30, 2009

	Governmental Activities	Prior Year 2008
ASSETS		
Current assets		
Cash	\$ 21,254	\$ 43,207
Investments	3,591,313	2,462,736
Property taxes receivable	139,146	86,926
Accounts receivable	1,150,218	1,272,836
Prepaid expenses	145,131	25,924
Total current assets	<u>5,047,062</u>	<u>3,891,629</u>
Noncurrent assets		
Capital assets	11,809,403	11,684,003
Less accumulated depreciation	<u>(7,181,312)</u>	<u>(6,988,361)</u>
Total noncurrent assets	<u>4,628,091</u>	<u>4,695,642</u>
Total assets	<u>9,675,153</u>	<u>8,587,271</u>
LIABILITIES		
Current liabilities		
Checks issued in excess of deposits	60,143	18,989
Accounts payable	330,880	554,052
Payroll and taxes payable	1,108,230	1,053,249
Accrued expenses	432	22,188
Total liabilities	<u>1,499,685</u>	<u>1,648,478</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,628,091	4,695,642
Restricted for:		
Capital projects	152,861	103,424
Building maintenance	360,440	261,983
Unrestricted	<u>3,034,076</u>	<u>1,877,744</u>
Total net assets	<u>\$ 8,175,468</u>	<u>\$ 6,938,793</u>

See accompanying notes

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Prior Year 2008
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
Instruction					
Regular programs	\$ 5,155,249	\$ 14,895	\$ 4,014,088	\$ (1,126,266)	\$ (1,299,624)
Special programs	856,386		430,713	(425,673)	(494,711)
Interscholastic and school activity	419,255	94,630	53,709	(270,916)	(219,079)
Other instructional programs	9,424			(9,424)	(1,778)
Support services					
Pupil support	527,506		307,064	(220,442)	(65,619)
Staff support	763,204		487,360	(275,844)	(247,025)
General administration	246,034		139,979	(106,055)	(202,385)
School administration	618,858		346,208	(272,650)	(171,995)
Business services	211,577		79,420	(132,157)	(138,030)
Maintenance and operations	1,623,626	22,639	298,844	(1,302,143)	(1,088,901)
Transportation	1,083,143	105,631	588,588	(388,924)	(255,312)
Food services	527,999	155,116	360,967	(11,916)	5,047
Community services	250,700		230,578	(20,122)	(66,547)
Capital outlay	23,614			(23,614)	
Debt services					(514,813)
Total governmental activities	<u>\$ 12,316,575</u>	<u>\$ 392,911</u>	<u>\$ 7,337,518</u>	<u>(4,586,146)</u>	<u>(4,760,772)</u>
General revenues:					
Property taxes, levied for general purposes				1,827,577	2,210,260
State base support				1,834,317	1,798,974
Federal forest receipts and in lieu revenue				1,718,013	788,663
Other state and federal funding not restricted to specific programs				159,777	279,425
Interest and investment earnings				67,219	132,387
Other general revenues				215,918	82,909
				<u>5,822,821</u>	<u>5,292,618</u>
Change in net assets				1,236,675	531,846
Net assets, beginning				<u>6,938,793</u>	<u>6,406,947</u>
Net assets, ending				<u>\$ 8,175,468</u>	<u>\$ 6,938,793</u>

12 See accompanying notes

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	General	Forest Reserve	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2008
ASSETS							
Cash	\$ 2,913		\$ 18,341			\$ 21,254	\$ 43,207
Investments	548,864	\$ 2,644,949		\$ 135,167	\$ 262,333	3,591,313	2,462,736
Property taxes receivable	133,031			6,115		139,146	86,926
Accounts receivable	671,872		13,867	391	464,088	1,150,218	1,272,836
Due from other funds	376,852			17,832	256,574	651,258	835,667
Prepaid expenses	128,676		14,937		1,518	145,131	25,924
Total assets	\$ 1,862,208	\$ 2,644,949	\$ 47,145	\$ 159,505	\$ 984,513	\$ 5,698,320	\$ 4,727,296
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Checks issued in excess of deposits	\$ 60,143					\$ 60,143	\$ 18,989
Accounts payable	159,637	\$ 738	\$ 25,826	\$ 529	\$ 144,150	330,880	554,052
Payroll and taxes payable	954,001				154,229	1,108,230	1,053,249
Due to other funds		445,346	21,319		184,593	651,258	835,667
Deferred revenue	133,031			6,115	2,518	141,664	109,114
Total liabilities	1,306,812	446,084	47,145	6,644	485,490	2,292,175	2,571,071
FUND BALANCES							
Reserve for capital improvements				152,861		152,861	103,424
Reserve for building maintenance					360,440	360,440	261,983
Reserve for federal grant programs							5,385
Reserve for state grant programs	95,162					95,162	72,630
Unreserved							
Designated for capital improvements		2,198,865				2,198,865	931,133
Designated for extra-curricular activities	80,813					80,813	62,095
Designated for school supplies	166,921					166,921	158,927
Unreserved, undesignated reported in:							
General fund	212,500					212,500	212,500
Special revenue funds					138,583	138,583	348,148
Total fund balances	555,396	2,198,865	0	152,861	499,023	3,406,145	2,156,225
Total liabilities and fund balances	\$ 1,862,208	\$ 2,644,949	\$ 47,145	\$ 159,505	\$ 984,513	\$ 5,698,320	\$ 4,727,296

See accompanying notes

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

RECONCILIATION OF THE STATEMENT OF NET ASSETS
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	Total Governmental Funds	Prior Year 2008
Total fund balances - Governmental Funds	\$ 3,406,145	\$ 2,156,225
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 as assets in governmental funds:		
Cost of capital assets	11,809,403	11,684,003
Accumulated depreciation	(7,181,312)	(6,988,361)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	141,232	86,926
Total net assets - Governmental Activities	\$ 8,175,468	\$ 6,938,793

See accompanying notes
14

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Federal Forest	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2008
REVENUES							
General property taxes	\$ 1,749,035			\$ 24,236		\$ 1,773,271	\$ 2,123,334
State foundation program	7,075,091				\$ 51,585	7,126,676	7,003,532
Other state revenue	75,989			140,179	36,621	252,789	472,831
Federal revenue	140,359	\$ 1,686,347	\$ 360,967		1,375,919	3,563,592	2,470,148
Charges for services	200,496		155,116	515	14,145	370,272	361,863
Earnings on investments	37,514	27,469		1,886	350	67,219	132,387
Other revenues	91,712			152,024	111,376	355,112	254,442
Total revenues	<u>9,370,196</u>	<u>1,713,816</u>	<u>516,083</u>	<u>318,840</u>	<u>1,589,996</u>	<u>13,508,931</u>	<u>12,818,537</u>
EXPENDITURES							
Instruction							
Regular programs	4,797,487				566,498	5,363,985	5,192,482
Special programs	598,656				257,730	856,386	799,499
Interscholastic and school activity	419,255					419,255	410,821
Other instructional programs					9,424	9,424	2,506
Support services							
Pupil support	485,537				41,969	527,506	533,326
Staff support	364,268				398,936	763,204	743,596
General administration	232,543				13,491	246,034	352,291
School administration	618,858					618,858	510,427
Business services	188,890				22,687	211,577	181,583
Maintenance and operations	1,320,510			134,742		1,455,252	1,346,203
Transportation	810,825			174,392		985,217	805,414
Food services	5,262		522,737			527,999	471,293
Community services					250,700	250,700	231,898
Capital outlay				23,614		23,614	
Debt services							514,813
Total expenditures	<u>9,842,091</u>	<u>0</u>	<u>522,737</u>	<u>332,748</u>	<u>1,561,435</u>	<u>12,259,011</u>	<u>12,096,152</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(471,895)</u>	<u>1,713,816</u>	<u>(6,654)</u>	<u>(13,908)</u>	<u>28,561</u>	<u>1,249,920</u>	<u>722,385</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	626,570		6,654	63,590	117,161	813,975	1,144,744
Transfers to other funds	(89,298)	(446,084)		(245)	(278,348)	(813,975)	(1,144,744)
Total other financing sources (uses)	<u>537,272</u>	<u>(446,084)</u>	<u>6,654</u>	<u>63,345</u>	<u>(161,187)</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	65,377	1,267,732	0	49,437	(132,626)	1,249,920	722,385
FUND BALANCES AT BEGINNING OF YEAR	<u>490,019</u>	<u>931,133</u>		<u>103,424</u>	<u>631,649</u>	<u>2,156,225</u>	<u>1,433,840</u>
FUND BALANCES AT END OF YEAR	<u>\$ 555,396</u>	<u>\$ 2,198,865</u>	<u>\$ 0</u>	<u>\$ 152,861</u>	<u>\$ 499,023</u>	<u>\$ 3,406,145</u>	<u>\$ 2,156,225</u>

See accompanying notes
15

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

See accompanying notes
16

	Total Governmental Funds	Prior Year 2008
Net Change in Fund Balances - Total Governmental Funds	\$ 1,249,920	\$ 722,385
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation:</p>		
Loss on remaining basis on assets disposed	(9,987)	(1,764)
Current year capital outlay	245,726	23,575
Current year depreciation	(303,290)	(299,276)
<p>Some revenue will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues:</p>		
Current year taxes receivable	141,232	86,926
Prior year taxes receivable	(86,926)	
Change in Net Assets - Governmental Activities	<u>\$ 1,236,675</u>	<u>\$ 531,846</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	<u>Private- Purpose Trusts</u>	<u>Agency Funds</u>
ASSETS		
Current assets		
Cash		\$ 65,831
Investments	\$ 96,042	24,320
Property taxes receivable		11,005
Accounts receivable	200	18,394
Total current assets	<u>96,242</u>	<u>119,550</u>
Total assets	<u>96,242</u>	<u>119,550</u>
LIABILITIES		
Current liabilities		
Accounts payable	3,764	6,139
Due to school districts		26,895
Due to student groups		59,621
Current portion of long-term obligations		13,447
Total current liabilities	<u>3,764</u>	<u>106,102</u>
Noncurrent liabilities		
Long-term obligations		<u>13,448</u>
Total liabilities		<u>119,550</u>
NET ASSETS		
Unrestricted	<u>92,478</u>	
Total net assets	<u>\$ 92,478</u>	<u>\$ 0</u>

17 See accompanying notes

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS**

For the Year Ended June 30, 2009

	Private- Purpose Trusts	Prior Year 2008
ADDITIONS		
Contributions	\$ 700	\$ 716
Earnings on investments	1,649	4,049
Total additions	<u>2,349</u>	<u>4,765</u>
DEDUCTIONS		
Scholarships	<u>3,764</u>	<u>5,637</u>
Total deductions	<u>3,764</u>	<u>5,637</u>
Change in net assets	(1,415)	(872)
Net assets at beginning of year	<u>93,893</u>	<u>94,765</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 92,478</u></u>	<u><u>\$ 93,893</u></u>

See accompanying notes

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mountain View School District No. 244 conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies used by the District.

Reporting Entity. Mountain View School District No. 244 is based in Grangeville, Idaho, and located in Idaho County. The District was formed in 2007 from a division of Joint School District No. 241. The District operates the following school facilities that provide educational services from Kindergarten through High School grade 12. Total District enrollment is approximately 1,180.

Clearwater Valley Jr.-Sr. High School
Grangeville High School
Clearwater Valley Elementary School

Grangeville Elementary-Jr. High School
Elk City Public School
White Bird Primary School

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of that entity.

The District's reporting entity includes the District government and all the student activity funds for which the District exercises oversight responsibility. The District does not exercise oversight responsibilities for any booster organizations, Community Advisory Committees, or related groups such as Parent-Teacher Student Associations.

Measurement Focus and Basis of Accounting. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered susceptible to accrual.

The District reports deferred revenue in its fund financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

District-Wide Financial Statements. The statement of net assets and the statement of activities display information about the overall District except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District-wide statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Measurement Focus and Basis of Accounting (Continued).******District-Wide Financial Statements (Continued).*****Program Revenue**

The Statement of Activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. In addition, a substantial portion of the State Foundation Program is restricted based upon salaries paid and related payroll benefits and has been treated as program revenue. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net assets are available.

Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

Fund Financial Statements. The Fund financial statements provide information about the District's fund categories. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- Forest Reserve. The U.S. Forest Service pays a percentage of timber sales from federal forests to the local school districts. This fund is used to account for the District's allocation of these federal forest funds.
- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.
- School Plant Facility Reserve. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Fiduciary Funds

The District reports two types of fiduciary funds: Private purpose trusts and agency funds.

Private Purpose Trusts are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. The private purpose trusts are used to account for Scholarship Trusts where the contributions and earnings will benefit an individual. These revenues are not available to finance District operations.

Agency funds are used to account for monies held on behalf of student activity funds and the remaining uncollected assets and long-term liabilities of Joint School District No. 241. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the *accrual basis* of accounting to recognize receivables and payables.

Investments. The District's investments consist of savings accounts in local depositories and deposits in the Idaho State Treasurer's Local Government Investment Pool. All investments are invested in FDIC and SLIC insured accounts.

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. The State treasurer combines deposits from all governmental entities in the state which participate in the pool, and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities

The entities participating in the pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and SLIC limits.

Investments are authorized by Board policy as permitted by *Idaho Code*, Section 67-1210.

Prepaid Supplies. The District does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased. Supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid expenses at June 30.

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Assets acquired from the division of Joint School District No. 241 in 2007 are recorded at their value used for dividing the District assets. Interest is capitalized on capital assets during the construction period.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued). The District capitalizes equipment with an original unit cost of \$3,000 or more and an expected life of more than 3 years. The District capitalizes property improvements with an original cost of \$10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between \$100 and \$3,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 20-50 years; vehicles - 8 years; buses - 10 years; machinery and equipment - 5-20 years; computer equipment - 5 years.

Property Taxes. The District's property tax is levied by Idaho County in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

Budgets. Annual non-appropriated budgets are adopted for all governmental and proprietary funds. Expenditures may not exceed the budget at the individual fund level.

Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

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

Use of Estimates. Management of the District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

2. LEGAL COMPLIANCE – BUDGETS

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers' comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption.

Expenditures may not exceed the budget at the individual fund level. The District incurred expenditures in excess of budget in the following funds:

	<u>Budget</u>	<u>Expenditures</u>
General Fund	\$ 10,172,995	\$ 9,931,389
Miscellaneous grants	25,084	119,316
Medical Insurance Reserve		246,450
Public School Technology	46,000	63,675
Substance Abuse	23,076	29,503
Title V Innovative Practices		468
Johnson O'Malley Indian Education	1,800	1,919
Title II-A Improving Teacher Quality	91,633	106,898
Title IV-A Drug Free Schools	12,756	15,997
Technology Literacy		52,783
Teaching American History	157,545	158,000
School Plant Facility Reserve	296,846	332,993

The additional expenditures were incurred due to the availability of additional state and federal revenue or carryovers in each fund.

Deficit Fund Balance in Individual Funds. No fund had a deficit fund balance at June 30, 2009.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2009, the carrying amount of the District's deposits was \$21,254 in Governmental Activities, and \$65,831 in Fiduciary Activities. The entire balance was considered covered by Federal Depository Insurance.

Investments. At June 30, 2009, all District investments were held in the Idaho State Treasurer's Local Government Investment Pool. The carrying value of investments approximates market value.

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
State Treasurer's Local Government Investment Pool	\$ 3,591,313	\$ 120,362

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued).

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and all investments are held in the name of the pool.

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. As of June 30, 2009, the District's investment in the Idaho State Treasurer's Local Government Investment Pool has been issued an external credit quality rating of AAAs with an S1+ volatility rating by Standard and Poor's Rating Services.

Concentration of Credit Risk. The District has no policy on the amount they may invest in any one issuer.

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2009, are as follows:

	Governmental Activities	Fiduciary Funds
Idaho County - property taxes	\$ 496,977	\$ 2,800
State of Idaho - Foundation program	2,061	
State of Idaho - State grant funds	132,863	
State of Idaho - Federal grant funds	327,855	
U.S. Government - Federal grant funds	54,095	
E-rate reimbursements	18,258	
Other	118,109	15,794
	<u>\$ 1,150,218</u>	<u>\$ 18,594</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

5. PROPERTY TAXES

The District's property tax levies for calendar years 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Certified Budget Request		
Tort levy	\$ 47,038	\$ 45,428
Supplemental levy approved	1,678,749	1,500,000
Plant Facility		489,542
Judgment	5,762	
Tuition	11,296	11,296
	<u>\$ 1,742,845</u>	<u>\$ 2,046,266</u>

District assessed market value and tax levies:

	<u>Market</u>		<u>Tax</u>		<u>Levy</u>
	<u>Valuation</u>		<u>Charge</u>		
Calendar year 2008	\$ 823,403,690	\$	1,762,195		0.002125
Calendar year 2007	765,090,270		2,070,348		0.002677

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>6/30/08</u>				<u>6/30/09</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>		<u>Balance</u>
CAPITAL ASSETS					
Buildings	\$ 9,189,120				\$ 9,189,120
Buses	1,635,729	\$ 174,392	\$ (67,235)		1,742,886
Vehicles	147,442	13,058	(5,204)		155,296
Equipment	711,712	58,276	(47,887)		722,101
	<u>\$11,684,003</u>	<u>\$ 245,726</u>	<u>\$ (120,326)</u>		<u>\$11,809,403</u>
 ACCUMULATED DEPRECIATION					
Buildings	\$ 5,134,386	\$ 165,891			\$ 5,300,277
Buses	1,247,258	91,046	\$ (67,235)		1,271,069
Vehicles	114,411	9,363	(5,204)		118,570
Equipment	492,306	36,990	(37,900)		491,396
	<u>\$ 6,988,361</u>	<u>\$ 303,290</u>	<u>\$ (110,339)</u>		<u>\$ 7,181,312</u>

Depreciation of \$303,290 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 36,990
Maintenance and operations	165,891
Transportation	100,409

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

7. GENERAL LONG-TERM DEBT

At June 30, 2009, Joint School District No. 241 was liable for the following long-term debt and capital lease obligations. As part of the division of the Joint School District No. 241, Mountain View School District No. 244 agreed to provide funds and levy property taxes in payment of 86.06 percent of the following liabilities. The full amount of these long-term obligations is reflected as a liability in the Joint School District No. 241 trust fund in these financial statements.

Long-term Debt

Certificates of Participation, Series 1998, (COPS 98) original issue of \$4,635,000 payable at \$570,530 to \$574,095 per year, including interest at an average effective rate of 3.9%.

Bennett Forest Industries tax judgment. The Company appealed the tax assessment of their property and was successful in their appeal. The Company received a judgment whereby the entities that received property tax dollars are required to repay the excess taxes over a 4-year period with no interest.

There is no interest expense included in the statement of activities.

Changes in General Long-term Debt Account Group. A summary of changes in general long-term debt follows:

	<u>Balance</u> <u>6/30/08</u>	<u>Additions</u>	<u>Repayment</u>	<u>Balance</u> <u>6/30/09</u>
COPS 98	\$ 550,000		\$ (550,000)	\$ 0
Judgment	40,342		(13,447)	26,895
	<u>\$ 590,342</u>	<u>\$ 0</u>	<u>\$ (563,447)</u>	<u>26,895</u>
 Current portion of long-term obligations				<u>13,447</u>
 Long-term obligations				<u>\$ 13,448</u>

Future payments under long-term obligations are as follows:

	<u>Interest</u>	<u>Judgment</u>
2010	\$ 0	\$ 13,447
2011	0	13,448

8. DEFINED BENEFIT PENSION PLAN

All employees of the District who work over 20 hours a week for at least 5 months of the year participate in the Public Employees Retirement System of Idaho (PERSI). PERSI is a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislature provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the Plan are available from PERSI upon request.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 year of credited service, the annual service retirement allowance is 2.0 percent of the average monthly salary for the highest consecutive 42 months.

For the year ended June 30, 2009, the required contribution rates, as determined by PERSI, were 10.39 percent (10.39 percent in 2008 and 10.39 percent in 2007) for the District and 6.23 percent (6.23 percent in 2008 and 6.23 percent in 2007) for employees. The District also pays 1.16 percent of eligible wages to the fund for future medical benefits to be provided. The District contributions required and paid were \$668,191, and \$637,436, for the two years ended June 30, 2009 and 2008, respectively, and \$743,250 for Joint School District No. 241 for the year ended June 30, 2007.

9. RISK MANAGEMENT

The District purchases commercial insurance to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2009, is as follows:

- Property coverage at Grangeville, Kooskia, Stites, White Bird, Elk City, and Powell - \$46,884,224 in scheduled buildings and contents. Replacement cost coverage with a \$2,500 deductible.
- Boiler and Machinery - \$50,000,000 limit per occurrence with a \$2,500 deductible.
- Crime - \$300,000 limit for school officials and employees with a \$1,000 deductible.
- General Liability - \$2,000,000 limit per occurrence with a \$5,000,000 limit in aggregate. There is a \$2,500 deductible.
- Automobiles
 - Liability - \$3,000,000 per occurrence; \$250,000 uninsured motorist; and \$1,000 medical payments per person. There is a \$1,000 deductible.
 - Comprehensive and Collision - Coverage on passenger vehicles and drivers training vehicles. Owned buses are not covered.
- Educators Legal Liability - \$2,000,000 limit per occurrence and in aggregate with a \$2,500 deductible.
- Abuse and Molestation Coverage - \$2,000,000 limit per occurrence and in aggregate with \$2,500 deductible.

10. TRANSFERS TO/FROM OTHER FUNDS

The Board of Trustees approved the budget for the 2008-09 school year reflecting a transfer from the forest reserve to the general fund in the amount of \$569,327 to balance the budget. The actual amount transferred for the year ended June 30, 2009, amounted to \$348,222.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

10. TRANSFERS TO/FROM OTHER FUNDS (CONTINUED)

The State Department of Education requires that the District pay for the costs of school lunch personnel Social Security from general fund revenues as a condition of participation in the National School Lunch Program. The general fund has paid \$686 for school lunch benefits and \$4,576 for other school lunch expenses and transferred an additional \$6,654 to the school lunch fund to balance the budget.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities fund. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of \$63,590 to the school plant facility reserve fund for the current year.

Idaho Code, Section 33-1019; requires that the school district deposit 2 percent of the estimated replacement value of student occupied buildings into the school building maintenance fund each year. Amounts spent for school building maintenance and repair may be transferred out of the fund to pay for those expenditures. The District has transferred \$98,107 into the school building maintenance fund from the forest reserve to meet the requirements for the current year.

The District has transferred funds from grants to the general fund to pay for indirect overhead costs as approved by an indirect cost plan approved under OMB Circular A-87. The amount transferred under this cost plan amounted to \$31,898.

The District has approved the transfer of \$19,054 on medical insurance plan savings into a medical insurance reserve fund and transferred out \$246,450 from accumulated medical insurance plan savings for the current year medical costs.

11. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Assets. Restricted net assets on the District-wide statements represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net assets restricted for capital projects are restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. Net assets restricted for building maintenance are restricted by *Idaho Code* for maintenance on student occupied buildings. Net assets restricted for debt service are restricted by *Idaho Code* for debt service on outstanding bonds. Net assets restricted for federal grant programs are restricted by the granting agency for specific educational programs. These net assets are reflected as restricted since they are not available for general education expenditures.

Reserves. The fund balances of certain individual funds are restricted for particular purposes by the *Idaho Code* or by the granting agency. These fund balances are reflected as a reserved portion of fund balance in the fund financial statements since the funds are not available for general education expenditures.

Designations. The Board of Trustees has some discretion in the use of designated fund balances for general educational expenditures. Funds are reflected as designated to reflect that funds have been set aside for specified purposes.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

11. FUND BALANCE RESERVES AND DESIGNATIONS (CONTINUED)

Designated for Capital Improvements. State Code restricts the forest reserve fund balance for capital improvements. However, if the Board of Trustees decides that these funds are not currently needed for capital improvements, then the funds may be expended for general educational purposes.

Designated for School Supplies. The District establishes supply budgets and extracurricular budgets for individual schools. In the event that an individual school does not expend the entire budget, the District has allowed the individual school to carry over the unexpended budget for future use. These funds are reflected as designated at year-end to reflect that the District has internally committed these funds.

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

United States generally accepted accounting principles require disclosure, as part of the combined statement overview, of certain information concerning individual funds, including:

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2009, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 376,852	
Forest Reserve		\$ 445,346
Miscellaneous Grants	46,274	
Medical Insurance Reserve	94,341	
School Building Maintenance	98,107	
Driver Education		1,419
Public School Technology	3,925	
Substance Abuse	7,346	
Title I		7,797
Title VI-B		12,879
Title VI-B Preschool		1,042
Title V Innovative Practices	304	
Carl Perkins Vocational Education		29,749
Johnson O'Malley Indian Education	3,466	
Title II-A Improving Teacher Quality		2,540
Title IV-A Drug Free Schools	2,811	
21st Century		46,774
Technology Literacy		8,575
TESLA		64,928
Teaching American History		8,890
School Lunch		21,319
School Plant Facility Reserve	17,832	

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

The District uses a pooled cash arrangement whereby all receipts are deposited to the general fund on the behalf of all District funds. Expenditures are paid out of this pooled account and charged to all District funds. The excess (deficiency) of receipts over expenditures is recorded as a short-term interfund receivable (payable).

13. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Title I, Title VI-B, After School Learning Centers, and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in OMB Circular A-133 during the course of the annual audit of the District's records and are subject to additional audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

14. OTHER POST-EMPLOYMENT BENEFITS

The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, retired employees can remain on the District insurance policy after retirement if the retired employee pays the monthly cost. This arrangement is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. The estimated amount of this implicit subsidy is immaterial to these financial statements and, accordingly, no liability has been recorded.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,774,237	\$ 1,774,237	\$ 1,749,035	\$ (25,202)
State foundation program	7,047,121	7,047,121	7,075,091	27,970
Other state revenue	63,423	63,423	75,989	12,566
Federal revenue	45,000	45,000	140,359	95,359
Charges for services	86,378	86,378	200,496	114,118
Earnings on investments	90,000	90,000	37,514	(52,486)
Other revenues	4,700	4,700	91,712	87,012
Total revenues	<u>9,110,859</u>	<u>9,110,859</u>	<u>9,370,196</u>	<u>259,337</u>
EXPENDITURES				
Payroll	5,862,993	5,862,993	5,848,839	14,154
Payroll burden and employee benefits	2,517,377	2,517,377	2,440,085	77,292
Purchased services	776,040	776,040	896,081	(120,041)
Supplies and materials	583,673	583,673	502,971	80,702
Capital outlay	12,000	12,000	31,107	(19,107)
Insurance	141,667	141,667	123,008	18,659
Contingency budget	212,500	212,500		212,500
Total expenditures	<u>10,106,250</u>	<u>10,106,250</u>	<u>9,842,091</u>	<u>264,159</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(995,391)</u>	<u>(995,391)</u>	<u>(471,895)</u>	<u>523,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	603,186	603,186	626,570	23,384
Transfers to other funds	(66,745)	(66,745)	(89,298)	(22,553)
Total other financing sources (uses)	<u>536,441</u>	<u>536,441</u>	<u>537,272</u>	<u>831</u>
NET CHANGE IN FUND BALANCES	<u>(458,950)</u>	<u>(458,950)</u>	<u>65,377</u>	<u>524,327</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>458,950</u>	<u>458,950</u>	<u>490,019</u>	<u>31,069</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 555,396</u>	<u>\$ 555,396</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**BUDGETARY COMPARISON SCHEDULE -
FOREST RESERVE**

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Other state revenue	\$ 524,467	\$ 524,467		\$ (524,467)
Federal revenue			\$ 1,686,347	1,686,347
Earnings on investments	29,116	29,116	27,469	(1,647)
Total revenues	<u>553,583</u>	<u>553,583</u>	<u>1,713,816</u>	<u>1,160,233</u>
EXPENDITURES				
Capital outlay	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>453,583</u>	<u>453,583</u>	<u>1,713,816</u>	<u>1,260,233</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(569,327)</u>	<u>(569,327)</u>	<u>(446,084)</u>	<u>123,243</u>
Total other financing sources (uses)	<u>(569,327)</u>	<u>(569,327)</u>	<u>(446,084)</u>	<u>123,243</u>
NET CHANGE IN FUND BALANCES	<u>(115,744)</u>	<u>(115,744)</u>	<u>1,267,732</u>	<u>1,383,476</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>970,540</u>	<u>970,540</u>	<u>931,133</u>	<u>(39,407)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 854,796</u>	<u>\$ 854,796</u>	<u>\$ 2,198,865</u>	<u>\$ 1,344,069</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH**

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue	\$ 321,060	\$ 321,060	\$ 360,967	\$ 39,907
Charges for services	194,975	194,975	155,116	(39,859)
Total revenues	<u>516,035</u>	<u>516,035</u>	<u>516,083</u>	<u>48</u>
EXPENDITURES				
Payroll			767	(767)
Payroll burden and employee benefits			59	(59)
Purchased services	270,656	270,656	235,921	34,735
Supplies and materials	266,384	266,384	282,785	(16,401)
Capital outlay			3,205	(3,205)
Total expenditures	<u>537,040</u>	<u>537,040</u>	<u>522,737</u>	<u>14,303</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(21,005)</u>	<u>(21,005)</u>	<u>(6,654)</u>	<u>14,351</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	21,005	21,005	6,654	(14,351)
Total other financing sources (uses)	<u>21,005</u>	<u>21,005</u>	<u>6,654</u>	<u>(14,351)</u>
NET CHANGE IN FUND BALANCES	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



Independent Auditor's Report - Government Auditing Standards

Board of Trustees
Mountain View School District No. 244
Grangeville, Idaho

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain View School District No. 244, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2009. We conducted our audit in accordance with United States generally accepted auditing standards 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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mountain View School District No. 244's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies:

1. *Government Auditing Standards* require that the independent auditor identify all non-attest services performed for a governmental audit client and evaluate whether such services impair the independent auditor's independence. The non-attest service performed by the independent auditors was the compilation of the year-end financial statements. This service is permitted under *Government Auditing Standards*.
2. Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system. Mountain View School District No. 244 has concentrated a minimal number of accounting duties to one individual such that a complete segregation of duties is not possible. There are a limited number of personnel available to provide for a complete "segregation of duties."

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with United States generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies identified above and described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

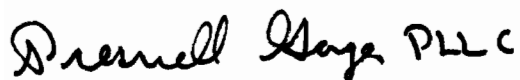
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mountain View School District No. 244'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 the 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*.

This report is intended solely for the information of the Board of Trustees, management, 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.


October 13, 2009



Independent Auditor's Report - Single Audit Act

Board of Trustees
Mountain View School District No. 244
Grangeville, Idaho

Compliance

We have audited the compliance of Mountain View School District No. 244 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2009. Mountain View School District No. 244'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 District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; 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 Mountain View School District No. 244'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 on the District's compliance with those requirements.

In our opinion, Mountain View School District No. 244 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, 2009.

Internal Control Over Compliance

The management of Mountain View School District No. 244 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 Mountain View School District No. 244's internal control over compliance.

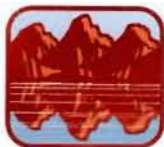
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal 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 Board of Trustees, management, 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.


October 13, 2009



Independent Auditor's Report – Supplementary Information

Board of Trustees
Mountain View School District No. 244
Grangeville, Idaho

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain View School District No. 244, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with United States generally accepted auditing standards 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 basic 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mountain View School District No. 244's basic financial statements. The accompanying supplementary schedule of expenditures of federal awards and supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Presnell Gage, PLLC
October 13, 2009

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2009

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE		
Passed through the State of Idaho - Department of Education		
National School Lunch Program	10.553	\$ 103,422
National School Lunch Program	10.555	250,297
Summer Food Service Program for Children	10.559	11,680
Passed through Idaho County, State of Idaho		
Federal Forest Funds	10.665	<u>446,084</u>
		<u>811,483</u>
 DEPARTMENT OF INTERIOR		
Passed through the State of Idaho - Department of Education		
Johnson O'Malley Indian Education	15.130	<u>1,919</u>
 DEPARTMENT OF EDUCATION		
I Teach	84.215	158,000
Passed through the State of Idaho - Department of Education		
Title I	84.010	348,309
Title VI-B	84.027	250,991
Carl Perkins Vocational Education	84.048	30,071
Title VI-B Preschool	84.173	13,089
Title IV-A Drug Free Schools	84.186	15,997
21st Century	84.287	236,573
Title V Innovative Program	84.298	468
Technology Literacy	84.318	52,783
Mathematics and Science Partnerships (TESLA)	84.366	140,783
Title II-A Improving Teacher Quality	84.367	<u>106,898</u>
		<u>1,353,962</u>
 DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through the State of Idaho - Health and Welfare		
Temporary Assistance for Needy Families	93.558	<u>19,038</u>
 TOTAL FEDERAL AWARDS		 <u><u>\$ 2,186,402</u></u>

Note: The Schedule of Expenditures of Federal Awards is prepared on the *modified accrual basis* of accounting.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
* Material weakness(es) identified yes no

* Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
* Material weakness(es) identified yes no

* Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
10.553	National School Lunch Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
10.665	Federal Forest Funds
84.010	Title I
84.287	21st Century

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #09-01

Criteria: *Government Auditing Standards* require that we identify all non-attest services that we, as independent auditors, perform for an audit client and evaluate whether such services impair the independent auditor's independence.

Condition: The non-attest service performed by the independent auditors was the compilation of the year-end financial statements.

Effect: The independent auditor has compiled the financial statements subject to management review and approval. Safeguards outlined in *Government Auditing Standards* have been complied with.

Response: The District's management and Board of Trustees believe that contracting the independent auditor to compile the year-end financial statements is the most cost effective alternative. This service is allowed under the *Government Auditing Standards*.

Recommendation: We concur with the District's response.

Finding #09-02

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: Mountain View School District No. 244 has concentrated a minimal number of accounting duties to one individual such that a complete segregation of duties is not possible. There are a limited number of personnel available to provide for a complete "segregation of duties."

Effect: A minimal number of accounting duties are performed by a single individual with limited oversight available within the Mountain View School District No. 244.

Response: The District's management and Board of Trustees believe that the cost of hiring additional accounting staff outweighs the benefits that additional segregation of duties would provide.

Recommendation: We concur with the District's response.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is also often referred to as the M & O (Maintenance and Operations) Fund. The District uses this fund to account for the basic educational programs of the District. In general, these programs are operated with a great deal of local input and control.

The General Fund primarily receives funding from the State of Idaho through the Educational Foundation Program and through local general property taxes. The general property tax was replaced with additional funding from the Educational Foundation in 2006. However, the District is authorized to levy a supplemental amount if approved by a majority of voters in a supplemental levy election.

Other sources of funds that are restricted are accounted for in the Special Revenue and Capital Projects Funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources, or to finance specific activities as required by law or administrative regulations. Although there is local input and control over the use of these proceeds, the party who provides the proceeds also has some type of external restriction on the use of the proceeds.

LOCAL SPECIAL PROJECTS

Forest Reserve - The U.S. Forest Service pays a percentage of timber sales from federal forests to the County where the federal forest is located. This percentage of sales computation was changed to an amount based upon historical average sales in the Craig Wyden bill. In the State of Idaho, 30 percent of this amount is allocated to the public schools based upon their average daily attendance. These proceeds are restricted for the purchase of school sites, construction, or remodeling of school buildings. When within the discretion of the trustees of the District the proceeds are not needed for the foregoing items, they may be expended for current expenses. These proceeds may be accumulated for future projects.

Miscellaneous Grants - The District has received a number of one-time grant awards for specific purposes. Those grants are grouped into a single fund for reporting purposes.

Medical Insurance Reserve – The District established a new health plan in 2008 and transferred a portion of medical insurance savings under a new health plan into the fund.

School Building Maintenance – The State of Idaho requires that the District set aside 2 percent of the estimated replacement cost of Student Occupied Buildings annually into a fund to be used for building maintenance. The estimated replacement cost is \$81.45 per square foot for 2008-09. The funds can be withdrawn as the qualified maintenance expenditures are paid.

Driver Education - The State of Idaho will reimburse the District for expenses up to \$125 per student who completes the driver education class at the District. In addition, the District charges students a \$150 fee to enroll in the class. The General Fund of the District pays expenses in excess of the above proceeds.

Public School Technology - The State of Idaho awards technology grants on a noncompetitive basis to schools based upon average daily attendance. The grants provide equipment and resources to integrate information age technology into the classroom and to connect the classrooms with external telecommunications services. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Substance Abuse - The State of Idaho taxes the sale of cigarettes, a portion of which is used to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis upon average daily attendance. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

FEDERALLY FUNDED PROJECTS

Title I - The federal government provides Title I grants to improve the education of children who are at risk of not meeting academic standards and who reside in areas with high concentrations of children from low income families. The program is administered by the State and funds are allocated to the District based upon average daily attendance and modified based upon student counts from low income families. The District uses the grant primarily to provide additional classroom aides. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B - The federal government provides Title VI-B IDEA grants to provide special education to school-age children with disabilities. The program is administered by the State and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet nonsupplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B Preschool - The federal government provides Title VI-B IDEA Preschool grants to provide special education to children with disabilities between the ages of 3 and 5. The program is administered by the State and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet non-supplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title V Innovative Practices - The federal government provides Title V ESEA grants for innovative assistance program areas. Traditionally, the District has chosen the "acquisition and use of instructional and educational materials, including library services and materials, assessments, reference materials, computer software and hardware for instructional use." The program is administered by the State, and funds are allocated based upon student enrollment. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Carl Perkins Vocational Education - The federal government provides grant funds to provide vocational education programs to secondary and post-secondary students. For years beginning after July 1, 2001, the allocation is based 30 percent upon the number of individuals ages 15-19 residing in the District, 70 percent upon the number of individuals ages 15-19 residing in the District in families below the poverty line.

In general, Districts must qualify for a minimum award of \$15,000 or form a consortia to meet the minimum grant award. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Johnson O'Malley Indian Education - The federal government provides grant funds through the Bureau of Indian Affairs to school districts that have eligible Indian children attending. The grants are noncompetitive awards based upon eligible students attending. The grant purpose is to fund programs that meet the unique and specialized needs of eligible Indian students.

Title II-A Improving Teacher Quality – The federal government provides Title II-A ESEA grants to provide assistance to classroom teachers. The District uses the funds generally for two purposes:

The District provides additional professional education for teachers in the core academic subjects by paying the costs for teachers to attend specific workshops designed to enhance their skills in teaching math and science classes. The program is administered through the State, and funds are allocated based upon student enrollment. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

The District can also use the grant to pay for an additional teaching position in the elementary grades. The goal of the program is to reduce the student-to-teacher ratio to 18 students per class. The program is administered through the State, and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Title IV-A Drug Free Schools - The federal government provides Title IV ESEA Safe and Drug Free School grants to support programs that prevent violence in schools and prevent the illegal use of alcohol, tobacco, and drugs. The District has used the funds to provide materials and training within the District. The program is administered through the State and funds are allocated based upon noncompetitive grant applications. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

21st Century - The federal government provides grants under the 21st Century Program to enable rural and inner-city public schools to become community learning centers and to keep children safe in the after-school hours. They provide students with access to homework centers and tutors in the core academic subjects as well as cultural enrichment, recreational, technology, and nutritional opportunities. In addition, the program enables grantees to develop activities and educational strategies that address the educational needs of all community members in a local school setting.

Technology Literacy - The federal government provides Title III ESEA grants for the acquisition and use of technology and technology-enhanced curricula, instruction, and administrative support services. The grants are administered through the State of Idaho on a competitive grant basis.

TESLA – The federal government has provided a grant under Title II, Part B-Mathematics and Science Partnerships of the *Elementary and Secondary Education Act* to the District for a proposal titled, Teaching for Excellence in Science and Literary Achievement (TESLA). The TESLA grant enables a joint effort between Mountain View School District No. 244, Lewiston School District, and Lewis Clark State College for teachers who are interested in deepening their science content knowledge and engaging in innovative instructional strategies to complement their science instruction.

Teaching American History – The federal government provides grants to promote the teaching of traditional American history in elementary and secondary schools. The District is using the grant to provide effective professional development to Region II teachers, and improve the quality of American history instruction and student learning of American history in Region II.

School Lunch - The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges students for lunch and breakfast. Lunch and breakfast are served free or at a reduced price to children from households with income below certain levels. Meals must meet certain dietary and nutrition requirements. The General Fund pays social security taxes and retirement benefits as a "matching contribution" to the program. The General Fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year. For 1999-2009, the District contracted for the operation of the School Lunch Program.

CAPITAL PROJECTS FUND

School Plant Facility Reserve Fund - The District has established a School Plant Facility Reserve Fund. The fund may be used to acquire, purchase, and improve school sites, build school buildings, and purchase school buses.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized General Fund tax levies.

- The Plant Facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The Plant Facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The Plant Facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2009

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Public School Technology	Substance Abuse	Title I	Title VI-B
ASSETS										
Cash	\$ 2,913									
Investments	548,864	\$2,644,949			\$ 262,333					
Property taxes receivable	133,031									
Accounts receivable	671,872		\$ 6,014			\$ 7,250			\$ 67,507	\$ 50,074
Due from other funds	376,852		46,274	\$ 94,341	98,107		\$ 3,925	\$ 7,346		
Prepaid expenses	128,676					1,518				
Total assets	\$1,862,208	\$2,644,949	\$ 52,288	\$ 94,341	\$ 360,440	\$ 8,768	\$ 3,925	\$ 7,346	\$ 67,507	\$ 50,074
LIABILITIES										
Checks issued in excess of deposits	\$ 60,143									
Accounts payable	159,637	\$ 738	\$ 3,299			\$ 1,114		\$ 4,041	\$ 2,468	\$ 355
Payroll and taxes payable	954,001		11,480			6,235	\$ 3,925	2,957	57,242	36,840
Due to other funds		445,346				1,419			7,797	12,879
Deferred revenue	133,031									
Total liabilities	1,306,812	446,084	14,779	\$ 0	\$ 0	8,768	3,925	6,998	67,507	50,074
FUND BALANCES										
Reserve for capital improvements										
Reserve for building maintenance					360,440					
Unreserved										
Designated for capital improvements		2,198,865								
Unreserved, undesignated	555,396		37,509	94,341				348		
Total fund balances	555,396	2,198,865	37,509	94,341	360,440	0	0	348	0	0
Total liabilities and fund balances	\$1,862,208	\$2,644,949	\$ 52,288	\$ 94,341	\$ 360,440	\$ 8,768	\$ 3,925	\$ 7,346	\$ 67,507	\$ 50,074

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2009

	<u>Title VI-B Preschool</u>	<u>Title V Innovative Practices</u>	<u>Carl Perkins Vocational Education</u>	<u>Johnson O'Malley Indian Education</u>	<u>Title II-A Improving Teacher Quality</u>	<u>Title IV-A Drug Free Schools</u>	<u>21st Century</u>	<u>Technology Literacy</u>	<u>TESLA</u>
ASSETS									
Cash									
Investments									
Property taxes receivable									
Accounts receivable	\$ 1,042		\$ 30,071	\$ 2,919	\$ 30,924		\$ 91,581	\$ 51,198	\$ 71,413
Due from other funds		\$ 304		3,466		\$ 2,811			
Prepaid expenses									
Total assets	<u>\$ 1,042</u>	<u>\$ 304</u>	<u>\$ 30,071</u>	<u>\$ 6,385</u>	<u>\$ 30,924</u>	<u>\$ 2,811</u>	<u>\$ 91,581</u>	<u>\$ 51,198</u>	<u>\$ 71,413</u>
LIABILITIES									
Checks issued in excess of deposits									
Accounts payable		\$ 304			\$ 11,421	\$ 615	\$ 42,829	\$ 42,623	\$ 6,485
Payroll and taxes payable					16,963		1,978		
Due to other funds	\$ 1,042		\$ 29,749		2,540		46,774	8,575	64,928
Deferred revenue			322			2,196			
Total liabilities	<u>1,042</u>	<u>304</u>	<u>30,071</u>	<u>\$ 0</u>	<u>30,924</u>	<u>2,811</u>	<u>91,581</u>	<u>51,198</u>	<u>71,413</u>
FUND BALANCES									
Reserve for capital improvements									
Reserve for building maintenance									
Unreserved									
Designated for capital improvements				6,385					
Unreserved, undesignated									
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 1,042</u>	<u>\$ 304</u>	<u>\$ 30,071</u>	<u>\$ 6,385</u>	<u>\$ 30,924</u>	<u>\$ 2,811</u>	<u>\$ 91,581</u>	<u>\$ 51,198</u>	<u>\$ 71,413</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2009**

	Teaching Amercan History	School Lunch	School Plant Facility Reserve	Combined
ASSETS				
Cash		\$ 18,341		\$ 21,254
Investments			\$ 135,167	3,591,313
Property taxes receivable			6,115	139,146
Accounts receivable	\$ 54,095	13,867	391	1,150,218
Due from other funds			17,832	651,258
Prepaid expenses		14,937		145,131
	<u>54,095</u>	<u>47,145</u>	<u>159,505</u>	<u>5,698,320</u>
Total assets	<u>\$ 54,095</u>	<u>\$ 47,145</u>	<u>\$ 159,505</u>	<u>\$ 5,698,320</u>
LIABILITIES				
Checks issued in excess of deposits				\$ 60,143
Accounts payable	\$ 28,596	\$ 25,826	\$ 529	330,880
Payroll and taxes payable	16,609			1,108,230
Due to other funds	8,890	21,319		651,258
Deferred revenue			6,115	141,664
	<u>54,095</u>	<u>47,145</u>	<u>6,644</u>	<u>2,292,175</u>
Total liabilities	<u>54,095</u>	<u>47,145</u>	<u>6,644</u>	<u>2,292,175</u>
FUND BALANCES				
Reserve for capital improvements			152,861	152,861
Reserve for building maintenance				360,440
Unreserved				
Designated for capital improvements				2,198,865
Unreserved, undesignated				693,979
	<u>0</u>	<u>0</u>	<u>152,861</u>	<u>3,406,145</u>
Total fund balances	<u>0</u>	<u>0</u>	<u>152,861</u>	<u>3,406,145</u>
Total liabilities and fund balances	<u>\$ 54,095</u>	<u>\$ 47,145</u>	<u>\$ 159,505</u>	<u>\$ 5,698,320</u>

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Public School Technology	Substance Abuse	Title I
REVENUES									
General property taxes	\$ 1,749,035								
State foundation program	7,075,091						\$ 51,585		
Other state revenue	75,989					\$ 10,813		\$ 25,808	
Federal revenue	140,359	\$ 1,686,347	\$ 19,038						\$ 348,309
Charges for services	200,496					14,145			
Earnings on investments	37,514	27,469			\$ 350				
Other revenues	91,712		111,376						
Total revenues	9,370,196	1,713,816	130,414	\$ 0	350	24,958	51,585	25,808	348,309
EXPENDITURES									
Instruction									
Regular programs	4,797,487		60,119			24,958		29,503	305,604
Special programs	598,656								
Interscholastic and school activity	419,255								
Other instructional programs									9,424
Support services									
Pupil support	485,537		37,129						
Staff support	364,268		1,946				40,988		11,004
General administration	232,543								13,466
School administration	618,858								
Business services	188,890						22,687		
Maintenance and operations	1,320,510								
Transportation	810,825								
Food services	5,262								
Community services			20,122						
Capital outlay									
Total expenditures	9,842,091	0	119,316	0	0	24,958	63,675	29,503	339,498
EXCESS OF REVENUES OVER EXPENDITURES									
	(471,895)	1,713,816	11,098	0	350	0	(12,090)	(3,695)	8,811
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	626,570			19,054	98,107				
Transfers to other funds	(89,298)	(446,084)		(246,450)					(8,811)
Total other financing sources (uses)	537,272	(446,084)	0	(227,396)	98,107	0	0	0	(8,811)
NET CHANGE IN FUND BALANCES	65,377	1,267,732	11,098	(227,396)	98,457	0	(12,090)	(3,695)	0
FUND BALANCES AT BEGINNING OF YEAR									
	490,019	931,133	26,411	321,737	261,983	0	12,090	4,043	0
FUND BALANCES AT END OF YEAR									
	\$ 555,396	\$ 2,198,865	\$ 37,509	\$ 94,341	\$ 360,440	\$ 0	\$ 0	\$ 348	\$ 0

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Title VI-B	Title VI-B Preschool	Title V Innovative Practices	Carl Perkins Vocational Education	Johnson O'Malley Indian Education	Title II-A Improving Teacher Quality	Title IV-A Drug Free Schools	21st Century	Technology Literacy
REVENUES									
General property taxes									
State foundation program									
Other state revenue									
Federal revenue	\$ 250,991	\$ 13,089	\$ 468	\$ 30,071	\$ 2,919	\$ 106,898	\$ 15,997	\$ 236,573	\$ 52,783
Charges for services									
Earnings on investments									
Other revenues									
Total revenues	250,991	13,089	468	30,071	2,919	106,898	15,997	236,573	52,783
EXPENDITURES									
Instruction									
Regular programs				30,071		104,189	12,054		
Special programs	242,771	13,089			1,870				
Interscholastic and school activity									
Other instructional programs									
Support services									
Pupil support	1,327						3,513		
Staff support	536		468						52,783
General administration							25		
School administration									
Business services									
Maintenance and operations									
Transportation									
Food services									
Community services								230,578	
Capital outlay									
Total expenditures	244,634	13,089	468	30,071	1,870	104,189	15,592	230,578	52,783
EXCESS OF REVENUES OVER EXPENDITURES	6,357	0	0	0	1,049	2,709	405	5,995	0
OTHER FINANCING SOURCES (USES)									
Transfers from other funds									
Transfers to other funds	(6,357)				(49)	(2,709)	(405)	(5,995)	
Total other financing sources (uses)	(6,357)	0	0	0	(49)	(2,709)	(405)	(5,995)	0
NET CHANGE IN FUND BALANCES	0	0	0	0	1,000	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	5,385	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,385	\$ 0	\$ 0	\$ 0	\$ 0

51

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	<u>TESLA</u>	<u>Teaching American History</u>	<u>School Lunch</u>	<u>School Plant Facility Reserve</u>	<u>Combined</u>
REVENUES					
General property taxes				\$ 24,236	\$ 1,773,271
State foundation program					7,126,676
Other state revenue				140,179	252,789
Federal revenue	\$ 140,783	\$ 158,000	\$ 360,967		3,563,592
Charges for services			155,116	515	370,272
Earnings on investments				1,886	67,219
Other revenues				152,024	355,112
Total revenues	<u>140,783</u>	<u>158,000</u>	<u>516,083</u>	<u>318,840</u>	<u>13,508,931</u>
EXPENDITURES					
Instruction					
Regular programs					5,363,985
Special programs					856,386
Interscholastic and school activity					419,255
Other instructional programs					9,424
Support services					
Pupil support					527,506
Staff support	137,215	153,996			763,204
General administration					246,034
School administration					618,858
Business services					211,577
Maintenance and operations				134,742	1,455,252
Transportation				174,392	985,217
Food services			522,737		527,999
Community services					250,700
Capital outlay				23,614	23,614
Total expenditures	<u>137,215</u>	<u>153,996</u>	<u>522,737</u>	<u>332,748</u>	<u>12,259,011</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,568</u>	<u>4,004</u>	<u>(6,654)</u>	<u>(13,908)</u>	<u>1,249,920</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds			6,654	63,590	813,975
Transfers to other funds	(3,568)	(4,004)		(245)	(813,975)
Total other financing sources (uses)	<u>(3,568)</u>	<u>(4,004)</u>	<u>6,654</u>	<u>63,345</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,437</u>	<u>1,249,920</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,424</u>	<u>2,156,225</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,861</u>	<u>\$ 3,406,145</u>

52

TRUST AND AGENCY FUNDS

Trust funds are used by the District to account for funds which support District and student programs. These funds have been deposited with the District for specific purposes, generally approved by the Board of Trustees.

TRUST FUNDS

James Graham Webb Memorial Scholarship - Contributions to the District have been invested to provide a scholarship for a high school senior of Grangeville High School. The Scholarship was established in memory of James Graham Webb, a 1965 graduate of Grangeville High School. The scholarship is for post-high school education in communications, debate, or oratory. Only interest earnings are used to provide the annual scholarship; however, the principal of the fund can be used to provide a minimum annual scholarship of \$1,000. The fund may be discontinued and principal disbursed as scholarships after the death of the grantors.

William F. Martin Wrestling Memorial Scholarship - Contributions to the District have been invested to provide a scholarship for a high school senior of Grangeville High School. The Scholarship was established in memory of William F. Martin. The scholarship is for post-high school education to an individual who has been involved in two full seasons of wrestling at Grangeville High School. Only interest earnings are used to provide the annual scholarship. The fund may be discontinued and principal disbursed as scholarships after the death of the grantor.

Foster "B" Morgan and L. Elizabeth Kantola Scholarship - Contributions to the District have been invested to provide a scholarship for a high school senior of Grangeville High School each year. The recipient must have shown active involvement in community service and have a GPA of 3.5 or above. Only interest earnings of the fund are used to provide the annual scholarship. The fund may be discontinued and principal disbursed as scholarships after the death of the grantor.

Wagner Scholarship – Contributions to the District have been invested to provide a \$500 scholarship for a high school senior from Grangeville High School annually. The Madelyn M. (Sanberg) Wagner Memorial Scholarship recipient must have participated in music during all four years of high school. Earnings and principal of the fund are available to provide the annual scholarship. The total balance remaining in the fund at the date of graduation in 2017 shall be granted to the selected graduate of that year.

Laine Scholarship - Contributions to the District have been invested to provide a scholarship for a high school senior each year. Earnings and principal of the fund are available to provide the annual scholarship.

Gary Cash Memorial Scholarship - Contributions to the District have been invested to provide a scholarship for a high school senior of Grangeville High School each year. The scholarship was established in memory of Gary Cash. The scholarship recipient must have been active in high school sports and lettered for at least two years. Earnings and principal of the fund are available to provide the annual scholarship.

Kooskia Lions Scholarship – Contributions to the District have been invested to provide a scholarship for the purpose of furthering the post-high school education of Clearwater Valley High School graduates. Earnings and principal of the fund are available to provide the annual scholarship.

AGENCY FUNDS

Agency Funds are used to account for funds held by the District where the District is an agent for a third party. These include student activity funds and special grants that are not available for discretionary spending by the District.

Student Activity Funds - These funds account for all admission charges and student fees, which are expended for student clubs and extracurricular activities.

Joint School District No. 241 Trust – The Idaho State Board of Education adopted a *Division Plan* and issued an order for the division of Joint School District No. 241 into Salmon River Joint School District No. 243 and Mountain View School District No. 244 with an effective fiscal date of July 1, 2007. This fund is used to account for the collection and disbursement of amounts due to Joint School District No. 241 after July 1, 2007. Proceeds are disbursed to Salmon River Joint School District No. 241 and Mountain View School District No. 244.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS
June 30, 2009

	James Graham Webb Memorial Scholarship		William F. Martin Wrestling Memorial Scholarship		Foster "B" Morgan and L. Elizabeth Kantola Scholarship		Wagner Scholarship	Laine Scholarship	Gary Cash Memorial Scholarship
	Endowment Trust	Earnings Trust	Endowment Trust	Earnings Trust	Endowment Trust	Earnings Trust			
ASSETS									
Cash									
Investments	\$ 15,425	\$ 1,500	\$ 17,339	\$ 1,053	\$ 40,000	\$ 697	\$ 500	\$ 228	\$ 15,613
Property taxes receivable									
Accounts receivable									200
Total assets	<u>\$ 15,425</u>	<u>\$ 1,500</u>	<u>\$ 17,339</u>	<u>\$ 1,053</u>	<u>\$ 40,000</u>	<u>\$ 697</u>	<u>\$ 500</u>	<u>\$ 228</u>	<u>\$ 15,813</u>
LIABILITIES									
Accounts payable		\$ 1,500		\$ 303		\$ 697	\$ 500		\$ 264
Due to student groups									
Long-term obligations									
Total liabilities	<u>\$ 0</u>	<u>1,500</u>	<u>\$ 0</u>	<u>303</u>	<u>\$ 0</u>	<u>697</u>	<u>500</u>	<u>\$ 0</u>	<u>264</u>
FUND EQUITY									
Contributed trust funds	15,425		17,339		40,000			228	15,549
Reserve for scholarships				750					
Total fund equity	<u>15,425</u>	<u>0</u>	<u>17,339</u>	<u>750</u>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>228</u>	<u>15,549</u>
Total liabilities and fund equity	<u>\$ 15,425</u>	<u>\$ 1,500</u>	<u>\$ 17,339</u>	<u>\$ 1,053</u>	<u>\$ 40,000</u>	<u>\$ 697</u>	<u>\$ 500</u>	<u>\$ 228</u>	<u>\$ 15,813</u>

55

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS
June 30, 2009

	Kooskia Lions Scholarship	Clearwater Valley High School	Grangeville High School	Grangeville Elementary School	Joint School District No 241 Trust	Combined
ASSETS						
Cash		\$ 31,795	\$ 19,450	\$ 14,586		\$ 65,831
Investments	\$ 3,687		24,320			120,362
Property taxes receivable					\$ 11,005	11,005
Accounts receivable		817	1,148	358	16,071	18,594
Total assets	\$ 3,687	\$ 32,612	\$ 44,918	\$ 14,944	\$ 27,076	\$ 215,792
LIABILITIES						
Accounts payable	\$ 500	\$ 1,976	\$ 946	\$ 3,036	\$ 181	\$ 9,903
Due to student groups		30,636	43,972	11,908		86,516
Long-term obligations					26,895	26,895
Total liabilities	500	32,612	44,918	14,944	27,076	123,314
FUND EQUITY						
Contributed trust funds	3,187					91,728
Reserve for scholarships						750
Total fund equity	3,187	0	0	0	0	92,478
Total liabilities and fund equity	\$ 3,687	\$ 32,612	\$ 44,918	\$ 14,944	\$ 27,076	\$ 215,792

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL TRUST FUNDS
For the Year Ended June 30, 2009

	James Graham Webb Memorial Scholarship		William F. Martin Wrestling Memorial Scholarship		Foster "B" Morgan and L. Elizabeth Kantola Scholarship		Wagner Scholarship	Laine Scholarship	Gary Cash Memorial Scholarship
	Endowment Trust	Earnings Trust	Endowment Trust	Earnings Trust	Endowment Trust	Earnings Trust			
REVENUES									
Earnings on investments		\$ 298		\$ 303		\$ 697		\$ 19	\$ 264
Contributions							\$ 500		200
Total revenues	\$ 0	298	\$ 0	303	\$ 0	697	500	19	464
EXPENDITURES									
Scholarships	1,202	298		303		697	500		264
Total expenditures	1,202	298	0	303	0	697	500	0	264
EXCESS OF REVENUES OVER EXPENDITURES	(1,202)	0	0	0	0	0	0	19	200
FUND EQUITY AT BEGINNING OF YEAR	16,627	0	17,339	750	40,000	0	0	209	15,349
FUND EQUITY AT END OF YEAR	\$ 15,425	\$ 0	\$ 17,339	\$ 750	\$ 40,000	\$ 0	\$ 0	\$ 228	\$ 15,549

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL TRUST FUNDS
For the Year Ended June 30, 2009

	Kooskia Lions <u>Scholarship</u>	<u>Combined</u>	
REVENUES			
Earnings on investments	\$ 68	\$ 1,649	
Contributions		700	
Total revenues	<u>68</u>	<u>2,349</u>	
EXPENDITURES			
Scholarships	<u>500</u>	<u>3,764</u>	
Total expenditures	<u>500</u>	<u>3,764</u>	
EXCESS OF REVENUES OVER EXPENDITURES			
	(432)	(1,415)	
FUND EQUITY AT BEGINNING OF YEAR			
	<u>3,619</u>	<u>93,893</u>	
FUND EQUITY AT END OF YEAR			
	<u>\$ 3,187</u>	<u>\$ 92,478</u>	

65

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

**COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS**

For the Years Ended June 30, 2009 and 2008

	General Fund		All Other Funds	
	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
BEGINNING BALANCES	<u>\$ 452,051</u>	<u>\$ 490,019</u>	<u>\$ 981,789</u>	<u>\$ 1,666,206</u>
REVENUES				
General property taxes	1,607,502	1,749,035	515,832	24,236
Other local revenue	426,924	327,918	295,948	457,980
Intergovernmental revenue				
State of Idaho	7,201,623	7,151,080	274,740	228,385
Federal	96,836	140,359	2,373,312	3,423,233
Other revenue	25,820	1,804		3,103
Transfers	577,338	626,570	567,406	168,351
Total revenues	<u>9,936,043</u>	<u>9,996,766</u>	<u>4,027,238</u>	<u>4,305,288</u>
EXPENDITURES				
Salaries	5,463,162	5,848,839	792,295	759,565
Benefits	2,353,605	2,440,085	305,511	328,499
Purchased services	941,071	896,081	501,072	615,198
Supplies and materials	592,455	502,971	379,899	407,505
Capital outlay	29,424	31,107	102,112	304,355
Debt service	11,296		503,517	
Insurance	120,733	123,008		
Transfers	386,329	89,298	758,415	705,623
Total expenditures	<u>9,898,075</u>	<u>9,931,389</u>	<u>3,342,821</u>	<u>3,120,745</u>
ENDING BALANCES	<u>\$ 490,019</u>	<u>\$ 555,396</u>	<u>\$ 1,666,206</u>	<u>\$ 2,850,749</u>