

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**FINANCIAL STATEMENTS**

Year Ended June 30, 2010

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

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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, 2010, 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 2009 and 2008 financial statements and, in our report dated October 13, 2009, and 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

Management has not recorded a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees which would increase the liabilities, decrease the net assets in the statement of net assets, and increase expenses in the statement of activities. The amount by which this departure would affect the liabilities, net assets, and expenses of the governmental activities is not reasonably determinable.

In our opinion, except for the effects of not providing a liability for the implicit rate subsidy of the retiree healthcare in the governmental activities, as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of Mountain View School District No. 244, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the and the aggregate remaining fund information of Mountain View School District No. 244, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 06, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

  
Premell Gage PLLC  
October 06, 2010

## **MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2010 and 2009. 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 District-wide financial statements, presented in 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 (on pages 13-16) 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. Reconciliations of the District-wide financial statements to the fund financial statements are also included in this series.
- 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.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

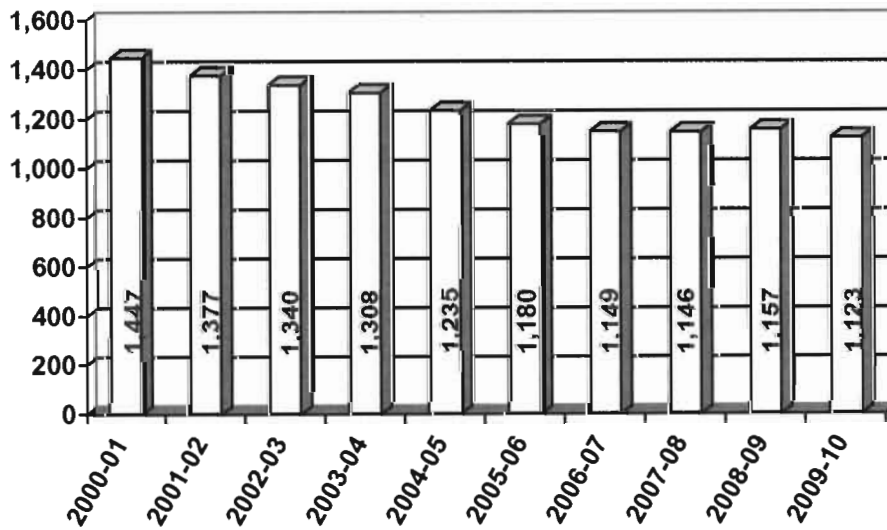
These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and the liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net 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.

***Financial Highlights***

- The District's net assets increased by \$986,940 for the year ended June 30, 2010, compared to an increase of \$1,236,675 for 2009. Mountain View School District No. 244 has net assets of \$9,162,408 and total assets of \$10,560,267.
- The total cost of District operations amounted to \$12,461,933 for the year ended June 30, 2010, of which \$7,512,233 was generated from operating grants and contributions, and \$425,961 from charges for services. General revenues amounted to \$5,510,679.
- The District has outstanding liabilities of \$1,397,859 of which \$1,153,911 are for salaries and benefits to be paid in July and August.

Approximately 45 percent of 2010 governmental fund revenue (down from 53 percent last year) was provided by the State of Idaho Foundation Program, which is based upon student enrollment and attendance. The chart below shows the fall enrollment trend for the schools served by Mountain View School District for the current and past nine years. Fall enrollment has declined from 1,447 in 2000-01 to 1,123 in 2009-10.

**MOUNTAIN VIEW SCHOOL DISTRICT #244  
K-12 Fall Enrollment Trend**



MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

***Financial Highlights (Continued)***

**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.

A summary of District revenue follows:

<b>Revenues</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Program revenue		
State foundation revenue	\$ 5,135,083	\$ 5,292,359
State and federal grants	2,377,150	2,045,159
Charges for services	425,961	392,911
	<u>7,938,194</u>	<u>7,730,429</u>
General revenue		
Property taxes	1,786,764	1,827,577
State foundation revenue	863,179	1,834,317
Federal forest receipts and in-lieu revenue	1,569,427	1,718,013
State and federal grants	1,239,342	159,777
Other	51,967	283,137
	<u>5,510,679</u>	<u>5,822,821</u>
<b>Total revenues</b>	<b><u>\$ 13,448,873</u></b>	<b><u>\$ 13,553,250</u></b>

Approximately 41 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 26 percent for regular instruction expenses, and 33 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>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
<b>Program expenses</b>				
Instruction				
Regular programs	\$ 5,062,349	41%	\$ 5,155,249	42%
Special programs	950,452	8%	856,386	7%
Interscholastic and school activity	409,971		419,255	
Other instructional programs	757		9,424	
Support services				
Pupil support	583,696		527,506	
Staff support	795,574	6%	763,204	6%
General administration	236,320		246,034	
School administration	612,374		618,858	
Business services	200,147		211,577	
Maintenance and operations	1,830,496	15%	1,623,626	13%
Transportation	856,374	7%	1,083,143	9%
Food services	539,709		527,999	
Community services	383,714		250,700	
Capital outlay	0		23,614	
	<u>\$ 12,461,933</u>		<u>\$ 12,316,575</u>	
 <b>Net program expense after program revenue</b>				
Instruction				
Regular programs	\$ 1,171,232	26%	\$ 1,126,266	25%
Special programs	485,209	11%	425,673	9%
Interscholastic and school activity	249,368		270,916	
Other instructional programs	0		9,424	
Support services				
Pupil support	219,319		220,442	
Staff support	250,783		275,844	6%
General administration	97,642		106,055	
School administration	267,801		272,650	
Business services	124,830		132,157	
Maintenance and operations	1,507,940	33%	1,302,143	28%
Transportation	126,058		388,924	8%
Food services	23,507		11,916	
Community services	50		20,122	
Capital outlay	0		23,614	
	<u>\$ 4,523,739</u>		<u>\$ 4,586,146</u>	



## MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **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 repay Idaho County on a property tax assessment appeal. The District's remaining share of the judgment is \$13,447.
- All other long-term debt from Joint School District No. 241 has been repaid as of June 30, 2010.

#### **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.

General fund revenues exceeded budgeted amounts by approximately \$321,000 due largely to federal grant amounts from the stimulus program and unbudgeted fundraisers for student activities.

General fund expenditures were less than budgeted by \$351,000 largely due to the District operating without using the contingency budget amount and the elimination of the long standing state requirement to transfer bus replacement monies to the School Plant Facility Reserve.

General fund expenditures for 2010 compared to 2009 decreased by \$292,110, approximately 2.9 percent.

## MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **Reporting the District's Most Significant Funds (Continued)**

General fund carryover of \$642,760 at June 30, 2010, consists of:

\$430,260 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.
- 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 District received \$1,545,569 during 2010, a decline of 8 percent from the prior year.

#### **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.

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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

STATEMENT OF NET ASSETS  
June 30, 2010

	Governmental Activities	Prior Year 2009	Prior Year 2008
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 53,219	\$ 21,254	\$ 43,207
Investments	4,219,586	3,591,313	2,462,736
Property taxes receivable	156,395	139,146	86,926
Accounts receivable	1,429,145	1,150,218	1,272,836
Prepaid expenses	44,232	145,131	25,924
Total current assets	<u>5,902,577</u>	<u>5,047,062</u>	<u>3,891,629</u>
<b>Noncurrent assets</b>			
Capital assets	12,113,389	11,809,403	11,684,003
Less accumulated depreciation	<u>(7,455,699)</u>	<u>(7,181,312)</u>	<u>(6,988,361)</u>
Total noncurrent assets	<u>4,657,690</u>	<u>4,628,091</u>	<u>4,695,642</u>
Total assets	<u>10,560,267</u>	<u>9,675,153</u>	<u>8,587,271</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Checks issued in excess of deposits		60,143	18,989
Accounts payable	241,771	330,880	554,052
Payroll and taxes payable	1,153,911	1,108,230	1,053,249
Accrued expenses	2,177	432	22,188
Total liabilities	<u>1,397,859</u>	<u>1,499,685</u>	<u>1,648,478</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,657,690	4,628,091	4,695,642
Restricted for:			
Capital projects		152,861	103,424
Building maintenance	299,226	360,440	261,983
Unrestricted	<u>4,205,492</u>	<u>3,034,076</u>	<u>1,877,744</u>
Total net assets	<u>\$ 9,162,408</u>	<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, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Prior Year 2009	Prior year 2008
		Charges for Services	Operating Grants and Contributions			
Instruction						
Regular programs	\$ 5,062,349	\$ 23,870	\$ 3,867,247	\$ (1,171,232)	\$ (1,126,266)	\$ (1,299,624)
Special programs	950,452		465,243	(485,209)	(425,673)	(494,711)
Interscholastic and school activity	409,971	95,958	64,645	(249,368)	(270,916)	(219,079)
Other instructional programs	757		757	0	(9,424)	(1,778)
Support services						
Pupil support	583,696		364,377	(219,319)	(220,442)	(65,619)
Staff support	795,574		544,791	(250,783)	(275,844)	(247,025)
General administration	236,320		138,678	(97,642)	(106,055)	(202,385)
School administration	612,374		344,573	(267,801)	(272,650)	(171,995)
Business services	200,147		75,317	(124,830)	(132,157)	(138,030)
Maintenance and operations	1,830,496	24,594	297,962	(1,507,940)	(1,302,143)	(1,088,901)
Transportation	856,374	127,552	602,764	(126,058)	(388,924)	(255,312)
Food services	539,709	153,987	362,215	(23,507)	(11,916)	5,047
Community services	383,714		383,664	(50)	(20,122)	(66,547)
Capital outlay					(23,614)	
Debt services						(514,813)
Total governmental activities	<u>\$ 12,461,933</u>	<u>\$ 425,961</u>	<u>\$ 7,512,233</u>	<u>(4,523,739)</u>	<u>(4,586,146)</u>	<u>(4,760,772)</u>
General revenues:						
Property taxes, levied for general purposes				1,786,764	1,827,577	2,210,260
State base support				863,179	1,834,317	1,798,974
Federal forest receipts and in lieu revenue				1,569,427	1,718,013	788,663
Other state and federal funding not restricted to specific programs				1,239,342	159,777	279,425
Interest and investment earnings				19,484	67,219	132,387
Other general revenues				32,483	215,918	82,909
				<u>5,510,679</u>	<u>5,822,821</u>	<u>5,292,618</u>
Change in net assets				986,940	1,236,675	531,846
Net assets, beginning				<u>8,175,468</u>	<u>6,938,793</u>	<u>6,406,947</u>
Net assets, ending				<u>\$ 9,162,408</u>	<u>\$ 8,175,468</u>	<u>\$ 6,938,793</u>

See accompanying notes  
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MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2010

	General	Forest Reserve	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2009	Prior year 2008
<b>ASSETS</b>								
Cash	\$ 3,631		\$ 27,716	\$ 226	\$ 21,646	\$ 53,219	\$ 21,254	\$ 43,207
Investments	112,368	\$ 3,552,863		160,788	393,567	4,219,586	3,591,313	2,462,736
Property taxes receivable	153,622			2,773		156,395	139,146	86,926
Accounts receivable	687,777		11,101	612	729,655	1,429,145	1,150,218	1,272,836
Due from other funds	854,762				90,085	944,847	651,258	835,667
Prepaid expenses	19,339		24,893			44,232	145,131	25,924
<b>Total assets</b>	<b>\$ 1,831,499</b>	<b>\$ 3,552,863</b>	<b>\$ 63,710</b>	<b>\$ 164,399</b>	<b>\$ 1,234,953</b>	<b>\$ 6,847,424</b>	<b>\$ 5,698,320</b>	<b>\$ 4,727,296</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Checks issued in excess of deposits							\$ 60,143	\$ 18,989
Accounts payable	\$ 87,475		\$ 23,598		\$ 130,698	\$ 241,771	330,880	554,052
Payroll and taxes payable	947,642				206,269	1,153,911	1,108,230	1,053,249
Due to other funds		\$ 488,283	40,112		416,452	944,847	651,258	835,667
Deferred revenue	153,622			\$ 2,773	2,177	158,572	141,664	109,114
<b>Total liabilities</b>	<b>1,188,739</b>	<b>488,283</b>	<b>63,710</b>	<b>2,773</b>	<b>755,596</b>	<b>2,499,101</b>	<b>2,292,175</b>	<b>2,571,071</b>
<b>FUND BALANCES</b>								
Reserve for capital improvements				161,626		161,626	152,861	103,424
Reserve for building maintenance					299,226	299,226	360,440	261,983
Reserve for federal grant programs								5,385
Reserve for state grant programs	109,316					109,316	95,162	72,630
Unreserved								
Designated for capital improvements		3,064,580				3,064,580	2,198,865	931,133
Designated for extra-curricular activities	114,150					114,150	80,813	62,095
Designated for school supplies	206,794					206,794	166,021	158,927
Unreserved, undesignated reported in:								
General fund	212,500					212,500	212,500	212,500
Special revenue funds					180,131	180,131	138,533	348,148
<b>Total fund balances</b>	<b>642,760</b>	<b>3,064,580</b>	<b>0</b>	<b>161,626</b>	<b>479,357</b>	<b>4,348,323</b>	<b>3,406,145</b>	<b>2,156,225</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,831,499</b>	<b>\$ 3,552,863</b>	<b>\$ 63,710</b>	<b>\$ 164,399</b>	<b>\$ 1,234,953</b>	<b>\$ 6,847,424</b>	<b>\$ 5,698,320</b>	<b>\$ 4,727,296</b>

See accompanying notes  
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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**RECONCILIATION OF THE STATEMENT OF NET ASSETS  
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2010

	Total Governmental Funds	Prior Year 2009	Prior Year 2008
<b>Total fund balances - Governmental Funds</b>	\$ 4,348,323	\$ 3,406,145	\$ 2,156,225
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:</p>			
Cost of capital assets	12,113,389	11,809,403	11,684,003
Accumulated depreciation	(7,455,699)	(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.	156,395	141,232	86,926
<b>Total net assets - Governmental Activities</b>	<u>\$ 9,162,408</u>	<u>\$ 8,175,468</u>	<u>\$ 6,938,793</u>

See accompanying notes  
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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

	General	Federal Forest	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2009	Prior Year 2008
<b>REVENUES</b>								
General property taxes	\$ 1,763,667			\$ 7,934		\$ 1,771,601	\$ 1,773,271	\$ 2,123,334
State foundation program	5,947,087				\$ 51,175	5,998,262	7,126,676	7,003,532
Other state revenue	67,494				32,878	100,372	252,789	472,831
Federal revenue	1,016,319	\$ 1,545,569	\$ 376,135		1,958,900	4,896,923	3,563,592	2,470,148
Charges for services	226,560		153,987	150	20,670	401,367	370,272	361,863
Earnings on investments	9,618	9,185		681		19,484	67,219	132,387
Other revenues	110,616	31,647			103,438	245,701	355,112	254,442
<b>Total revenues</b>	<b>9,141,361</b>	<b>1,586,401</b>	<b>530,122</b>	<b>8,765</b>	<b>2,167,061</b>	<b>13,433,710</b>	<b>13,508,931</b>	<b>12,818,537</b>
<b>EXPENDITURES</b>								
Instruction								
Regular programs	4,641,486				686,124	5,327,610	5,363,985	5,192,482
Special programs	453,630				496,822	950,452	856,386	799,499
Interscholastic and school activity	409,971					409,971	419,255	410,821
Other instructional programs					757	757	9,424	2,506
Support services								
Pupil support	520,386				63,310	583,696	527,506	533,326
Staff support	342,831				452,743	795,574	763,204	743,596
General administration	222,341				13,979	236,320	246,034	352,291
School administration	612,374					612,374	618,858	510,427
Business services	184,252				15,895	200,147	211,577	181,583
Maintenance and operations	1,392,062	232,404			61,214	1,685,680	1,455,252	1,346,203
Transportation	765,528					765,528	985,217	805,414
Food services	5,120		534,589			539,709	527,999	471,293
Community services					383,714	383,714	250,700	231,898
Capital outlay							23,614	
Debt services								514,813
<b>Total expenditures</b>	<b>9,549,981</b>	<b>232,404</b>	<b>534,589</b>	<b>0</b>	<b>2,174,558</b>	<b>12,491,532</b>	<b>12,259,011</b>	<b>12,096,152</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(408,620)</b>	<b>1,353,997</b>	<b>(4,467)</b>	<b>8,765</b>	<b>(7,497)</b>	<b>942,178</b>	<b>1,249,920</b>	<b>722,385</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	547,212		4,467		46,761	598,440	813,975	1,144,744
Transfers to other funds	(51,228)	(488,282)			(58,930)	(598,440)	(813,975)	(1,144,744)
<b>Total other financing sources (uses)</b>	<b>495,984</b>	<b>(488,282)</b>	<b>4,467</b>	<b>0</b>	<b>(12,169)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>87,364</b>	<b>865,715</b>	<b>0</b>	<b>8,765</b>	<b>(19,666)</b>	<b>942,178</b>	<b>1,249,920</b>	<b>722,385</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>555,396</b>	<b>2,198,865</b>		<b>152,861</b>	<b>499,023</b>	<b>3,406,145</b>	<b>2,156,225</b>	<b>1,433,840</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 642,760</b>	<b>\$ 3,064,580</b>	<b>\$ 0</b>	<b>\$ 161,626</b>	<b>\$ 479,357</b>	<b>\$ 4,348,323</b>	<b>\$ 3,406,145</b>	<b>\$ 2,156,225</b>

See accompanying notes  
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**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, 2010

	Total Governmental Funds	Prior Year 2009	Prior Year 2008
<b>Net change in fund balances - Total Governmental Funds</b>	\$ 942,178	\$ 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	330,386	245,726	23,575
Current year depreciation	(300,787)	(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	156,395	141,232	86,926
Prior year taxes receivable	(141,232)	(86,926)	
<b>Change in net assets - Governmental Activities</b>	\$ 986,940	\$ 1,230,675	\$ 531,846

See accompanying notes  
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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
June 30, 2010

	Private- Purpose Trusts	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$      176	\$   64,829
Investments	100,509	24,424
Property taxes receivable		3,004
Accounts receivable		11,957
Total current assets	<u>100,685</u>	<u>104,214</u>
Total assets	<u>100,685</u>	<u>104,214</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	3,668	9,199
Due to student groups		81,568
Current portion of long-term obligations		13,447
Total current liabilities	<u>3,668</u>	<u>104,214</u>
Total liabilities		<u>\$  104,214</u>
 <b>NET ASSETS</b>		
Unrestricted	<u>97,017</u>	
Total net assets	<u>\$  97,017</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, 2010

	Private- Purpose Trusts	Prior Year 2009
<b>ADDITIONS</b>		
Contributions	\$ 7,971	\$ 700
Earnings on investments	408	1,649
Total additions	<u>8,379</u>	<u>2,349</u>
<b>DEDUCTIONS</b>		
Scholarships	<u>3,840</u>	<u>3,764</u>
Total deductions	<u>3,840</u>	<u>3,764</u>
Change in net assets	4,539	(1,415)
Net assets at beginning of year	<u>92,478</u>	<u>93,893</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 97,017</u></u>	<u><u>\$ 92,478</u></u>

See accompanying notes

# MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

## NOTES TO FINANCIAL STATEMENTS

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### 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 1,120.

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

Grangeville Elementary-Jr. High School  
Elk City Public 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.

# MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

## NOTES TO FINANCIAL STATEMENTS

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### 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)*****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. Government pays an amount under the *Secure Rural Schools and Community Self Determination Act* to state and counties containing national forest system lands. 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

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### 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

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### 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**

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**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>
Miscellaneous Grants	\$ 50,000	\$ 124,529
School Building Maintenance		61,214
Driver Education	32,480	36,149
Public School Technology	50,300	51,175
Title VI-B Preschool ARRA		10,357
Johnson O'Malley Indian Education	1,000	3,330
21st Century	300,000	371,925

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, 2010.

**3. DEPOSITS AND INVESTMENTS**

**Deposits.** At June 30, 2010, the carrying amount of the District's deposits was \$53,219 in governmental activities, and \$65,005 in fiduciary activities. The entire balance was considered covered by Federal Depository Insurance.

**Investments.** At June 30, 2010, all District investments were held in the Wells Fargo Savings Account. The carrying value of investments approximates market value. The District has \$250,000 covered by the Federal Depository Insurance and the rest is uninsured.

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Wells Fargo savings account	\$ 4,219,586	\$ 124,933

**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.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

*Investments (Continued).*

*Credit Risk.* Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner.

*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, 2010, are as follows:

	Governmental Activities	Fiduciary Funds
Idaho County - property taxes	\$ 491,527	\$ 407
State of Idaho - Foundation program	147,601	
State of Idaho - State grant funds	30,211	
State of Idaho - Federal grant funds	650,787	
U.S. Government - Federal grant funds	68,351	
E-rate reimbursements	22,221	
Other	18,447	11,550
	<u>\$ 1,429,145</u>	<u>\$ 11,957</u>

5. PROPERTY TAXES

The District's property tax levies for calendar years 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Certified Budget Request		
Tort levy	\$ 48,696	\$ 47,038
Supplemental levy approved	1,656,596	1,678,749
Judgment	11,296	11,296
Tuition		5,762
	<u>\$ 1,716,588</u>	<u>\$ 1,742,845</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

**5. PROPERTY TAXES (CONTINUED)**

District assessed market value and tax levies:

		<u>Market</u> <u>Valuation</u>		<u>Tax</u> <u>Charge</u>		<u>Levy</u>
Calendar year 2009	\$	827,610,466	\$	1,735,837		0.002073398
Calendar year 2008		823,403,690		1,762,195		0.002124895
Calendar year 2007		765,090,270		2,070,348		0.002677000

**6. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>6/30/09</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/10</u> <u>Balance</u>
<b>CAPITAL ASSETS</b>				
Buildings	\$ 9,189,120	\$ 104,141		\$ 9,293,261
Buses	1,742,886			1,742,886
Vehicles	155,296			155,296
Equipment	<u>722,101</u>	<u>226,245</u>	\$ (26,400)	<u>921,946</u>
	<u>\$11,809,403</u>	<u>\$ 330,386</u>	<u>\$ (26,400)</u>	<u>\$12,113,389</u>
<b>ACCUMULATED DEPRECIATION</b>				
Buildings	\$ 5,300,277	\$ 141,893		\$ 5,442,170
Buses	1,271,069	85,658		1,356,727
Vehicles	118,570	8,111		126,681
Equipment	<u>491,396</u>	<u>65,125</u>	\$ (26,400)	<u>530,121</u>
	<u>\$ 7,181,312</u>	<u>\$ 300,787</u>	<u>\$ (26,400)</u>	<u>\$ 7,455,699</u>

Depreciation of \$300,787 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 65,125
Maintenance and operations	141,893
Transportation	93,769

**7. GENERAL LONG-TERM DEBT**

At June 30, 2010, Joint School District No. 241 was liable for the following long-term debt. 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 this long-term obligation is reflected as a liability in the Joint School District No. 241 trust fund in these financial statements.

Long-term Debt

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.

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

**7. GENERAL LONG-TERM DEBT (CONTINUED)**

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>6/30/09</u>	<u>Additions</u>	<u>Repayment</u>	<u>Balance</u> <u>6/30/10</u>
Judgment	\$ 26,895		\$ (13,447)	\$ 13,448
	<u>\$ 26,895</u>	<u>\$ 0</u>	<u>\$ (13,447)</u>	<u>13,448</u>
Current portion of long-term obligations				<u>13,448</u>
Long-term obligations				<u>\$ 0</u>

Future payments under long-term obligations are as follows:

	<u>Interest</u>	<u>Judgment</u>
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.

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, 2010, the required contribution rates, as determined by PERSI, were 10.39 percent (10.39 percent in 2009 and 10.39 percent in 2008) for the District and 6.23 percent (6.23 percent in 2009 and 6.23 percent in 2008) 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 \$669,574, \$661,942, and \$631,838 for the years ended June 30, 2010, 2009, and 2008, respectively.

## MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2010, is as follows:

- Property coverage at Grangeville, Kooskia, Stites, White Bird, Elk City, and Powell - \$48,015,539 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 no deductible.
- Automobiles
  - Liability - \$3,000,000 per occurrence; \$250,000 per occurrence for uninsured / underinsured motorists; and \$1,000 medical payments per person with no deductible.
  - Comprehensive and Collision - Coverage on 2002 and newer passenger vehicles and drivers training vehicles with a \$1,000 deductible. 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 2010 school year reflecting a transfer from the forest reserve to the general fund in the amount of \$900,000 to balance the budget. The actual amount transferred for the year ended June 30, 2010, amounted to \$488,282.

The State Department of Education requires that the District pay for the costs of school lunch personnel's Social Security from general fund revenues as a condition of participation in the National School Lunch Program. The general fund has paid \$665 for school lunch benefits and \$4,455 for other school lunch expenses and transferred an additional \$4,467 to the school lunch fund to balance the budget.

*Idaho Code*, Section 33-1019; requires that the school district expend 2 percent of the estimated replacement value of student occupied buildings for school building maintenance each year. Any shortfall in expenditures must be transferred into the school building maintenance fund for future school building maintenance. The District has spent more than the 2 percent required on school building maintenance for the current school year and no transfer was required.

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 \$58,930.

# MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

## NOTES TO FINANCIAL STATEMENTS

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### 10. TRANSFERS TO/FROM OTHER FUNDS (CONTINUED)

The District has approved the transfer of \$46,157 on medical insurance plan savings into a medical insurance reserve fund and transferred out \$0 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.

**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.

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

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, 2010, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 854,762	
Forest Reserve		\$ 488,283
Miscellaneous Grants	49,973	
Medical Insurance Reserve	40,112	
Driver Education		4,862
Title I		62,623
ARRA - Title I		34,027
Title VI-B		82,171
Title VI-B - ARRA		25,514
Title VI-B Preschool		2,026
Title VI-B Preschool - ARRA		1,979
Carl Perkins Vocational Education		13,896
Title II-A Improving Teacher Quality		18,035
Title IV-A Drug Free Schools		3,372
21st Century		95,155
Technology Literacy		28,777
TESLA		22,878
Teaching American History		21,137
School Lunch		40,112

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 average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost 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 considered material to these financial statements; however, the District has no plans to currently fund this liability and has not recorded the liability in the government-wide financial statement. The "implicit subsidy" for retired employees is paid each year on a pay-as-you-go basis.



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REQUIRED SUPPLEMENTARY INFORMATION

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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 1,752,084	\$ 1,752,084	\$ 1,763,667	\$ 11,583
State foundation program	6,752,873	6,752,873	5,947,087	(805,786)
Other state revenue	63,858	63,858	67,494	3,636
Federal revenue	56,678	56,678	1,016,319	959,641
Charges for services	172,678	172,678	226,560	53,882
Earnings on investments	20,000	20,000	9,618	(10,382)
Other revenues	2,000	2,000	110,616	108,616
<b>Total revenues</b>	<b>8,820,171</b>	<b>8,820,171</b>	<b>9,141,361</b>	<b>321,190</b>
<b>EXPENDITURES</b>				
Payroll	5,650,552	5,650,552	5,610,873	39,679
Payroll burden and employee benefits	2,472,689	2,472,689	2,383,800	88,889
Purchased services	771,348	771,348	935,164	(163,816)
Supplies and materials	628,410	628,410	468,566	159,844
Capital outlay	24,500	24,500	26,357	(1,857)
Insurance	141,667	141,667	125,221	16,446
Contingency budget	212,500	212,500		212,500
<b>Total expenditures</b>	<b>9,901,666</b>	<b>9,901,666</b>	<b>9,549,981</b>	<b>351,685</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(1,081,495)</b>	<b>(1,081,495)</b>	<b>(408,620)</b>	<b>672,875</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	940,000	940,000	547,212	(392,788)
Transfers to other funds	(71,005)	(71,005)	(51,228)	19,777
<b>Total other financing     sources (uses)</b>	<b>868,995</b>	<b>868,995</b>	<b>495,984</b>	<b>(373,011)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(212,500)</b>	<b>(212,500)</b>	<b>87,364</b>	<b>299,864</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>212,500</b>	<b>212,500</b>	<b>555,396</b>	<b>342,896</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 642,760</b>	<b>\$ 642,760</b>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
FOREST RESERVE  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 1,469,990	\$ 1,469,990	\$ 1,545,569	\$ 75,579
Earnings on investments	37,853	37,853	9,185	(28,668)
Other revenues			31,647	31,647
<b>Total revenues</b>	<u>1,507,843</u>	<u>1,507,843</u>	<u>1,586,401</u>	<u>78,558</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>226,685</u>	<u>226,685</u>	<u>232,404</u>	<u>(5,719)</u>
<b>Total expenditures</b>	<u>226,685</u>	<u>226,685</u>	<u>232,404</u>	<u>(5,719)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,281,158</u>	<u>1,281,158</u>	<u>1,353,997</u>	<u>72,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>(900,000)</u>	<u>(900,000)</u>	<u>(488,282)</u>	<u>411,718</u>
<b>Total other financing     sources (uses)</b>	<u>(900,000)</u>	<u>(900,000)</u>	<u>(488,282)</u>	<u>411,718</u>
<b>NET CHANGE IN FUND BALANCES</b>	381,158	381,158	865,715	484,557
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,892,676</u>	<u>1,892,676</u>	<u>2,198,865</u>	<u>306,189</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 2,273,834</u>	<u>\$ 2,273,834</u>	<u>\$ 3,064,580</u>	<u>\$ 790,746</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
SCHOOL LUNCH  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 382,751	\$ 382,751	\$ 376,135	\$ (6,616)
Charges for services	151,790	151,790	153,987	2,197
Total revenues	<u>534,541</u>	<u>534,541</u>	<u>530,122</u>	<u>(4,419)</u>
<b>EXPENDITURES</b>				
Payroll			2,738	(2,738)
Payroll burden and employee benefits			212	(212)
Purchased services	248,834	248,834	249,353	(519)
Supplies and materials	296,712	296,712	282,286	14,426
Total expenditures	<u>545,546</u>	<u>545,546</u>	<u>534,589</u>	<u>10,957</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(11,005)</u>	<u>(11,005)</u>	<u>(4,467)</u>	<u>6,538</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	11,005	11,005	4,467	(6,538)
Total other financing sources (uses)	<u>11,005</u>	<u>11,005</u>	<u>4,467</u>	<u>(6,538)</u>
<b>NET CHANGE IN FUND BALANCES</b>	0	0	0	0
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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**SUPPLEMENTARY INFORMATION**

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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, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 06, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

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

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

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*.

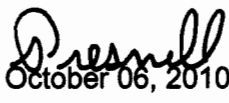
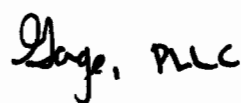
2. Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system. Mountain View School District No. 244 has concentrated a minimal number of accounting 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 *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 06, 2010



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 OMB Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain View School District No. 244's internal control over compliance.



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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 06, 2010



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, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 06, 2010. Those financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on those financial statements based upon our audit.

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

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 taken as a whole. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Presnell Gage, PLLC*  
October 06, 2010

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS  
For the Year Ended June 30, 2010**

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>		
Passed through the State of Idaho - Department of Education		
Commodities	10.550	\$ 35,364 *
National School Lunch Program	10.553	101,168 *
National School Lunch Program	10.555	229,864 *
Summer Food Service Program for Children	10.559	9,739 *
Passed through Idaho County, State of Idaho		
Federal Forest Funds	10.665	<u>720,686 *</u>
		<u>1,096,821</u>
<b>DEPARTMENT OF INTERIOR</b>		
Passed through the State of Idaho - Department of Education		
Johnson O'Malley Indian Education	15.130	<u>3,330</u>
<b>DEPARTMENT OF EDUCATION</b>		
I Teach	84.215	147,863
Passed through the State of Idaho - Department of Education		
Title I	84.010	364,369 *
Title I -- ARRA	84.389	169,832 *
Title VI-B	84.027	382,625 *
Title VI-B - ARRA	84.391	129,187 *
Carl Perkins Vocational Education	84.048	26,288
Title VI-B Preschool	84.173	10,654
Title VI-B Preschool - ARRA	84.392	10,357
Title IV-A Drug Free Schools	84.186	11,450
21st Century	84.287	371,925 *
Technology Literacy	84.318	45,014
Reading First	84.357	14,215
Mathematics and Science Partnerships (TESLA)	84.366	177,370
Title II-A Improving Teacher Quality	84.367	91,806
State Fiscal Stabilization Fund - Education ARRA	84.394	<u>915,906 *</u>
		<u>2,868,861</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed through the State of Idaho - Health and Welfare		
Temporary Assistance for Needy Families	93.558	<u>21,048</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 3,990,060</u>

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

\* Major programs on Schedule of Findings and Questioned Costs

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2010

Section I – Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Qualified

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>
10.550	National School Lunch Program Commodities
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
84.389	Title I - ARRA
84.027	Title VI-B
84.391	Title VI-B - ARRA
84.287	21st Century
84.394	State Fiscal Stabilization Fund - Education ARRA

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, 2010**

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**Section II – Financial Statement Findings**

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**SIGNIFICANT DEFICIENCIES**

**Finding #10-01**

*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 *Government Auditing Standards*.

*Recommendation:* We concur with the District's response.

**Finding #10-02**

*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.

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**Section III – Federal Award Findings and Questioned Costs**

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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. Government pays an amount under the *Secure Rural Schools and Community Self-Determination Act (SRSCA)* to state and counties containing national forest system lands. 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 2009-10. 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 \$170 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.

**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:

1. 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.
2. 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 IID Enhancing Education Through Technology (EETT) 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, 2010

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Public School Technology	Substance Abuse	Title I	ARRA Title I
<b>ASSETS</b>										
Cash	\$ 3,631		\$ 3,798	\$ 6,045			\$ 3,925	\$ 4,098	\$ 11	
Investments	112,368	\$3,552,863		94,341	\$ 299,226					
Property taxes receivable	153,622									
Accounts receivable	687,777		3,877			\$ 10,875			113,959	\$ 59,882
Due from other funds	854,762		49,973	40,112						
Prepaid expenses	19,339									
<b>Total assets</b>	<b>\$1,831,499</b>	<b>\$3,552,863</b>	<b>\$ 57,648</b>	<b>\$ 140,498</b>	<b>\$ 299,226</b>	<b>\$ 10,875</b>	<b>\$ 3,925</b>	<b>\$ 4,098</b>	<b>\$ 113,970</b>	<b>\$ 59,882</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 87,475		\$ 4,068			\$ 548			\$ 600	
Payroll and taxes payable	947,642		17,002			5,465	\$ 3,925	\$ 2,968	50,736	\$ 25,855
Due to other funds		\$ 488,283				4,862			62,623	34,027
Deferred revenue	153,622							1,130	11	
<b>Total liabilities</b>	<b>1,188,739</b>	<b>488,283</b>	<b>21,070</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>10,875</b>	<b>3,925</b>	<b>4,098</b>	<b>113,970</b>	<b>59,882</b>
<b>FUND BALANCES</b>										
Reserve for capital improvements										
Reserve for building maintenance					299,226					
Reserve for grant programs	109,316									
Unreserved										
Designated for capital improvements		3,064,580								
Designated, other	320,944									
Unreserved, undesignated	212,500		36,578	140,498						
<b>Total fund balances</b>	<b>642,760</b>	<b>3,064,580</b>	<b>36,578</b>	<b>140,498</b>	<b>299,226</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities and fund balances</b>	<b>\$1,831,499</b>	<b>\$3,552,863</b>	<b>\$ 57,648</b>	<b>\$ 140,498</b>	<b>\$ 299,226</b>	<b>\$ 10,875</b>	<b>\$ 3,925</b>	<b>\$ 4,098</b>	<b>\$ 113,970</b>	<b>\$ 59,882</b>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS**

June 30, 2010

	Title VI-B	ARRA Title VI-B	Title VI-B Preschool	ARRA Title VI-B Preschool	Carl Perkins Vocational Education	Johnson O'Malley Indian Education	Title II-A Improving Teacher Quality	Title IV-A Drug Free Schools	21st Century
<b>ASSETS</b>									
Cash	\$ 412					\$ 3,055			\$ 302
Investments									
Property taxes receivable									
Accounts receivable	145,388	\$ 46,076	\$ 3,770	\$ 3,684	\$ 26,288		\$ 28,525	\$ 3,372	132,381
Due from other funds									
Prepaid expenses									
<b>Total assets</b>	<b>\$ 145,800</b>	<b>\$ 46,076</b>	<b>\$ 3,770</b>	<b>\$ 3,684</b>	<b>\$ 26,288</b>	<b>\$ 3,055</b>	<b>\$ 28,525</b>	<b>\$ 3,372</b>	<b>\$ 132,683</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 8,593				\$ 12,070				\$ 36,788
Payroll and taxes payable	54,624	\$ 20,562	\$ 1,744	\$ 1,705			\$ 10,490		438
Due to other funds	82,171	25,514	2,026	1,979	13,896		18,035	\$ 3,372	95,155
Deferred revenue	412				322				302
<b>Total liabilities</b>	<b>145,800</b>	<b>46,076</b>	<b>3,770</b>	<b>3,684</b>	<b>26,288</b>	<b>\$ 0</b>	<b>28,525</b>	<b>3,372</b>	<b>132,683</b>
<b>FUND BALANCES</b>									
Reserve for capital improvements									
Reserve for building maintenance									
Reserve for grant programs									
Unreserved									
Designated for capital improvements									
Designated, other						3,055			
Unreserved, undesignated									
<b>Total fund balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,055</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities and fund balances</b>	<b>\$ 145,800</b>	<b>\$ 46,076</b>	<b>\$ 3,770</b>	<b>\$ 3,684</b>	<b>\$ 26,288</b>	<b>\$ 3,055</b>	<b>\$ 28,525</b>	<b>\$ 3,372</b>	<b>\$ 132,683</b>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS**

June 30, 2010

	Technology Literacy	TESLA	Teaching American History	School Lunch	School Plant Facility Reserve	Combined
<b>ASSETS</b>						
Cash				\$ 27,716	\$ 226	\$ 53,219
Investments					160,788	4,219,586
Property taxes receivable					2,773	156,395
Accounts receivable	\$ 29,221	\$ 54,006	\$ 68,351	11,101	612	1,429,145
Due from other funds						944,847
Prepaid expenses				24,893		44,232
<b>Total assets</b>	<b>\$ 29,221</b>	<b>\$ 54,006</b>	<b>\$ 68,351</b>	<b>\$ 63,710</b>	<b>\$ 164,399</b>	<b>\$ 6,847,424</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 444	\$ 31,128	\$ 36,459	\$ 23,598		\$ 241,771
Payroll and taxes payable			10,755			1,153,911
Due to other funds	28,777	22,878	21,137	40,112		944,847
Deferred revenue					\$ 2,773	158,572
<b>Total liabilities</b>	<b>29,221</b>	<b>54,006</b>	<b>68,351</b>	<b>63,710</b>	<b>2,773</b>	<b>2,499,101</b>
<b>FUND BALANCES</b>						
Reserve for capital improvements					161,626	161,626
Reserve for building maintenance						299,226
Reserve for grant programs						109,316
Unreserved						
Designated for capital improvements						3,064,580
Designated, other						320,944
Unreserved, undesignated						392,631
<b>Total fund balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161,626</b>	<b>4,348,323</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,221</b>	<b>\$ 54,006</b>	<b>\$ 68,351</b>	<b>\$ 63,710</b>	<b>\$ 164,399</b>	<b>\$ 6,847,424</b>

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, 2010

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Public School Technology	Substance Abuse	Title I
<b>REVENUES</b>									
General property taxes	\$ 1,763,667								
State foundation program	5,947,087						\$ 51,175		
Other state revenue	67,494					\$ 14,875		\$ 18,003	
Federal revenue	1,016,319	\$ 1,545,569	\$ 20,160						\$ 364,369
Charges for services	226,560					20,670			
Earnings on investments	9,618	9,185							
Other revenues	110,616	31,647	103,438						
Total revenues	<u>9,141,361</u>	<u>1,586,401</u>	<u>123,598</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>35,545</u>	<u>51,175</u>	<u>18,003</u>	<u>364,369</u>
<b>EXPENDITURES</b>									
<b>Instruction</b>									
Regular programs	4,641,486		57,539			36,149		18,351	312,234
Special programs	453,630								
Interscholastic and school activity	409,971								
Other instructional programs									757
<b>Support services</b>									
Pupil support	520,386		46,754						
Staff support	342,831		26				35,280		25,429
General administration	222,341								13,979
School administration	612,374								
Business services	184,252						15,895		
Maintenance and operations	1,392,062	232,404			61,214				
Transportation	765,528								
Food services	5,120								
Community services			20,210						
Total expenditures	<u>9,549,981</u>	<u>232,404</u>	<u>124,529</u>	<u>0</u>	<u>61,214</u>	<u>36,149</u>	<u>51,175</u>	<u>18,351</u>	<u>352,399</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>									
	<u>(408,620)</u>	<u>1,353,997</u>	<u>(931)</u>	<u>0</u>	<u>(61,214)</u>	<u>(604)</u>	<u>0</u>	<u>(348)</u>	<u>11,970</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers from other funds	547,212			46,157		604			
Transfers to other funds	(51,228)	(488,282)							(11,970)
Total other financing sources (uses)	<u>495,984</u>	<u>(488,282)</u>	<u>0</u>	<u>46,157</u>	<u>0</u>	<u>604</u>	<u>0</u>	<u>0</u>	<u>(11,970)</u>
<b>NET CHANGE IN FUND BALANCES</b>									
	87,364	865,715	(931)	46,157	(61,214)	0	0	(348)	0
<b>FUND BALANCES AT BEGINNING OF YEAR</b>									
	<u>555,396</u>	<u>2,198,865</u>	<u>37,509</u>	<u>94,341</u>	<u>360,440</u>	<u>0</u>	<u>0</u>	<u>348</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>									
	<u>\$ 642,760</u>	<u>\$ 3,064,580</u>	<u>\$ 36,578</u>	<u>\$ 140,498</u>	<u>\$ 299,226</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2010

	ARRA Title I	Title VI-B	ARRA Title VI-B	Title VI-B Preschool	ARRA Title VI-B Preschool	Carl Perkins Vocational Education	Johnson O'Malley Indian Education	Title II-A Improving Teacher Quality
<b>REVENUES</b>								
General property taxes								
State foundation program								
Other state revenue								
Federal revenue	\$ 169,832	\$ 382,625	\$ 129,187	\$ 10,654	\$ 10,357	\$ 26,288		\$ 91,806
Charges for services								
Earnings on investments								
Other revenues								
<b>Total revenues</b>	<u>169,832</u>	<u>382,625</u>	<u>129,187</u>	<u>10,654</u>	<u>10,357</u>	<u>26,288</u>	<u>\$ 0</u>	<u>91,806</u>
<b>EXPENDITURES</b>								
Instruction								
Regular programs	164,150					26,288		63,865
Special programs		348,341	124,940	10,304	10,017		3,220	
Interscholastic and school activity								
Other instructional programs								
Support services								
Pupil support		16,556						
Staff support	99	5,541						24,923
General administration								
School administration								
Business services								
Maintenance and operations								
Transportation								
Food services								
Community services								
<b>Total expenditures</b>	<u>164,249</u>	<u>370,438</u>	<u>124,940</u>	<u>10,304</u>	<u>10,017</u>	<u>26,288</u>	<u>3,220</u>	<u>88,788</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>5,583</u>	<u>12,187</u>	<u>4,247</u>	<u>350</u>	<u>340</u>	<u>0</u>	<u>(3,220)</u>	<u>3,018</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds								
Transfers to other funds	(5,583)	(12,187)	(4,247)	(350)	(340)		(110)	(3,018)
<b>Total other financing sources (uses)</b>	<u>(5,583)</u>	<u>(12,187)</u>	<u>(4,247)</u>	<u>(350)</u>	<u>(340)</u>	<u>0</u>	<u>(110)</u>	<u>(3,018)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,330)</u>	<u>0</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,385</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,055</u>	<u>\$ 0</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, 2010**

	<u>Title IV-A Drug Free Schools</u>	<u>21st Century</u>	<u>Technology Literacy</u>	<u>TESLA</u>	<u>Teaching American History</u>	<u>School Lunch</u>	<u>School Plant Facility Reserve</u>	<u>Combined</u>
<b>REVENUES</b>								
General property taxes							\$ 7,934	\$ 1,771,601
State foundation program								5,998,262
Other state revenue								100,372
Federal revenue	\$ 11,450	\$ 371,925	\$ 45,014	\$ 177,370	\$ 147,863	\$ 376,135		4,896,923
Charges for services						153,987	150	401,367
Earnings on investments							681	19,484
Other revenues								245,701
<b>Total revenues</b>	<u>11,450</u>	<u>371,925</u>	<u>45,014</u>	<u>177,370</u>	<u>147,863</u>	<u>530,122</u>	<u>8,765</u>	<u>13,433,710</u>
<b>EXPENDITURES</b>								
<b>Instruction</b>								
Regular programs	7,548							5,327,610
Special programs								950,452
Interscholastic and school activity								409,971
Other instructional programs								757
<b>Support services</b>								
Pupil support								583,696
Staff support	306		45,014	172,305	143,820			795,574
General administration								236,320
School administration								612,374
Business services								200,147
Maintenance and operations								1,685,680
Transportation								765,528
Food services						534,589		539,709
Community services	3,513	359,991						383,714
<b>Total expenditures</b>	<u>11,367</u>	<u>359,991</u>	<u>45,014</u>	<u>172,305</u>	<u>143,820</u>	<u>534,589</u>	<u>0</u>	<u>12,491,532</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>83</u>	<u>11,934</u>	<u>0</u>	<u>5,065</u>	<u>4,043</u>	<u>(4,467)</u>	<u>8,765</u>	<u>942,178</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds						4,467		598,440
Transfers to other funds	(83)	(11,934)		(5,065)	(4,043)			(598,440)
<b>Total other financing sources (uses)</b>	<u>(83)</u>	<u>(11,934)</u>	<u>0</u>	<u>(5,065)</u>	<u>(4,043)</u>	<u>4,467</u>	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,765</u>	<u>942,178</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152,861</u>	<u>3,406,145</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 161,626</u>	<u>\$ 4,348,323</u>

## 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, oratory, music, theater or law. 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 \$1,500. 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.



**Lindsley Scholarship** – Contributions to the District have been invested to provide 2 - \$500 scholarships each year for a high school senior from Grangeville High School. The Thomas Lindsley Family Music Memorial Scholarship recipient must have an interest in a music school or program at a university. Earnings and principal of the fund are available to provide the annual scholarships.

**Fredrickson Scholarship** – Contributions to the District have been invested to provide a \$100 minimum scholarship each year for a Grangeville High School graduate. The Jake Fredrickson Memorial Track Scholarship Fund recipient must have a G.P.A. of at least 2.5 and have been involved in two full seasons of track at Grangeville High School. Earnings and principal of the fund are available to provide the annual scholarship.

**Haener Scholarship** – Contributions to the District have been invested to provide a minimum \$500 scholarship to a graduate of Grangeville High School. The Tony Haener Memorial Scholarship recipient must be interested in a vocational school or career. 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. 243 and Mountain View School District No. 244.

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS**

June 30, 2010

	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			
<b>ASSETS</b>									
Cash									\$ 76
Investments	\$ 13,992	\$ 1,500	\$ 17,339	\$ 828	\$ 40,000		\$ 501	\$ 229	16,052
Property taxes receivable									
Accounts receivable									
<b>Total assets</b>	<b>\$ 13,992</b>	<b>\$ 1,500</b>	<b>\$ 17,339</b>	<b>\$ 828</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 501</b>	<b>\$ 229</b>	<b>\$ 16,128</b>
<b>LIABILITIES</b>									
Accounts payable		\$ 1,500					\$ 501		\$ 67
Due to student groups									
Long-term obligations									
<b>Total liabilities</b>	<b>\$ 0</b>	<b>1,500</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>	<b>501</b>	<b>\$ 0</b>	<b>67</b>
<b>FUND EQUITY</b>									
Contributed trust funds	13,992		17,339		40,000			229	16,061
Reserve for scholarships				828					
<b>Total fund equity</b>	<b>13,992</b>	<b>0</b>	<b>17,339</b>	<b>828</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>229</b>	<b>16,061</b>
<b>Total liabilities and fund equity</b>	<b>\$ 13,992</b>	<b>\$ 1,500</b>	<b>\$ 17,339</b>	<b>\$ 828</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 501</b>	<b>\$ 229</b>	<b>\$ 16,128</b>

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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS**

June 30, 2010

	<u>Kooskia Lions Scholarship</u>	<u>Lindsley Scholarship</u>	<u>Fredrickson Scholarship</u>	<u>Haener Scholarship</u>	<u>Clearwater Valley High School</u>	<u>Grangeville High School</u>	<u>Grangeville Elementary School</u>	<u>Joint School District No. 241 Trust</u>	<u>Combined</u>
<b>ASSETS</b>									
Cash				\$ 100	\$ 27,467	\$ 29,304	\$ 8,052	\$ 6	\$ 65,005
Investments	\$ 3,201	\$ 2,001	\$ 1,000	3,866		24,424			124,933
Property taxes receivable					915	407		3,004	3,004
Accounts receivable						192		10,443	11,957
<b>Total assets</b>	<b>\$ 3,201</b>	<b>\$ 2,001</b>	<b>\$ 1,000</b>	<b>\$ 3,966</b>	<b>\$ 28,382</b>	<b>\$ 54,135</b>	<b>\$ 8,244</b>	<b>\$ 13,453</b>	<b>\$ 204,899</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 500	\$ 1,000	\$ 100		\$ 2,665	\$ 5,684	\$ 844	\$ 6	\$ 12,867
Due to student groups					25,717	48,451	7,400		81,568
Long-term obligations								13,447	13,447
<b>Total liabilities</b>	<b>500</b>	<b>1,000</b>	<b>100</b>	<b>\$ 0</b>	<b>28,382</b>	<b>54,135</b>	<b>8,244</b>	<b>13,453</b>	<b>107,882</b>
<b>FUND EQUITY</b>									
Contributed trust funds	2,701	1,001	900	3,966					96,189
Reserve for scholarships									828
<b>Total fund equity</b>	<b>2,701</b>	<b>1,001</b>	<b>900</b>	<b>3,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97,017</b>
<b>Total liabilities and fund equity</b>	<b>\$ 3,201</b>	<b>\$ 2,001</b>	<b>\$ 1,000</b>	<b>\$ 3,966</b>	<b>\$ 28,382</b>	<b>\$ 54,135</b>	<b>\$ 8,244</b>	<b>\$ 13,453</b>	<b>\$ 204,899</b>

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**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, 2010**

	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			
<b>REVENUES</b>									
Earnings on investments		\$ 67		\$ 78		\$ 172	\$ 1	\$ 1	\$ 67
Contributions							500		512
<b>Total revenues</b>	<b>\$ 0</b>	<b>67</b>	<b>\$ 0</b>	<b>78</b>	<b>\$ 0</b>	<b>172</b>	<b>501</b>	<b>1</b>	<b>579</b>
<b>EXPENDITURES</b>									
Scholarships	1,433	67				172	501		67
<b>Total expenditures</b>	<b>1,433</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172</b>	<b>501</b>	<b>0</b>	<b>67</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(1,433)</b>	<b>0</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>512</b>
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<b>15,425</b>	<b>0</b>	<b>17,339</b>	<b>750</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>228</b>	<b>15,549</b>
<b>FUND EQUITY AT END OF YEAR</b>	<b>\$ 13,992</b>	<b>\$ 0</b>	<b>\$ 17,339</b>	<b>\$ 828</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 229</b>	<b>\$ 16,061</b>

**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, 2010**

	Kooskia Lions Scholarship	Lindsley Scholarship	Fredrickson Scholarship	Haener Scholarship	Combined
<b>REVENUES</b>					
Earnings on investments	\$ 14	\$ 1		\$ 7	\$ 408
Contributions		2,000	\$ 1,000	3,959	7,971
<b>Total revenues</b>	<u>14</u>	<u>2,001</u>	<u>1,000</u>	<u>3,966</u>	<u>8,379</u>
<b>EXPENDITURES</b>					
Scholarships	500	1,000	100		3,840
<b>Total expenditures</b>	<u>500</u>	<u>1,000</u>	<u>100</u>	<u>0</u>	<u>3,840</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(486)	1,001	900	3,966	4,539
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>3,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92,478</u>
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 2,701</u>	<u>\$ 1,001</u>	<u>\$ 900</u>	<u>\$ 3,966</u>	<u>\$ 97,017</u>

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**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, 2010 and 2009**

	General Fund		All Other Funds	
	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010
<b>BEGINNING BALANCES</b>	<u>\$ 490,019</u>	<u>\$ 555,396</u>	<u>\$ 1,666,206</u>	<u>\$ 2,850,749</u>
<b>REVENUES</b>				
General property taxes	1,749,035	1,763,667	24,236	7,934
Other local revenue	327,918	346,333	457,980	319,758
Intergovernmental revenue				
State of Idaho	7,151,080	6,014,581	228,385	84,053
Federal	140,359	1,016,319	3,423,233	3,880,604
Other revenue	1,804	461	3,103	
Transfers	626,570	547,212	168,351	5,071
<b>Total revenues</b>	<u>9,996,766</u>	<u>9,688,573</u>	<u>4,305,288</u>	<u>4,297,420</u>
<b>EXPENDITURES</b>				
Salaries	5,848,839	5,610,873	759,565	1,087,014
Benefits	2,440,085	2,383,800	328,499	466,705
Purchased services	896,081	935,164	615,198	603,763
Supplies and materials	502,971	468,566	407,505	452,372
Capital outlay	31,107	26,357	304,355	331,697
Insurance	123,008	125,221		
Transfers	89,298	51,228	705,623	501,055
<b>Total expenditures</b>	<u>9,931,389</u>	<u>9,601,209</u>	<u>3,120,745</u>	<u>3,442,606</u>
<b>ENDING BALANCES</b>	<u>\$ 555,396</u>	<u>\$ 642,760</u>	<u>\$ 2,850,749</u>	<u>\$ 3,705,563</u>