

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**FINANCIAL STATEMENTS**

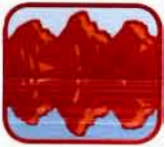
**Year Ended June 30, 2011**

**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 the Mountain View School District No. 244, as of and for the year ended June 30, 2011, 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 2010 and 2009 financial statements and, in our reports dated October 6, 2010, and October 13, 2009, respectively, we expressed unqualified opinions on the respective financial statements of each major fund, and the aggregate remaining fund information. We qualified our opinion on the financial statements of the governmental activities in our report dated October 6, 2010, for the omission of a liability for the implicit rate subsidy of the retiree healthcare.

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, 2011, 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 the Mountain View School District No. 244, as of June 30, 2011, 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 10, 2011, 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.

  
October 10, 2011

## 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, 2011 and 2010. 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.

#### **District-wide Financial Statements--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

### District-wide Financial Statements--The Statement of Net Assets and the Statement of Activities (Continued)

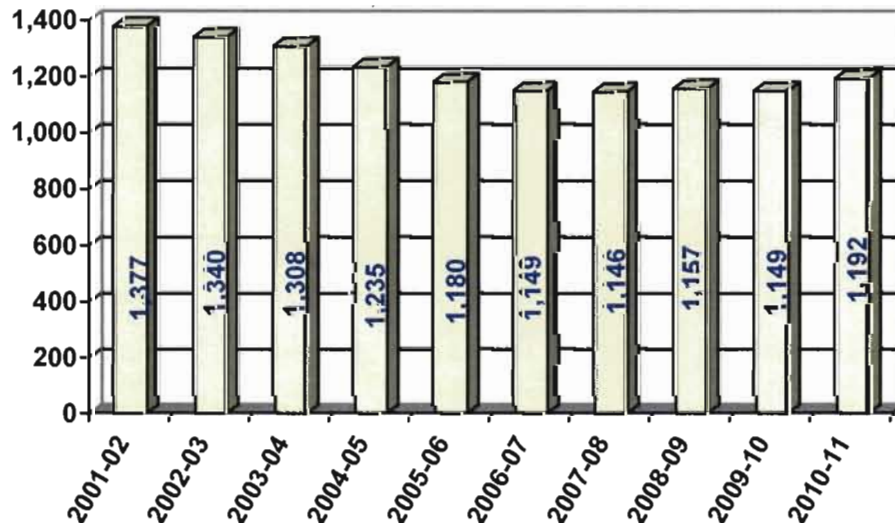
These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and the liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net 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 \$1,182,997 for the year ended June 30, 2011, compared to an increase of \$986,940 for 2010. Mountain View School District No. 244 has net assets of \$10,345,405 and total assets of \$11,692,440. Total assets include \$4,417,454 in capital assets.
- The total cost of District operations amounted to \$11,890,292 for the year ended June 30, 2011, of which \$3,152,921 was generated from operating grants and contributions, and \$323,210 from charges for services. General revenues amounted to \$9,597,158.
- The District has outstanding liabilities of \$1,347,035 of which \$1,066,401 are for salaries and benefits to be paid in July and August.

Approximately 50 percent of 2011 governmental fund revenue (up from 45 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 1,377 in 2001-02 to 1,192 in 2010-11.

**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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**District-wide Financial Statements--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>	<u>2011</u>	<u>2010</u>
Program revenue		
State foundation revenue	\$ 507,907	\$ 5,135,083
State and federal grants	2,645,014	2,377,150
Charges for services	323,210	425,961
	<u>3,476,131</u>	<u>7,938,194</u>
General revenue		
Property taxes	2,139,202	1,786,764
State foundation revenue	6,031,132	863,179
Federal forest receipts and in-lieu revenue	1,300,381	1,569,427
State and federal grants	22,714	1,239,342
Other	103,729	51,967
	<u>9,597,158</u>	<u>5,510,679</u>
<b>Total revenues</b>	<u>\$ 13,073,289</u>	<u>\$ 13,448,873</u>

The State used Federal *ARRA (American Recovery and Reinvestment Act of 2009)* funds to replace approximately \$1.1 million in 2010, which was not renewed in 2011. In 2011, the State of Idaho replaced much of the unrestricted state revenue from restricted state revenue sources resulting in a reduction of program revenue and an increase in general revenue for 2011. Total revenue was down by \$375,584.

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**District-wide Financial Statements--The Statement of Net Assets and the Statement of Activities (Continued)**

***Financial Highlights (Continued)***

Following is a summary of program expenses:

	<u>2011</u>	<u>2010</u>	<u>Increase/ Decrease</u>
<b>Program expenses</b>			
Instruction			
Regular programs	\$ 4,692,020	\$ 5,062,349	\$ (370,329)
Special programs	902,395	950,452	(48,057)
Interscholastic and school activity	403,520	409,971	(6,451)
Other instructional programs	3,201	757	2,444
Total instruction	<u>6,001,136</u>	<u>6,423,529</u>	<u>(422,393)</u>
Support services			
Pupil support	1,059,685	583,696	475,989
Staff support	574,670	795,574	(220,904)
General administration	223,795	236,320	(12,525)
School administration	600,464	612,374	(11,910)
Business services	185,219	200,147	(14,928)
Maintenance and operations	1,492,172	1,830,496	(338,324)
Transportation	862,134	856,374	5,760
Total support services	<u>4,998,139</u>	<u>5,114,981</u>	<u>(116,842)</u>
Food services	551,367	539,709	11,658
Community services	316,474	383,714	(67,240)
Capital outlay	11,880	0	11,880
Debt services	11,296	0	11,296
Total governmental activities	<u>\$ 11,890,292</u>	<u>\$ 12,461,933</u>	<u>\$ (571,641)</u>

The change in expenditures was primarily due to a reduction in the number of operating days by virtue of imposing ten furlough days, equating to 5.3 percent, across all categories of employee compensation;



## 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 84 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 was paid in full in 2011.
- All other long-term debt from Joint School District No. 241 has been repaid as of June 30, 2011.

#### **Fund Financial Statements -- 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.

#### ***Financial Highlights***

- The fund balance for the governmental funds—the part of net assets that can be used to finance day-to-day operations—increased by \$1,430,810 to \$5,779,133 at June 30, 2011 (vs. an increase of \$942,178 in 2010, and an increase of \$1,249,920 in 2009).
- The District was able to reduce expenditures by more than the realized decrease in District revenues. Total revenues decreased by \$352,844 after a decrease of \$75,221 in 2010. The District reduced expenditures by \$841,476 to \$11,650,056.

General fund revenues exceeded budgeted amounts by approximately \$1,158,000 due largely to state funding received at the end of the school year from state surplus funds. Medicaid reimbursements for school based services also contributed to this amount.

## MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **Fund Financial Statements -- Reporting the District's Most Significant Funds (Continued)**

##### ***Financial Highlights (Continued)***

General fund expenditures were less than budgeted by \$340,000 largely due to the District operating without using the contingency budget amount as well as savings realized in the employee health insurance benefits.

General fund expenditures for 2011 were \$9,111,593 compared to 2010 expenses of \$9,549,981 a decrease of approximately 5 percent.

General fund carryover of \$928,719 at June 30, 2011, consists of:

- \$83,486 Restricted for state grant programs.
- \$155,894 Committed for extra-curricular activities
- \$174,632 Committed for school supplies
- \$514,707 Unassigned carryover

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 \$1,284,330 during 2011, a decline from \$1,545,569 in 2010 and \$1,686,347 in 2009.

The school lunch fund reflected a net loss of \$(12,021) in 2011 vs. a loss of (4,467) in 2010.

The school plant facility fund expended \$0 in 2011 and \$0 in 2010 and has a carryover balance of \$165,708 available for future use.

#### **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, 2011

	Governmental Activities	Prior Year 2010	Prior Year 2009
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 39,605	\$ 53,219	\$ 21,254
Investments	5,220,499	4,219,586	3,591,313
Property taxes receivable	148,968	156,395	139,146
Accounts receivable	1,741,675	1,429,145	1,150,218
Prepaid expenses	124,239	44,232	145,131
Total current assets	<u>7,274,986</u>	<u>5,902,577</u>	<u>5,047,062</u>
<b>Noncurrent assets</b>			
Capital assets	12,167,770	12,113,389	11,809,403
Less accumulated depreciation	<u>(7,750,316)</u>	<u>(7,455,699)</u>	<u>(7,181,312)</u>
Total noncurrent assets	<u>4,417,454</u>	<u>4,657,690</u>	<u>4,628,091</u>
Total assets	<u>11,692,440</u>	<u>10,560,267</u>	<u>9,675,153</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Checks issued in excess of deposits			60,143
Accounts payable	279,224	241,771	330,880
Payroll and taxes payable	1,066,401	1,153,911	1,108,230
Accrued expenses	1,410	2,177	432
Total liabilities	<u>1,347,035</u>	<u>1,397,859</u>	<u>1,499,685</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,417,454	4,657,690	4,628,091
Restricted for:			
Capital projects	165,708	161,626	152,861
Building maintenance	197,248	299,226	360,440
Unrestricted	5,564,995	4,043,866	3,034,076
Total net assets	<u>\$ 10,345,405</u>	<u>\$ 9,162,408</u>	<u>\$ 8,175,468</u>

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Prior Year 2010	Prior year 2009
	Expenses	Charges for Services	Operating Grants and Contributions			
Instruction						
Regular programs	\$ 4,692,020	\$ 18,540	\$ 610,168	\$ (4,063,312)	\$ (1,171,232)	\$ (1,126,266)
Special programs	902,395		536,301	(366,094)	(485,209)	(425,673)
Interscholastic and school activity	403,520	120,653	44,456	(238,411)	(249,368)	(270,916)
Other instructional programs	3,201		3,201	0	0	(9,424)
Support services						
Pupil support	1,059,685		510,305	(549,380)	(219,319)	(220,442)
Staff support	574,670		196,260	(378,410)	(250,763)	(275,844)
General administration	223,795		13,607	(210,188)	(97,642)	(106,055)
School administration	600,464			(600,464)	(267,801)	(272,650)
Business services	185,219		41,032	(144,187)	(124,830)	(132,157)
Maintenance and operations	1,492,172	20,323		(1,471,849)	(1,507,940)	(1,302,143)
Transportation	862,134	7,596	502,203	(352,335)	(126,058)	(388,924)
Food services	551,367	156,098	378,733	(16,536)	(23,507)	(11,916)
Community services	316,474		316,474	0	(50)	(20,122)
Capital outlay	11,880		181	(11,699)		(23,614)
Debt services	11,296			(11,296)		
<b>Total governmental activities</b>	<b>\$ 11,890,292</b>	<b>\$ 323,210</b>	<b>\$ 3,152,921</b>	<b>(8,414,161)</b>	<b>(4,523,739)</b>	<b>(4,586,146)</b>
General revenues:						
Property taxes, levied for general purposes				2,139,202	1,786,764	1,827,577
State base support				6,031,132	863,179	1,834,317
Federal forest receipts and in lieu revenue				1,300,381	1,569,427	1,718,013
Other state and federal funding not restricted to specific programs				22,714	1,239,342	159,777
Interest and investment earnings				18,928	19,484	67,219
Other general revenues				84,801	32,483	215,918
				9,597,158	5,510,679	5,822,821
Change in net assets				1,182,997	986,940	1,236,675
Net assets, beginning				9,162,408	8,175,468	6,938,793
Net assets, ending				\$ 10,345,405	\$ 9,162,408	\$ 8,175,468

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2011

	General	Forest Reserve	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2010	Prior year 2009
<b>ASSETS</b>								
Cash					\$ 39,605	\$ 39,605	\$ 53,219	\$ 21,254
Investments	\$ 1,034,399	\$ 3,661,907		\$ 165,698	358,495	5,220,499	4,219,586	3,591,313
Property taxes receivable	148,818			150		148,968	156,395	139,146
Accounts receivable	1,041,945		\$ 50,857	10	648,863	1,741,675	1,429,145	1,150,218
Due from other funds		532,990			125,079	658,069	944,847	651,258
Prepaid expenses	100,100		23,644		495	124,239	44,232	145,131
<b>Total assets</b>	<b>\$ 2,325,262</b>	<b>\$ 4,194,897</b>	<b>\$ 74,501</b>	<b>\$ 165,858</b>	<b>\$ 1,172,537</b>	<b>\$ 7,933,055</b>	<b>\$ 6,847,424</b>	<b>\$ 5,698,320</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Checks issued in excess of deposits								\$ 60,143
Accounts payable	\$ 104,251		\$ 20,939		\$ 154,034	\$ 279,224	\$ 241,771	330,880
Payroll and taxes payable	890,126				176,275	1,066,401	1,153,911	1,108,230
Due to other funds	253,348		53,562		351,159	658,069	944,847	651,258
Deferred revenue	148,818			\$ 150	1,260	150,228	158,572	141,664
<b>Total liabilities</b>	<b>1,396,543</b>	<b>\$ 0</b>	<b>74,501</b>	<b>150</b>	<b>682,728</b>	<b>2,153,922</b>	<b>2,499,101</b>	<b>2,292,175</b>
<b>FUND BALANCES</b>								
Restricted for capital improvements				165,708		165,708	161,626	152,861
Restricted for building maintenance					197,248	197,248	299,226	261,983
Restricted for federal grant programs								5,385
Restricted for state grant programs	83,486					83,486	109,316	72,630
Committed for capital improvements	155,894	4,178,635				4,178,635	3,064,580	931,133
Assigned for extra-curricular activities	174,632					155,894	114,150	62,095
Unassigned, reported in:						174,632	206,794	158,927
General fund	514,707					514,707	212,500	277,877
Special revenue funds		16,262			292,561	308,823	180,131	1,483,254
<b>Total fund balances</b>	<b>928,719</b>	<b>4,194,897</b>	<b>0</b>	<b>165,708</b>	<b>489,809</b>	<b>5,779,133</b>	<b>4,348,323</b>	<b>3,406,145</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,325,262</b>	<b>\$ 4,194,897</b>	<b>\$ 74,501</b>	<b>\$ 165,858</b>	<b>\$ 1,172,537</b>	<b>\$ 7,933,055</b>	<b>\$ 6,847,424</b>	<b>\$ 5,698,320</b>

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**RECONCILIATION OF THE STATEMENT OF NET ASSETS  
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2011**

	Total Governmental Funds	Prior Year 2010 \$ 4,348,323	Prior Year 2009 \$ 3,406,145
<b>Total fund balances - Governmental Funds</b>	<b>\$ 5,779,133</b>		
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	12,167,770	12,113,389	11,809,403
Accumulated depreciation	(7,750,316)	(7,455,699)	(7,181,312)
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.	148,818	156,395	141,232
<b>Total net assets - Governmental Activities</b>	<b>\$ 10,345,405</b>	<b>\$ 9,162,408</b>	<b>\$ 8,175,468</b>

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2011

	General	Federal Forest	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2010	Prior Year 2009
<b>REVENUES</b>								
General property taxes	\$ 2,143,800			\$ 2,979		\$ 2,146,779	\$ 1,771,601	\$ 1,773,271
State foundation program	6,539,039					6,539,039	5,998,262	7,126,676
Other state revenue	54,170				\$ 11,880	66,050	100,372	252,789
Federal revenue	212,809	\$ 1,284,330	\$ 378,733		1,829,369	3,705,261	4,896,923	3,563,592
Charges for services	130,449		156,098	500	15,840	302,887	401,367	370,272
Earnings on investments	5,328	12,997		603		18,928	19,484	67,219
Other revenues	213,963				87,959	301,922	245,701	355,112
Total revenues	9,299,558	1,297,327	534,831	4,082	1,945,068	13,080,866	13,433,710	13,508,931
<b>EXPENDITURES</b>								
Instruction								
Regular programs	4,178,828				508,603	4,687,431	5,327,610	5,363,985
Special programs	559,186				343,209	902,395	950,452	856,386
Interscholastic and school activity	403,520					403,520	409,971	419,255
Other instructional programs					3,201	3,201	757	9,424
Support services								
Pupil support	549,380				258,010	807,390	583,696	527,506
Staff support	380,617				446,348	826,965	795,574	763,204
General administration	210,188				13,607	223,795	236,320	246,034
School administration	600,464					600,464	612,374	618,858
Business services	185,219					185,219	200,147	211,577
Maintenance and operations	1,245,375				101,978	1,347,353	1,685,680	1,456,252
Transportation	771,306					771,306	765,528	985,217
Food services	4,515		546,852		316,474	863,841	539,709	527,999
Community services	11,699				181	11,880	383,714	250,700
Capital outlay	11,296					11,296		23,614
Debt services								
Total expenditures	9,111,593	0	546,852	0	1,991,611	11,650,056	12,491,532	12,259,011
EXCESS OF REVENUES OVER EXPENDITURES	187,965	1,297,327	(12,021)	4,082	(46,543)	1,430,810	942,178	1,249,920
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	226,510		12,021		116,495	355,026	598,440	813,975
Transfers to other funds	(128,516)	(167,010)			(59,500)	(355,026)	(598,440)	(813,975)
Total other financing sources (uses)	97,994	(167,010)	12,021	0	56,995	0	0	0
NET CHANGE IN FUND BALANCES	285,959	1,130,317	0	4,082	10,452	1,430,810	942,178	1,249,920
FUND BALANCES AT BEGINNING OF YEAR	642,760	3,064,580	0	161,626	479,357	4,348,323	3,406,145	2,156,225
FUND BALANCES AT END OF YEAR	\$ 928,719	\$ 4,194,897	\$ 0	\$ 165,708	\$ 489,809	\$ 5,779,133	\$ 4,348,323	\$ 3,406,145

See accompanying notes



**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, 2011**

	Total Governmental Funds	Prior Year 2010	Prior Year 2009
<b>Net change in fund balances - Total Governmental Funds</b>	<b>\$ 1,430,810</b>	<b>\$ 942,178</b>	<b>\$ 1,249,920</b>
Amounts reported for governmental activities in the statement of activities are different because:			
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:			
Loss on remaining basis on assets disposed	54,381	330,386	(9,987)
Current year capital outlay	(294,617)	(300,787)	245,726
Current year depreciation			(303,290)
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:			
Current year taxes receivable	148,818	156,395	141,232
Prior year taxes receivable	(156,395)	(141,232)	(86,926)
<b>Change in net assets - Governmental Activities</b>	<b>\$ 1,182,997</b>	<b>\$ 986,940</b>	<b>\$ 1,236,675</b>

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

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

June 30, 2011

	Private- Purpose Trusts	Agency Funds
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 500	\$ 70,557
Investments	119,972	24,510
Property taxes receivable		2,445
Accounts receivable		2,472
Total current assets	<u>120,472</u>	<u>99,984</u>
Total assets	<u>120,472</u>	<u>\$ 99,984</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	4,764	\$ 13,651
Salaries & benefits payable		637
Due to student groups		85,696
Total current liabilities	<u>4,764</u>	<u>99,984</u>
Total liabilities	<u>4,764</u>	<u>\$ 99,984</u>
<b>NET ASSETS</b>		
Unrestricted	115,708	
Total net assets	<u>\$ 115,708</u>	

See accompanying notes

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2011**

	Private- Purpose Trusts	Prior Year 2010
<b>ADDITIONS</b>		
Contributions	\$ 24,000	\$ 7,971
Earnings on investments	356	408
Total additions	24,356	8,379
<b>DEDUCTIONS</b>		
Scholarships	5,665	3,840
Total deductions	5,665	3,840
Change in net assets	18,691	4,539
Net assets at beginning of year	97,017	92,478
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 115,708</b>	<b>\$ 97,017</b>

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 1,190.

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

Grangeville Elementary-Middle 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.

**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.

***Restricted Resources.*** Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net assets/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

**Nonspendable** Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

**Restricted** Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

**Committed** Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Restricted Resources (Continued).***

**Assigned** Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

**Unassigned** Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

***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.

**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. 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.

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.

# MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

## NOTES TO FINANCIAL STATEMENTS

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Fund Financial Statements (Continued).*

##### **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.

##### **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

MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Investments (Continued).***

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.

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.



MOUNTAIN VIEW SCHOOL DISTRICT NO. 244

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.
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	\$ 67,532	\$ 96,690
Substance Abuse		1,093
ARRA - Title I	81,822	85,516
Title VI-B ARRA	100,000	107,592
VI-B Preschool	13,016	15,444
VI-B Preschool (ARRA)		13
Rural Ed Initiative		26,533

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, 2011.

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

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**3. DEPOSITS AND INVESTMENTS**

**Deposits.** At June 30, 2011, the carrying amount of the District's deposits was \$39,605 in governmental activities, and \$71,057 in fiduciary activities. The entire balance was considered covered by Federal Depository Insurance.

**Investments.** At June 30, 2011, all District investments were held in the Wells Fargo Savings Account and/or the Idaho State Treasurer's Local Government Investment Pool. The carrying value of investments approximates market value. The District has \$250,000 covered by the Federal Depository Insurance and the rest is uninsured.

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>
Wells Fargo savings account	\$ 565,962	\$ 144,482
Idaho State Treasurer's Local Government Investment Pool	4,654,537	

**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.

**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, 2011, are as follows:

	Governmental <u>Activities</u>	Fiduciary <u>Funds</u>
Idaho County - property taxes	\$ 595,117	
State of Idaho - Foundation program	114,869	
State of Idaho - State grant funds	284,145	
State of Idaho - Federal grant funds	625,268	
U.S. Government - Federal grant funds	76,956	
E-rate reimbursements	1,739	
Other	43,581	\$ 2,472
	<u>\$ 1,741,675</u>	<u>\$ 2,472</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

**5. PROPERTY TAXES**

The District's property tax levies for calendar years 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Certified Budget Request		
Tort levy	\$ 50,559	\$ 48,696
Supplemental levy approved	1,998,444	1,656,596
Judgment	11,296	11,296
	<u>\$ 2,060,299</u>	<u>\$ 1,716,588</u>

District assessed market value and tax levies:

	<u>Market</u>		<u>Tax</u>		<u>Levy</u>
	<u>Valuation</u>		<u>Charge</u>		
Calendar year 2010	\$ 834,702,854	\$	2,075,802		0.002480176
Calendar year 2009	827,610,466		1,735,837		0.002073398
Calendar year 2008	823,403,690		1,762,314		0.002124895
Calendar year 2007	765,090,270		2,070,348		0.002677013

**6. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>6/30/10</u>				<u>6/30/11</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>		<u>Balance</u>
<b>CAPITAL ASSETS</b>					
Buildings	\$ 9,293,261				\$ 9,293,261
Buses	1,742,886				1,742,886
Vehicles	155,296				155,296
Equipment	921,946	\$ 54,381			976,327
	<u>\$12,113,389</u>	<u>\$ 54,381</u>	<u>\$ 0</u>		<u>\$12,167,770</u>
<b>ACCUMULATED DEPRECIATION</b>					
Buildings	\$ 5,442,170	\$ 141,893			\$ 5,584,063
Buses	1,356,727	85,643			1,442,370
Vehicles	126,681	8,111			134,792
Equipment	530,121	58,970			589,091
	<u>\$ 7,455,699</u>	<u>\$ 294,617</u>	<u>\$ 0</u>		<u>\$ 7,750,316</u>

Depreciation of \$294,617 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 58,970
Maintenance and operations	141,893
Transportation	93,754

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

**7. GENERAL 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 judgment . 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.

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>6/30/10</u>	<u>Additions</u>	<u>Repayment</u>	<u>Balance</u> <u>6/30/11</u>
Judgment	\$ 13,448		\$ (13,448)	\$ 0
	<u>\$ 13,448</u>	<u>\$ 0</u>	<u>\$ (13,448)</u>	<u>0</u>
Current portion of long-term obligations				<u>0</u>
Long-term obligations				<u>\$ 0</u>

**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, 2011, the required contribution rates, as determined by PERSI, were 10.39 percent (10.39 percent in 2010 and 10.39 percent in 2009) for the District and 6.23 percent (6.23 percent in 2010 and 6.23 percent in 2009) 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 \$616,923, \$669,574, and \$668,191 for the years ended June 30, 2011, 2010, and 2009, 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, 2011, is as follows:

- Property coverage at Grangeville, Kooskia, White Bird, Elk City, and Powell - \$48,444,659 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. There is no deductible.
- Abuse and Molestation Coverage - \$2,000,000 limit per occurrence and in aggregate. There is no deductible.

#### 10. TRANSFERS TO/FROM OTHER FUNDS

The Board of Trustees approved the budget for the 2011 school year reflecting a transfer from the forest reserve fund to the general fund in the amount of \$1,000,000 to balance the budget. The actual amount transferred for the year ended June 30, 2011, amounted to \$167,010.

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 \$283 for school lunch benefits and transferred an additional \$11,738 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. For both fiscal years 2010 and 2011 the state legislature allowed these local maintenance monies to be spent on other one-time non-personnel costs.

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 \$43,238.

**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.

***Restricted Fund Balances.*** 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 restricted portion of fund balance in the fund financial statements since the funds are not available for general education expenditures.

***Committed 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.

***Assigned for Extra Curricular Activities and 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 assigned at year-end to reflect that the Board of Trustees has internally committed these funds.

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**NOTES TO FINANCIAL STATEMENTS**

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**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, 2011, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General		\$ 253,348
Forest Reserve	\$ 532,990	
Miscellaneous Grants	25,087	
Medical Insurance Reserve	99,992	
School Building Maintenance		20,400
Driver Education		1,863
Title I		115,063
ARRA - Title I		19,391
Title VI-B		4,483
Title VI-B - ARRA		23,674
Title VI-B Preschool		2,382
Rural Ed Initiative		4,818
Carl Perkins Vocational Education		21,800
Title II-A Improving Teacher Quality		12,243
21st Century		60,572
Technology Literacy		10,771
Teaching American History I		3,771
Teaching American History II		49,928
School Lunch		53,562

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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SUPPLEMENTARY INFORMATION

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**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND  
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget
<b>REVENUES</b>				
General property taxes	\$ 2,081,043	\$ 2,081,043	\$ 2,143,800	\$ 62,757
State foundation program	5,737,319	5,737,319	6,539,039	801,720
Other state revenue	56,231	56,231	54,170	(2,061)
Federal revenue	45,000	45,000	212,809	167,809
Charges for services	177,018	177,018	130,449	(46,569)
Earnings on investments	20,000	20,000	5,328	(14,672)
Other revenues	24,420	24,420	213,963	189,543
<b>Total revenues</b>	<u>8,141,031</u>	<u>8,141,031</u>	<u>9,299,558</u>	<u>1,158,527</u>
<b>EXPENDITURES</b>				
Payroll	5,212,882	5,212,882	5,149,309	63,573
Payroll burden and employee benefits	2,475,402	2,475,402	2,316,920	158,482
Purchased services	869,403	869,403	1,023,140	(153,737)
Supplies and materials	502,697	502,697	469,394	33,303
Capital outlay	37,000	37,000	48,239	(11,239)
Debt services			11,296	(11,296)
Insurance	141,667	141,667	93,295	48,372
Contingency budget	212,500	212,500		212,500
<b>Total expenditures</b>	<u>9,451,551</u>	<u>9,451,551</u>	<u>9,111,593</u>	<u>339,958</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(1,310,520)</u>	<u>(1,310,520)</u>	<u>187,965</u>	<u>1,498,485</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,048,020	1,048,020	226,510	(821,510)
Transfers to other funds			(128,516)	(128,516)
<b>Total other financing sources (uses)</b>	<u>1,048,020</u>	<u>1,048,020</u>	<u>97,994</u>	<u>(950,026)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(262,500)</u>	<u>(262,500)</u>	<u>285,959</u>	<u>548,459</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>262,500</u>	<u>262,500</u>	<u>642,760</u>	<u>380,260</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 928,719</u>	<u>\$ 928,719</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
FOREST RESERVE  
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 1,322,990	\$ 1,322,990	\$ 1,284,330	\$ (38,660)
Earnings on investments	13,150	13,150	12,997	(153)
<b>Total revenues</b>	<u>1,336,140</u>	<u>1,336,140</u>	<u>1,297,327</u>	<u>(38,813)</u>
<b>EXPENDITURES</b>				
Capital outlay	300,000	300,000		300,000
<b>Total expenditures</b>	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,036,140</u>	<u>1,036,140</u>	<u>1,297,327</u>	<u>261,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(1,000,000)	(1,000,000)	(167,010)	832,990
<b>Total other financing     sources (uses)</b>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(167,010)</u>	<u>832,990</u>
<b>NET CHANGE IN FUND BALANCES</b>	36,140	36,140	1,130,317	1,094,177
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>2,630,075</u>	<u>2,630,075</u>	<u>3,064,580</u>	<u>434,505</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 2,666,215</u></u>	<u><u>\$ 2,666,215</u></u>	<u><u>\$ 4,194,897</u></u>	<u><u>\$ 1,528,682</u></u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**BUDGETARY COMPARISON SCHEDULE -  
SCHOOL LUNCH  
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 375,000	\$ 375,000	\$ 378,733	\$ 3,733
Charges for services	140,000	140,000	156,098	16,098
Earnings on investments	77	77		(77)
<b>Total revenues</b>	<b>515,077</b>	<b>515,077</b>	<b>534,831</b>	<b>19,754</b>
<b>EXPENDITURES</b>				
Payroll	1,000	1,000	3,708	(2,708)
Payroll burden and employee benefits	77	77	294	(217)
Purchased services	240,000	240,000	262,401	(22,401)
Supplies and materials	274,000	274,000	276,683	(2,683)
Capital outlay			3,766	(3,766)
<b>Total expenditures</b>	<b>515,077</b>	<b>515,077</b>	<b>546,852</b>	<b>(31,775)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>(12,021)</b>	<b>(12,021)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds			12,021	12,021
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>12,021</b>	<b>12,021</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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REQUIRED 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 the Mountain View School District No. 244, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2011. 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."

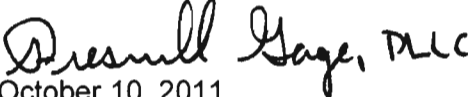
A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### 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*.

Mountain View School District No. 244's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on these responses.

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 10, 2011



Independent Auditor's Report - Single Audit Act

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

Compliance

We have audited Mountain View School District No. 244's compliance 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, 2011. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mountain View School District'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, 2011.

Internal Control Over Compliance

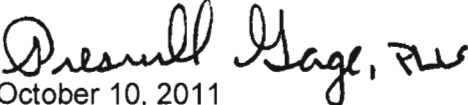
The management of Mountain View School District No. 244 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's 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 10, 2011



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, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2011. These 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. The prior year summarized comparative information has been derived from the District's 2010 financial statements and, in our report dated October 6, 2010, we expressed unqualified opinions on the respective financial statements of each major fund and the aggregate remaining fund information. We qualified our opinion on the financial statements of the governmental activities in our report dated October 6, 2010, for the omission of a liability for the implicit rate subsidy of the retiree healthcare.

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 the 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.

  
October 10, 2011

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS  
For the Year Ended June 30, 2011**

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>		
Passed through the State of Idaho - Department of Education		
School Breakfast Program	10.553	\$ 130,611 *
National School Lunch Program - ARRA	10.555	235,664 *
Summer Food Service Program for Children	10.559	12,460 *
Subtotal School Lunch cluster		<u>378,735</u>
Passed through Idaho County, State of Idaho		
Schools and Roads - Grants to Counties	10.666	167,010
Total Department of Agriculture		<u>545,745</u>
<b>DEPARTMENT OF INTERIOR</b>		
Passed through the State of Idaho - Department of Education		
Johnson O'Malley Indian Education	15.130	121
Total Department of Interior		<u>121</u>
<b>DEPARTMENT OF EDUCATION</b>		
I Teach - Fund for the Improvement of Education	84.215	<u>301,533 *</u>
Passed through the State of Idaho - Department of Education		
Title I	84.010	389,646 *
Title I -- ARRA	84.389	85,516 *
Subtotal Title I cluster		<u>475,162</u>
Title VI-B	84.027	425,082 *
Title VI-B - ARRA	84.391	107,592 *
Title VI-B Preschool	84.173	15,445 *
Title VI-B Preschool - ARRA	84.392	13 *
Subtotal Title VI-B cluster		<u>548,132</u>
Carl Perkins Vocational Education	84.048	27,995
21st Century Community Learning Centers	84.287	304,554 *
Technology Literacy	84.318	42,100
Rural Education	84.358	26,533
Title II-A Improving Teacher Quality	84.367	82,127
Statewide Data Systems	84.372	4,500
Total Department of Education		<u>1,812,636</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	21,132
Total Department of Health and Human Services		<u>21,132</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 2,379,634</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, 2011

**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>
<u>National School Lunch cluster</u>	
10.553	National School Lunch Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
<u>Title I cluster</u>	
84.010	Title I
84.389	Title I - ARRA
<u>Title VI-B cluster</u>	
84.027	Title VI-B
84.391	Title VI-B - ARRA
84.173	Title VI-B Preschool
84.392	Title VI-B Preschool - ARRA
84.215	I Teach
84.287	21st Century

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

Auditee qualified as low-risk auditee?  yes  no

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2011

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**Section II – Financial Statement Findings**

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**SIGNIFICANT DEFICIENCIES**

**Finding #11-01**

*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 #11-02**

*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 prescribed replacement cost is \$81.45 per square foot. 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 \$180 fee to enroll in the class. The general fund of the District pays expenses in excess of the above proceeds.

**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 and Title I ARRA** - 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 and Title VI-B ARRA** - 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.

**Rural Education** – The federal government provides financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

**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 and 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.

**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 II-D 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.

**Teaching American History I and II** – 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 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. Since 1999, 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, 2011

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Substance Abuse	Title I	ARRA Title I
<b>ASSETS</b>									
Cash			\$ 35,253	\$ 140,498	\$ 217,997		\$ 37		
Investments	\$1,034,399	\$3,661,907							
Property taxes receivable	148,818					\$ 10,750		\$ 202,738	\$ 34,767
Accounts receivable	1,041,945	532,990	1,173	99,992					
Due from other funds			25,087			495			
Prepaid expenses	100,100								
<b>Total assets</b>	<b>\$2,325,262</b>	<b>\$4,194,897</b>	<b>\$ 61,513</b>	<b>\$ 240,490</b>	<b>\$ 217,997</b>	<b>\$ 11,245</b>	<b>\$ 37</b>	<b>\$ 202,738</b>	<b>\$ 34,767</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 104,251		\$ 4,198		\$ 349	\$ 9,382		\$ 42,324	\$ 15,376
Payroll and taxes payable	890,126		8,336					45,351	19,391
Due to other funds	253,348				20,400	1,863		115,063	
Deferred revenue	148,818								
<b>Total liabilities</b>	<b>1,396,543</b>	<b>\$ 0</b>	<b>12,534</b>	<b>\$ 0</b>	<b>20,749</b>	<b>11,245</b>	<b>\$ 0</b>	<b>202,738</b>	<b>34,767</b>
<b>FUND BALANCES</b>									
Restricted for capital improvements					197,248				
Restricted for building maintenance	83,486								
Restricted for grant programs		4,194,897							
Committed	330,526		48,979	240,490			37		
Assigned	514,707			240,490					
Unassigned	928,719	4,194,897	48,979	240,490	197,248	0	37	0	0
<b>Total fund balances</b>	<b>928,719</b>	<b>4,194,897</b>	<b>48,979</b>	<b>240,490</b>	<b>197,248</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>0</b>
<b>Total liabilities and fund balances</b>	<b>\$2,325,262</b>	<b>\$4,194,897</b>	<b>\$ 61,513</b>	<b>\$ 240,490</b>	<b>\$ 217,997</b>	<b>\$ 11,245</b>	<b>\$ 37</b>	<b>\$ 202,738</b>	<b>\$ 34,767</b>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
June 30, 2011

	Title VI-B	ARRA Title VI-B	Title VI-B Preschool	Rural Ed Initiative	Carl Perkins Vocational Education	Johnson O'Malley Indian Education	Title II-A Improving Teacher Quality	21st Century
<b>ASSETS</b>								
Cash						\$ 4,315		
Investments								
Property taxes receivable	\$ 71,456	\$ 40,153	\$ 4,602	\$ 7,426	\$ 27,673		\$ 54,680	\$ 95,643
Accounts receivable								
Due from other funds								
Prepaid expenses								
<b>Total assets</b>	<u>\$ 71,456</u>	<u>\$ 40,153</u>	<u>\$ 4,602</u>	<u>\$ 7,426</u>	<u>\$ 27,673</u>	<u>\$ 4,315</u>	<u>\$ 54,680</u>	<u>\$ 95,643</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 66,973	\$ 16,479	\$ 2,220	\$ 2,608	\$ 5,873		\$ 32,976	\$ 34,367
Payroll and taxes payable	4,483	23,674	2,382	4,818	21,800		9,461	704
Due to other funds						\$ 1,260	12,243	60,572
Deferred revenue								
<b>Total liabilities</b>	<u>71,456</u>	<u>40,153</u>	<u>4,602</u>	<u>7,426</u>	<u>27,673</u>	<u>1,260</u>	<u>54,680</u>	<u>95,643</u>
<b>FUND BALANCES</b>								
Restricted for capital improvements								
Restricted for building maintenance								
Restricted for grant programs								
Committed								
Assigned								
Unassigned	0	0	0	0	0	3,055	0	0
<b>Total fund balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,055</u>	<u>0</u>	<u>0</u>
<b>Total liabilities and fund balances</b>	<u>\$ 71,456</u>	<u>\$ 40,153</u>	<u>\$ 4,602</u>	<u>\$ 7,426</u>	<u>\$ 27,673</u>	<u>\$ 4,315</u>	<u>\$ 54,680</u>	<u>\$ 95,643</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
June 30, 2011

	Technology Literacy	Teaching American History - I	Teaching American History - II	School Lunch	School Plant Facility Reserve	Combined
<b>ASSETS</b>						
Cash						\$ 39,605
Investments					\$ 165,698	5,220,499
Property taxes receivable					150	146,968
Accounts receivable	\$ 20,846	\$ 8,402	\$ 68,554	\$ 50,857	10	1,741,675
Due from other funds				23,644		658,069
Prepaid expenses						124,239
<b>Total assets</b>	<b>\$ 20,846</b>	<b>\$ 8,402</b>	<b>\$ 68,554</b>	<b>\$ 74,501</b>	<b>\$ 165,858</b>	<b>\$ 7,933,055</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 10,075	\$ 3,331	\$ 18,626	\$ 20,939		\$ 279,224
Payroll and taxes payable	10,771	1,300	49,928	53,562		1,066,401
Due to other funds		3,771			\$ 150	658,069
Deferred revenue						150,228
<b>Total liabilities</b>	<b>20,846</b>	<b>8,402</b>	<b>68,554</b>	<b>74,501</b>	<b>150</b>	<b>2,153,922</b>
<b>FUND BALANCES</b>						
Restricted for capital improvements					165,708	165,708
Restricted for building maintenance						197,248
Restricted for grant programs						83,486
Committed						4,194,897
Assigned						330,526
Unassigned						807,268
<b>Total fund balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>165,708</b>	<b>5,779,133</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,846</b>	<b>\$ 8,402</b>	<b>\$ 68,554</b>	<b>\$ 74,501</b>	<b>\$ 165,858</b>	<b>\$ 7,933,055</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, 2011

	General	Forest Reserve	Miscellaneous Grants	Medical Insurance Reserve	School Building Maintenance	Driver Education	Substance Abuse	Title I
<b>REVENUES</b>								
General property taxes	\$ 2,143,800							
State foundation program	6,539,039							
Other state revenue	54,170							
Federal revenue	212,809	\$ 1,284,330	\$ 21,132			\$ 10,750	\$ 1,130	\$ 389,646
Charges for services	130,449					15,840		
Earnings on investments	5,328	12,997						
Other revenues	213,963		87,959					
Total revenues	9,299,558	1,297,327	109,091	\$ 0	\$ 0	26,590	1,130	389,646
<b>EXPENDITURES</b>								
Instruction								
Regular programs	4,178,828		37,061			26,831	1,093	273,288
Special programs	559,186							
Interscholastic and school activity	403,520							
Other instructional programs								228
Support services								
Pupil support	549,380		39,816					31,684
Staff support	380,617							61,013
General administration	210,188							13,607
School administration	600,464							
Business services	185,219							
Maintenance and operations	1,245,375				101,978			
Transportation	771,306							
Food services	4,515							
Community services	11,699		19,632					
Capital outlay	11,296		181					
Debt services								
Total expenditures	9,111,593	0	96,690	0	101,978	26,831	1,093	379,820
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	187,965	1,297,327	12,401	0	(101,978)	(241)	37	9,826
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	226,510			116,254				
Transfers to other funds	(128,516)	(167,010)		(16,262)		241		(9,826)
Total other financing sources (uses)	97,994	(167,010)	0	99,992	0	241	0	(9,826)
<b>NET CHANGE IN FUND BALANCES</b>	285,959	1,130,317	12,401	99,992	(101,978)	0	37	0
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	642,760	3,064,580	36,578	140,498	299,226	0	0	0
<b>FUND BALANCES AT END OF YEAR</b>	\$ 928,719	\$ 4,194,897	\$ 48,979	\$ 240,490	\$ 197,248	\$ 0	\$ 37	\$ 0

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2011

	ARRA Title I	Title VI-B	ARRA Title VI-B	Title VI-B Preschool	ARRA Title VI-B Preschool	Rural Ed Initiative	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	\$ 85,516	\$ 425,082	\$ 107,592	\$ 15,445	\$ 13	\$ 26,533	\$ 27,995	\$ 121	\$ 82,127
Charges for services									
Earnings on investments									
Other revenues									
<b>Total revenues</b>	<u>85,516</u>	<u>425,082</u>	<u>107,592</u>	<u>15,445</u>	<u>13</u>	<u>26,533</u>	<u>27,995</u>	<u>121</u>	<u>82,127</u>
<b>EXPENDITURES</b>									
Instruction									
Regular programs	83,354	224,206	103,786	15,083	13		27,995	121	58,981
Special programs									
Interscholastic and school activity		2,973							
Other instructional programs									
Support services		186,510	1,080			25,860			21,065
Pupil support		711							
Staff support									
General administration									
School administration									
Business services									
Maintenance and operations									
Transportation									
Food services									
Community services									
Capital outlay									
Debt services									
<b>Total expenditures</b>	<u>83,354</u>	<u>414,400</u>	<u>104,866</u>	<u>15,083</u>	<u>13</u>	<u>25,860</u>	<u>27,995</u>	<u>121</u>	<u>80,046</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>2,162</u>	<u>10,682</u>	<u>2,726</u>	<u>362</u>	<u>0</u>	<u>673</u>	<u>0</u>	<u>0</u>	<u>2,081</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers from other funds	(2,162)	(10,682)	(2,726)	(362)		(673)			(2,081)
Transfers to other funds									
<b>Total other financing sources (uses)</b>	<u>(2,162)</u>	<u>(10,682)</u>	<u>(2,726)</u>	<u>(362)</u>	<u>0</u>	<u>(673)</u>	<u>0</u>	<u>0</u>	<u>(2,081)</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>0</u>	<u>0</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>0</u>	<u>3,055</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>\$ 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, 2011

		21st Century	Technology Literacy	Teaching American History - I	Teaching American History - II	School Lunch	School Plant Facility Reserve	Combined
<b>REVENUES</b>								
General property taxes							\$ 2,979	\$ 2,146,779
State foundation program								6,539,039
Other state revenue								66,050
Federal revenue		\$ 304,554	\$ 42,100	\$ 43,758	\$ 257,775	\$ 378,733	500	3,705,261
Charges for services						156,098	603	302,887
Earnings on investments								18,928
Other revenues								301,922
<b>Total revenues</b>		<u>304,554</u>	<u>42,100</u>	<u>43,758</u>	<u>257,775</u>	<u>534,831</u>	<u>4,082</u>	<u>13,080,866</u>
<b>EXPENDITURES</b>								
Instruction								
Regular programs								4,687,431
Special programs								902,395
Interscholastic and school activity								403,520
Other instructional programs								3,201
Support services								
Pupil support								807,390
Staff support				42,905	252,295			826,965
General administration			41,419					223,795
School administration								600,464
Business services								185,219
Maintenance and operations								1,347,353
Transportation						546,852		771,306
Food services								551,367
Community services		296,842						316,474
Capital outlay								11,880
Debt services								11,296
<b>Total expenditures</b>		<u>296,842</u>	<u>41,419</u>	<u>42,905</u>	<u>252,295</u>	<u>546,852</u>	<u>0</u>	<u>11,650,056</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<u>7,712</u>	<u>681</u>	<u>853</u>	<u>5,480</u>	<u>(12,021)</u>	<u>4,082</u>	<u>1,430,810</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds						12,021		355,026
Transfers to other funds		(7,712)	(681)	(853)	(5,480)			(355,026)
<b>Total other financing sources (uses)</b>		<u>(7,712)</u>	<u>(681)</u>	<u>(853)</u>	<u>(5,480)</u>	<u>12,021</u>	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>		0	0	0	0	0	4,082	1,430,810
<b>FUND BALANCES AT BEGINNING OF YEAR</b>		0	0	0	0	0	161,626	4,348,323
<b>FUND BALANCES AT END OF YEAR</b>		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 165,708</u>	<u>\$ 5,779,133</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 two \$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 GPA 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.

**Karl Olson Scholarship** – Contributions to the District have been invested to provide a minimum \$500 scholarship to a graduate of Clearwater Valley High School. The Karl Olson 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 activities conducted by student governed clubs and organizations.

**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, 2011

	James Graham Webb Memorial Scholarship Endowment Trust	William F. Martin Wrestling Memorial Scholarship Endowment Trust	Foster "B" Morgan and L. Elizabeth Kantola Scholarship Endowment Trust	Earnings Trust	Wagner Scholarship Endowment Trust	Laine Scholarship Endowment Trust	Gary Cash Memorial Scholarship Endowment Trust
<b>ASSETS</b>							
Cash							
Investments							
Property taxes receivable	\$ 12,542	\$ 17,482	\$ 40,142	\$ 750	\$ 500	\$ 230	\$ 16,118
Accounts receivable							
<b>Total assets</b>	<u>\$ 12,542</u>	<u>\$ 17,482</u>	<u>\$ 40,142</u>	<u>\$ 750</u>	<u>\$ 500</u>	<u>\$ 230</u>	<u>\$ 16,118</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,500	\$ 65	\$ 142		\$ 500		\$ 57
Due to student groups							
<b>Total liabilities</b>	<u>\$ 1,500</u>	<u>\$ 65</u>	<u>\$ 142</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 57</u>
<b>FUND EQUITY</b>							
Contributed trust funds	12,542	17,417	40,000	750		230	16,061
Reserve for scholarships							
<b>Total fund equity</b>	<u>12,542</u>	<u>17,417</u>	<u>40,000</u>	<u>750</u>	<u>0</u>	<u>230</u>	<u>16,061</u>
<b>Total liabilities and fund equity</b>	<u>\$ 12,542</u>	<u>\$ 17,482</u>	<u>\$ 40,142</u>	<u>\$ 750</u>	<u>\$ 500</u>	<u>\$ 230</u>	<u>\$ 16,118</u>

**MOUNTAIN VIEW SCHOOL DISTRICT NO. 244**

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS  
June 30, 2011

	Kooskia Lions Scholarship	Lindsley Scholarship	Haener Scholarship	Karl G Olson Scholarship	Cleanwater Valley High School	Grangeville High School	Grangeville Elementary School	Joint School District No. 241 Trust	Combined
<b>ASSETS</b>									
Cash	\$ 2,710	\$ 500	\$ 4,532	\$ 22,461	\$ 23,640	\$ 32,492	\$ 14,425	\$ 2,445	\$ 71,057
Investments		1,005				24,510			144,482
Property taxes receivable					915	167	581		2,445
Accounts receivable									1,663
<b>Total assets</b>	<b>\$ 2,710</b>	<b>\$ 1,505</b>	<b>\$ 4,532</b>	<b>\$ 22,461</b>	<b>\$ 24,555</b>	<b>\$ 57,169</b>	<b>\$ 15,006</b>	<b>\$ 2,445</b>	<b>\$ 219,647</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 500	\$ 1,000	\$ 500	\$ 500	\$ 4,282	\$ 5,695	\$ 1,229	\$ 2,445	\$ 18,415
Due to student groups					20,273	51,474	13,777		85,524
<b>Total liabilities</b>	<b>500</b>	<b>1,000</b>	<b>500</b>	<b>500</b>	<b>24,555</b>	<b>57,169</b>	<b>15,006</b>	<b>2,445</b>	<b>103,939</b>
<b>FUND EQUITY</b>									
Contributed trust funds	2,210	505	4,032	21,961					114,958
Reserve for scholarships									750
<b>Total fund equity</b>	<b>2,210</b>	<b>505</b>	<b>4,032</b>	<b>21,961</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,708</b>
<b>Total liabilities and fund equity</b>	<b>\$ 2,710</b>	<b>\$ 1,505</b>	<b>\$ 4,532</b>	<b>\$ 22,461</b>	<b>\$ 24,555</b>	<b>\$ 57,169</b>	<b>\$ 15,006</b>	<b>\$ 2,445</b>	<b>\$ 219,647</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, 2011

	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	Endowment Trust	Endowment Trust	Scholarship	Scholarship	Scholarship
	Earnings Trust	Earnings Trust	Earnings Trust			
<b>REVENUES</b>						
Earnings on investments	\$ 50	\$ 65	\$ 142	\$ 500	\$ 1	\$ 57
Contributions				500	1	57
Total revenues	\$ 50	\$ 65	\$ 142	\$ 500	\$ 1	\$ 57
<b>EXPENDITURES</b>						
Scholarships	1,450	65	142	500		57
Total expenditures	1,450	65	142	500	0	57
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(1,450)	0	0	0	1	0
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	13,992	17,417	40,000	0	229	16,061
<b>FUND EQUITY AT END OF YEAR</b>	\$ 12,542	\$ 17,417	\$ 40,000	\$ 0	\$ 230	\$ 16,061

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, 2011

	Kooskia Lions Scholarship	Lindsley Scholarship	Fredrickson Scholarship	Haener Scholarship	Karl G Olson Scholarship	Combined
<b>REVENUES</b>						
Earnings on investments	\$ 10	\$ 4		\$ 16	\$ 11	\$ 356
Contributions		500		550	22,450	24,000
Total revenues	<u>10</u>	<u>504</u>	<u>\$ 0</u>	<u>566</u>	<u>22,461</u>	<u>24,356</u>
<b>EXPENDITURES</b>						
Scholarships	501	1,000	900	500	500	5,665
Total expenditures	<u>501</u>	<u>1,000</u>	<u>900</u>	<u>500</u>	<u>500</u>	<u>5,665</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(491)	(496)	(900)	66	21,961	18,691
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	2,701	1,001	900	3,966	0	97,017
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 2,210</u>	<u>\$ 505</u>	<u>\$ 0</u>	<u>\$ 4,032</u>	<u>\$ 21,961</u>	<u>\$ 115,708</u>

**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, 2011 and 2010**

	General Fund		All Other Funds	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
<b>BEGINNING BALANCES</b>	<u>\$ 555,396</u>	<u>\$ 642,760</u>	<u>\$ 2,850,749</u>	<u>\$ 3,705,563</u>
<b>REVENUES</b>				
General property taxes	1,763,667	2,143,800	7,934	2,979
Other local revenue	346,333	349,725	319,758	273,997
Intergovernmental revenue				
State of Idaho	6,014,581	6,593,209	84,053	11,880
Federal	1,016,319	212,809	3,880,604	3,492,452
Other revenue	461	15		
Transfers	547,212	226,510	5,071	12,262
<b>Total revenues</b>	<u>9,688,573</u>	<u>9,526,068</u>	<u>4,297,420</u>	<u>3,793,570</u>
<b>EXPENDITURES</b>				
Salaries	5,610,873	5,149,309	1,087,014	1,024,800
Benefits	2,383,800	2,316,920	466,705	465,613
Purchased services	935,164	1,023,140	603,763	580,709
Supplies and materials	468,566	469,394	452,372	415,377
Capital outlay	26,357	48,239	331,697	51,964
Debt service		11,296		
Insurance	125,221	93,295		
Transfers	51,228	128,516	501,055	110,256
<b>Total expenditures</b>	<u>9,601,209</u>	<u>9,240,109</u>	<u>3,442,606</u>	<u>2,648,719</u>
<b>ENDING BALANCES</b>	<u>\$ 642,760</u>	<u>\$ 928,719</u>	<u>\$ 3,705,563</u>	<u>\$ 4,850,414</u>