

BASIC FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

YEAR ENDED JUNE 30, 2011

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

BASIC FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION  
YEAR ENDED JUNE 30, 2011

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SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

BASIC FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION  
YEAR ENDED JUNE 30, 2011  
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MEMBERS OF  
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Certified Public Accountants

Board of Trustees,  
School District No. 58  
Aberdeen, Idaho

Independent Auditor's Report

Dear Board Members:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 58, 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 District management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

Retired District employees pay their own health insurance. Premiums for retired and active employees are the same. The District believes that the future cost of the implicit rate subsidy built into to current health care premiums is not material to the financial statements and that the cost of adopting GASB 45 cannot be justified at the present time. The amount by which this GAAP departure would effect the liabilities and net assets he Statement of Net Assets is not determinable.

Board of Trustees,  
Aberdeen School District No. 58  
Page 2

In our opinion, except for the effects of not providing information regarding Other Postemployment Benefit Obligations as described in the previous paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparison for the General Fund and the Major Special Revenue Funds, and the aggregate remaining fund information of School District No. 58, at June 30, 2011, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise School District No 58's basic financial statements. The Combining and Individual Fund Statements and Non Major Fund Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is additional information required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, but is also not a required part of the basic financial statements. The Combining and Individual Fund Statements and Non Major Fund Budgetary Comparison Schedules 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pocatello, Idaho,  
September 1, 2011.

*Jones, Yost, Hatt, Erickson P.A.*

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

STATEMENT OF NET ASSETS  
 AT JUNE 30, 2011

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current Assets:	
Pooled cash and cash equivalents	\$1,074,081
Receivables:	
Property taxes	503,973
State	791,329
Other receivables	20,360
Non-current Assets:	
Capital assets:	
Land	36,474
Property and equipment, net of accumulated depreciation	<u>6,594,403</u>
Total assets	<u>9,020,620</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts payable	183,990
Accrued salaries	522,831
Interest payable	74,000
Due within one year - Bonds	540,000
Long-term Liabilities:	
Due in more than one year - Bonds	<u>3,735,000</u>
Total liabilities	<u>5,055,821</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	2,281,877
Restricted for:	
Debt service	921,099
Unrestricted	<u>761,823</u>
Total net assets	<u><u>\$3,964,799</u></u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instructional services				
Regular instruction	\$3,430,500	\$340,803	\$819,175	(\$2,270,522)
Special education	366,910		178,581	(188,329)
Support services				
Pupil support	367,821			(367,821)
Staff support	204,706			(204,706)
Board of education	9,930			(9,930)
District administration	215,913			(215,913)
School administration	422,374			(422,374)
Tech services	7,330			(7,330)
Business operation	67,401			(67,401)
Operation and maintenance	615,561			(615,561)
Transportation	382,503			(382,503)
Non instructional	295,825	28,200	265,602	(2,023)
Interest on long-term debt	180,333			(180,333)
Total governmental activities	<u>\$6,567,107</u>	<u>\$369,003</u>	<u>\$1,263,358</u>	<u>(4,934,746)</u>
General revenues				
Taxes:				
Property taxes levied for general purposes				548,449
Property taxes levied for debt services				709,431
Federal and State aid				
State foundation program				3,838,008
State other				443,497
Interest and investment earnings				4,691
Total general revenues				<u>5,544,076</u>
Excess revenues before special items				609,330
Sale of assets				0
Change in net assets				<u>609,330</u>
Net assets, June 30, 2010				3,355,469
Net assets, June 30, 2011				<u>\$3,964,799</u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

BALANCE SHEET  
 GOVERNMENTAL FUNDS

AT JUNE 30, 2011

	Major Funds			Totals (Memorandum Only)
	General	Debt Service	Non Major Funds	
<b>ASSETS:</b>				
Cash	\$161,383	\$645,443	\$267,255	\$1,074,081
Receivables:				
Property taxes	217,937	286,036		503,973
State of Idaho	320,034		471,295	791,329
Other receivables	11,436		8,924	20,360
Due from other funds	267,227			267,227
Total assets	\$978,017	\$931,479	\$747,474	\$2,656,970
<b>LIABILITIES:</b>				
Accounts payable	\$107,146		\$76,844	\$183,990
Salaries payable	384,487		138,344	522,831
Deferred tax revenue	7,012	\$10,380		17,392
Due to other funds			267,227	267,227
Total liabilities	498,645	10,380	482,415	991,440
<b>FUND BALANCE:</b>				
Restricted		921,099		921,099
Assigned			265,059	265,059
Unassigned	479,372			479,372
Total fund balance	479,372	921,099	265,059	1,665,530
Total liabilities and fund balance	\$978,017	\$931,479	\$747,474	\$2,656,970

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
AT JUNE 30, 2011

Total fund balances - Governmental Funds		\$1,665,530
Total net assets reported for governmental activities in the Statement of Net Assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Cost of capital assets	\$10,699,878	
Depreciation expense to date	<u>(4,069,001)</u>	6,630,877
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the governmental funds.		
		17,392
Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Bonds payable	(4,275,000)	
Accrued interest on bonds	<u>(74,000)</u>	<u>(4,349,000)</u>
Total Net Assets		<u><u>\$3,964,799</u></u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2011

	General Fund	Debt Service Fund	Non Major Funds	Total Governmental Funds
<b>REVENUES:</b>				
Local:				
Property taxes (net of cancellations)	\$567,007	\$737,412		\$1,304,419
Earnings on investments	4,691			4,691
Other local	328,667		\$97,145	425,812
State:				
Base support	3,200,815			3,200,815
Transportation	228,907			228,907
State paid benefits	408,286			408,286
Other	312,545	130,952	32,162	475,659
Federal assistance			1,174,387	1,174,387
Total revenues	<u>5,050,918</u>	<u>868,364</u>	<u>1,303,694</u>	<u>7,222,976</u>
<b>EXPENDITURES:</b>				
Instructional services	2,807,899		792,885	3,600,784
Support Services:				
Pupil support	162,776		205,045	367,821
Staff support	204,706			204,706
Board of education	9,930			9,930
District administration	215,913			215,913
School administration	422,374			422,374
Business operation	67,401			67,401
Tech services	7,330			7,330
Operation and maintenance	598,523			598,523
Transportation	348,928			348,928
Other non instructional			274,749	274,749
Debt Service:				
Principal		520,000		520,000
Interest		189,000		189,000
Capital Assets	2,572			2,572
Total expenditures	<u>4,848,352</u>	<u>709,000</u>	<u>1,272,679</u>	<u>6,830,031</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	202,566	159,364	31,015	392,945
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (to) from other funds	<u>(16,967)</u>		<u>16,967</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	185,599	159,364	47,982	392,945
<b>FUND EQUITY - JUNE 30, 2010</b>	<u>293,773</u>	<u>761,735</u>	<u>217,077</u>	<u>1,272,585</u>
<b>FUND EQUITY - JUNE 30, 2011</b>	<u><u>\$479,372</u></u>	<u><u>\$921,099</u></u>	<u><u>\$265,059</u></u>	<u><u>\$1,665,530</u></u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES  
 AT JUNE 30, 2011

Total net change in fund balances - Governmental Funds	\$392,945
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense this year	(\$265,743)	
Capital outlays	0	
	0	(265,743)

Governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Assets, debt increases liabilities and does not effect the Statement of Activities. Repayment of debt reduces the liability.

Current year repayment of bond principal	520,000
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Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenue in the Governmental funds. They are recorded as current revenue in the Statement of Activities.

(46,539)

Interest on long-term debt in the Statement of Activities differs from amounts reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due

8,667

Total Change in Net Assets

\$609,330

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2011

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE:</b>			
Property taxes	\$556,000	\$567,007	\$11,007
Investment interest	6,000	4,691	(1,309)
Other local	270,183	328,667	58,484
State base support	3,078,888	3,200,815	121,927
State transportation	190,000	228,907	38,907
State paid benefits	389,947	408,286	18,339
Other State	133,200	312,545	179,345
Total General Fund Revenues	\$4,624,218	\$5,050,918	\$426,700
<b>EXPENDITURES:</b>			
<b>INSTRUCTION:</b>			
Elementary Programs:			
Salaries	\$746,419	\$709,841	\$36,578
Benefits	234,462	229,484	4,978
Purchased services	51,054	56,838	(5,784)
Materials and supplies	47,531	143,129	(95,598)
	1,079,466	1,139,292	(59,826)
Secondary Programs:			
Salaries	1,082,591	1,063,545	19,046
Benefits	330,798	317,882	12,916
Purchased services		117	(117)
Materials and supplies		1,213	(1,213)
	1,413,389	1,382,757	30,632
Special Programs:			
Salaries	120,895	124,289	(3,394)
Benefits	37,772	38,195	(423)
Purchased services		11,633	(11,633)
Materials and supplies		1,385	(1,385)
	158,667	175,502	(16,835)
Activity Programs:			
Salaries	48,964	50,829	(1,865)
Benefits	9,512	8,408	1,104
Purchased services	33,200	43,061	(9,861)
	91,676	102,298	(10,622)
Summer/After School Programs:			
Salaries	16,900	5,357	11,543
Benefits		872	(872)
Purchased services		1,655	(1,655)
Materials and supplies		166	(166)
	16,900	8,050	8,850
Total instruction	2,760,098	2,807,899	(47,801)
<b>SUPPORT SERVICES:</b>			
Guidance/Health			
Salaries	77,539	74,227	3,312
Benefits	24,021	22,792	1,229
Purchased services	3,200	3,255	(55)
Materials and supplies	100	60	40
	104,860	100,334	4,526
Special Services			
Salaries	48,296	48,295	1
Benefits	14,234	13,723	511
Purchased services	25	424	(399)
Materials and supplies	261		261
	62,816	62,442	374
Instructional Improvement:			
Salaries	150	16,105	(15,955)
Benefits	11	7,268	(7,257)
Purchased services	18,725	15,834	2,891
	18,886	39,207	(20,321)

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND - (CONTINUED)

YEAR ENDED JUNE 30, 2011

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Media Program:			
Salaries	\$59,185	\$59,165	\$20
Benefits	24,241	23,346	895
Materials and supplies	4,500	4,468	32
	<u>87,926</u>	<u>86,979</u>	<u>947</u>
Technology:			
Salaries	3,520	3,530	(10)
Benefits	679	678	1
Purchased services	70,904	74,184	(3,280)
Materials and supplies	3,000	128	2,872
	<u>78,103</u>	<u>78,520</u>	<u>(417)</u>
Board of Education:			
Benefits		25	(25)
Purchased services	7,250	8,789	(1,539)
Materials and supplies	800	1,010	(210)
Insurance	16	106	(90)
	<u>8,066</u>	<u>9,930</u>	<u>(1,864)</u>
District Administration:			
Salaries	155,040	153,320	1,720
Benefits	52,075	48,620	3,455
Purchased services	8,050	12,177	(4,127)
Materials and supplies	2,000	1,796	204
	<u>217,165</u>	<u>215,913</u>	<u>1,252</u>
School Administration:			
Salaries	292,340	292,338	2
Benefits	116,983	112,804	4,179
Purchased services	6,515	6,071	444
Materials and supplies	11,400	11,161	239
	<u>427,238</u>	<u>422,374</u>	<u>4,864</u>
Business Operation:			
Purchased services	33,600	33,993	(393)
Materials and supplies	32,740	33,408	(668)
	<u>66,340</u>	<u>67,401</u>	<u>(1,061)</u>
Tech Services:			
Purchased services	7,000	7,330	(330)
Operation and maintenance:			
Salaries	186,730	203,944	(17,214)
Benefits	80,487	82,219	(1,732)
Purchased services	225,050	200,885	24,165
Materials and supplies	68,300	65,321	2,979
Insurance	46,400	46,154	246
	<u>606,967</u>	<u>598,523</u>	<u>8,444</u>
Transportation:			
Salaries	145,085	151,613	(6,528)
Benefits	86,612	89,310	(2,698)
Purchased services	8,000	21,849	(13,849)
Materials and supplies	64,600	73,597	(8,997)
Insurance/Judgements	13,250	12,559	691
	<u>317,547</u>	<u>348,928</u>	<u>(31,381)</u>
Capital Outlay:	18,434	2,572	(53,536)
Total support services	<u>2,021,348</u>	<u>2,040,453</u>	<u>(88,503)</u>
Total General Fund Expenditures	<u>4,781,446</u>	<u>4,848,352</u>	<u>(136,304)</u>
Excess Revenues over Expenditures	(157,228)	202,566	359,794
Transfers (to) from other funds	86,772	(16,967)	(103,739)
Excess revenues and other financing sources over expenditures and other financing uses	(70,456)	185,599	256,055
FUND EQUITY - JUNE 30, 2010	<u>70,456</u>	<u>293,773</u>	<u>(223,317)</u>
FUND EQUITY - JUNE 30, 2011	<u>\$0</u>	<u>\$479,372</u>	<u>\$32,738</u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2011

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:			
Property taxes	\$727,482	\$737,412	\$9,930
State	151,500	130,952	(20,548)
	<u>878,982</u>	<u>868,364</u>	<u>(10,618)</u>
EXPENDITURES:			
Principal	520,000	520,000	0
Interest	190,000	189,000	1,000
	<u>710,000</u>	<u>709,000</u>	<u>1,000</u>
Excess revenues over expenditures	168,982	159,364	(9,618)
FUND EQUITY - JUNE 30, 2010	<u>609,318</u>	<u>761,735</u>	<u>(152,417)</u>
FUND EQUITY - JUNE 30, 2011	<u><u>\$778,300</u></u>	<u><u>\$921,099</u></u>	<u><u>\$142,799</u></u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

STATEMENT OF FIDUCIARY FUND ASSETS AND LIABILITIES

AT JUNE 30, 2011

ASSETS:

Cash and equivalents		<u>\$201,169</u>
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LIABILITIES

Due to High School Student groups	\$111,666	
Due to Middle School Student groups	38,754	
Due to Elementary School Student groups	40,681	
Due to Rapha Brown Scholarships	<u>10,068</u>	<u>\$201,169</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of Aberdeen School District No. 58 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**Reporting Entity** - For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that fiscally dependent on it. Based upon the application of these criteria, the District has no potential component units.

**Government-wide and fund financial statements** - The Statement of Net Assets and the Statement of changes in net assets display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expenses for capital assets that can specifically be identified with a function are included in its direct expenses.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation expense for shared assets (are ratably included in the direct expenses for the appropriate functions. Interest on general long term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The fund financial statements provide information about the District's funds, including its fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major funds:

The **general fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **debt service** fund accounts for resources accumulated and payments to retire long term bonds.

Additionally the District reports the following fund type:

The **student activity accounts** (a fiduciary fund) accounts for monies held on behalf of student groups.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement focus, basis of accounting, and financial statement presentation –**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, early retirement, 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 capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to finance the program, followed by block grants, and then general revenues.

**Budgetary Data** - Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS – (CONTINUED)  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During May of each year, the Superintendent submits to the School Board a proposed operating budget for the next fiscal year commencing on July 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them

Copies of the proposed budget are made available for public inspection and review by the patrons of the District.

After considering patron input at a public hearing in June, the Board adopts the budget.

Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget.

Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year end and are rebudgeted the following year. The District does not reserve fund balance for outstanding encumbrances at year end.

**Deposits and investments** – The cash balances of substantially all funds are pooled and invested by the District for purposes of increasing earnings through investment activities. The District's investments are reported at fair value at year end. The Idaho State Treasurer's Local Government Pool operates in accordance with appropriate state laws and regulations. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned to the funds based on the average balance of each participating fund.

**Cash and Cash Equivalents** – The District considers investments with an original maturity of three months or less to be cash equivalent.

**Receivables and Payables** – Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as due to/due from other funds.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories** – Inventories of governmental funds are recorded as expenditures when purchased. Financial statements for the school lunch program do not show the value of donated commodities.

**Capital Assets** – Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation is recorded using the straight line method over the estimated useful lives as follows: Buildings and improvements 20-40 years. Buses 10 years, furniture and equipment 3-15 years.

**Compensated Absences** – Employees are granted vacation and sick leave in varying amounts. Accumulated vacation must be used prior to the employee's anniversary date. The District does not compensate employees for unused sick leave. When a teacher retires an amount equal to one half of the accumulated sick leave is reported to the State Retirement Board. The amount is used to pay the retiree's health insurance.

**Long term obligations** – In the government wide financial statements, long term debt and other long term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

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

2. **DEPOSITS AND INVESTMENTS**

The District invests its idle cash in the Idaho State Treasurer's local government investment pool. The deposits are stated at cash which approximates market. The State Treasurer combines deposits from all government entities in Idaho, who participate in the pool, and purchases the following types of investments: Local Certificates of Deposit, Repurchase Agreements, and U.S. Government Securities.

The Entities participating in the pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to: increase overall the rate of return, reduce risk of default, and place each entity under the FDIC and FSLIC limits of \$250,000.

Under Idaho Code Section 67-1210 the District is authorized to invest surplus or idle moneys in investments subject to the following standards, guidelines and restrictions:

- a. District moneys shall not be made in any depository of financial institution in an amount, which exceeds ten (10%) of said entity's capital and surplus. Any investments to be made above Federal Deposit Insurance requires the depository to have a current "Moody's Bank Credit Report Service" rating of "A" or better.
- b. No demand deposits or investment in time deposits or certificates of deposit shall be made in financial institutions insured in whole or in part by the Federal Savings and Loan Insurance Corporation or in any State or Federal credit unions insurance programs in an amount in excess of the insurance available.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

2. **DEPOSITS AND INVESTMENTS (CONTINUED)**

Investments allowable under "Idaho Code Section 67-1210" are:

- a. Bonds, Treasury bills, interest bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- b. General obligation or revenue bonds of this State, or those for which the faith and credit of this State are pledged for payment of principal and interest.
- c. General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district of this State.
- d. Notes, bonds, debentures, or other similar obligations issued by the Farm Credit System or institutions forming a part thereof under the Farm Credit act of 1971.
- e. Bonds, notes or other similar obligations issued by public corporations of the State of Idaho including, but not limited to, the Idaho State Building Authority, the Idaho Housing Authority and the Idaho Water Resource Board. These investments shall not extend beyond seven (7) days.
- f. Repurchase agreements covered by any legal investment for the State of Idaho.
- g. Tax anticipation notes and registered warrants of the State of Idaho.
- h. Tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing District's of the State of Idaho.
- i. Time deposits and savings accounts in state depositories including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transactions accounts.
- j. Time deposit accounts and savings accounts of federal savings and loan associations located within the geographical boundaries of the state in amounts not to exceed the insurance provided by the Federal Savings and Loan Insurance Corporation including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- k. Revenue bonds of institutions of higher education of the State of Idaho.
- l. Share, savings and deposit accounts of state and federal credit unions located within the geographical boundaries of the state in amounts not to exceed the insurance provided by the National Credit Union Share Insurance Fund and/or any other authorized deposit guaranty corporation, including but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

3. **PROPERTY TAXES**

Taxes are levied by the second Monday on September on assessed valuations as of June 30. Taxes on real property are payable in two equal installments on December 20, and June 30, of the following year. Personal property taxes are due December 20. Delinquent payments bear simple interest of 1% per month plus a 2% penalty. Due to the small amount of taxes not collected no adjustment is made for delinquent taxes.

4. **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 is as follows:

Governmental Activities:	<u>6/30/2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/2011</u>
Capital Assets no being depreciated				
Land	\$36,474			\$36,474
Capital Assets being depreciated				
Buildings and improvements	9,093,174	\$0		9,093,174
Furniture and equipment	568,245			568,245
Vehicles	1,001,985		\$0	1,001,985
	<u>10,663,404</u>	<u>0</u>	<u>0</u>	<u>10,663,404</u>
Accumulated Depreciation				
Buildings and improvements	2,568,196	187,098		2,942,392
Furniture and equipment	290,982	42,881		333,863
Vehicles	756,982	35,764		792,746
	<u>3,803,258</u>	<u>265,743</u>	<u>0</u>	<u>4,069,001</u>
 Total Capital Assets-Net	 <u>\$6,896,620</u>			 <u>\$6,630,877</u>

Depreciation was charged to functions as follows:

Non-instructional	\$21,076
Transportation	33,575
Operation and maintenance	14,466
Regular instruction	<u>196,626</u>
	<u>\$265,743</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

5. **PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request. After five 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%.

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

The actuarially determined contribution requirements of School District #58 and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2011, the required contribution rate as a percentage of covered payrolls for members was 6.23%. The employer rate as a percentage of covered payroll was 10.39%.

The District's contributions required and paid were \$363,261, \$383,859, and \$382,387 for the three years ended June 30, 2011, 2010, and 2009 respectively.

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
 YEAR ENDED JUNE 30, 2011

6. **LONG-TERM DEBT**

Schedule of Bond Principal and Interest Payments General Obligation Bond – Series 2002.

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
08/01/2011	\$540,000	\$88,800	\$628,800
02/01/2012	0	78,000	78,000
08/01/2012	560,000	78,000	638,000
02/01/2013	0	66,800	66,800
08/01/2013	585,000	66,800	651,800
02/01/2014	0	55,100	55,100
08/01/2014	610,000	55,100	665,100
02/01/2015	0	42,595	42,595
08/01/2015	635,000	42,595	677,595
02/01/2016	0	29,260	29,260
08/01/2016	660,000	29,260	689,260
02/01/2017	0	15,070	15,070
08/01/2017	<u>685,000</u>	<u>15,070</u>	<u>700,070</u>
Totals	<u>\$4,275,000</u>	<u>\$662,450</u>	<u>\$4,937,450</u>

The following is a summary of long-term debt transactions for the year ended June 30, 2011.

Debt outstanding – July 1, 2010	\$4,795,000
Bonds issued	0
Retirement	<u>(520,000)</u>
Debt outstanding – June 30, 2011	<u>\$4,275,000</u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
 YEAR ENDED JUNE 30, 2011

**7. DUE TO DUE FROM**

Federal program funds are temporarily overspent while waiting for Federal Reimbursements. The Debt Service Fund tax levy was not sufficient Deficit cash is shown as due to other funds as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$267,227	
Jobs Bill Fund		\$5,141
District Local Grants Fund		790
Drivers Education Fund		8,027
State Vocational Fund		543
Title I Fund		33,160
Title I Migrant Fund		7,571
Title I B		117,464
Title VI B Fund		15,020
Preschool Fund		1,621
C Perkins Vocational Fund		12,773
Title III LEP Fund		2,063
Title II Teacher Quality Fund		32,559
Drug Free Schools Fund		30,495

**8. DEFICIT FUND BALANCE**

For most of these Federal and State programs the District spends its own money and then requests reimbursement from the various funding agencies. For those funds with deficits, reimbursement has not yet been received.

**9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

General Fund exceeded budget by \$136,304. Revenue exceeded budget by \$426,700  
 Jobs Bill Fund exceeded budget by \$46,064. Revenue exceeded budget by \$158,509  
 Technology Fund exceeded budget by \$12,894.  
 Title I Fund exceeded budget by \$9,434. Revenue exceeded budget by \$31,309  
 Title VI B Fund exceeded budget by \$15,747. Revenue was under budget by \$7,245  
 Title VI B Presch. Fund exceeded budget by \$3,254. Revenue exceeded budget by \$1,952  
 Title III LEP Fund exceeded budget by \$2,399.  
 Title II Fund exceeded budget by \$2,103. Revenue exceeded budget by \$1,899

**10. RISK MANAGEMENT**

The District is exposed to various risks of loss, related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee health and injuries, and natural disasters. All risks are insured by commercial insurance.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

11. **CONTINGENT LIABILITIES**

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

12. **CREDIT RISK, CONCENTRATION OF CREDIT RISK,  
AND INTEREST RATE RISK**

As of June 30, 2011 the District's investments were as follows. All of the districts investments are in an internal investment pool.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Statutes authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued from the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, saving deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. The District does not have an investment policy that would further limit its investment choices.

**Concentration Credit Risk.** The District does not place a limit on the amount that the District may invest in any one issuer. More than 90% of the District's investments are in Local Government Investment Pool which by its nature is a diversified account. As of June 30, 2011 the fund consisted of U.S. Treasury Notes, Government Agency Notes, Idaho Bank Deposits, Repurchase Agreements, Corporate Bonds and Commercial Paper with 38% in Government Agency Notes and 28% in Idaho Bank Deposit. Average weighted days to maturity is 91.

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SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

COMBINING BALANCE SHEET  
 NON MAJOR FUNDS

AT JUNE 30, 2011

	Jobs Bill Fund	District Local Grants Fund	HS/MS/ Elem Local Grants Fund	Driver Education Fund
ASSETS:				
Cash			\$9,270	
Other Receivables			1,851	\$7,073
Federal and State receivable	\$127,866	\$6,526		3,750
Total assets	<u>\$127,866</u>	<u>\$6,526</u>	<u>\$11,121</u>	<u>\$10,823</u>
LIABILITIES:				
Accounts payable	\$1,621	\$867		
Salaries payable	8,659	2,333		
Due to other funds	5,141	790		\$8,027
Total liabilities	<u>15,421</u>	<u>3,990</u>	<u>\$0</u>	<u>8,027</u>
FUND BALANCE:				
Assigned	112,445	2,536	11,121	2,796
Total fund balance	<u>112,445</u>	<u>2,536</u>	<u>11,121</u>	<u>2,796</u>
Total liabilities and fund balance	<u>\$127,866</u>	<u>\$6,526</u>	<u>\$11,121</u>	<u>\$10,823</u>

State Vocational Fund	State Drug-Free Fund	Title I Fund	Reading 1st Grant Fund	Title I Migrant Fund	Title 1B Fund	Title Title V1B Fund
	\$997		\$7,971			
\$7,429		\$85,184		\$36,894	\$44,964	\$32,750
<u>\$7,429</u>	<u>\$997</u>	<u>\$85,184</u>	<u>\$7,971</u>	<u>\$36,894</u>	<u>\$44,964</u>	<u>\$32,750</u>
\$2,939		\$11,031	\$1,251	\$4,780	\$7,988	\$10,769
1,795		25,170	3,119	24,448	21,067	17,506
543		33,160		7,571	117,464	15,020
<u>5,277</u>	<u>\$0</u>	<u>69,361</u>	<u>4,370</u>	<u>36,799</u>	<u>146,519</u>	<u>43,295</u>
2,152	997	15,823	3,601	95	(101,555)	(10,545)
<u>2,152</u>	<u>997</u>	<u>15,823</u>	<u>3,601</u>	<u>95</u>	<u>(101,555)</u>	<u>(10,545)</u>
<u>\$7,429</u>	<u>\$997</u>	<u>\$85,184</u>	<u>\$7,971</u>	<u>\$36,894</u>	<u>\$44,964</u>	<u>\$32,750</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

COMBINING BALANCE SHEET  
NON MAJOR FUNDS - (CONTINUED)

AT JUNE 30, 2011

	Preschool Fund	C. Perkins Vocational Education Fund	Title III LEP Fund	Title II Teacher Quality Fund
<b>ASSETS:</b>				
Cash				
Other receivables				
Federal and State receivable		\$14,065	\$5,203	\$44,715
Total assets	\$0	\$14,065	\$5,203	\$44,715
 <b>LIABILITIES:</b>				
Accounts payable	\$215	\$1,125	\$2,665	\$4,300
Salaries payable	1,043		3,038	8,062
Due to other funds	1,621	12,773	2,063	32,559
Total liabilities	2,879	13,898	7,766	44,921
 <b>FUND BALANCE:</b>				
Unrestricted	(2,879)	167	(2,563)	(206)
Total fund balance	(2,879)	167	(2,563)	(206)
Total liabilities and fund balance	\$0	\$14,065	\$5,203	\$44,715

Drug-Free Schools Fund	Title II D Drug-Free Schools Fund	School Lunch Fund	Bus Depreciation Fund	Lottery Fund	2011 Totals
\$1,222		\$141,899	\$99,918	\$5,978	\$267,255
	\$50,000	11,949			8,924
					471,295
<u>\$1,222</u>	<u>\$50,000</u>	<u>\$153,848</u>	<u>\$99,918</u>	<u>\$5,978</u>	<u>\$747,474</u>
	\$15,005	\$12,288			\$76,844
	4,500	17,604			138,344
	30,495				267,227
<u>\$0</u>	<u>50,000</u>	<u>29,892</u>	<u>\$0</u>	<u>\$0</u>	<u>482,415</u>
<u>1,222</u>	<u>0</u>	<u>123,956</u>	<u>99,918</u>	<u>5,978</u>	<u>265,059</u>
<u>1,222</u>	<u>0</u>	<u>123,956</u>	<u>99,918</u>	<u>5,978</u>	<u>265,059</u>
<u>\$1,222</u>	<u>\$50,000</u>	<u>\$153,848</u>	<u>\$99,918</u>	<u>\$5,978</u>	<u>\$747,474</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON MAJOR FUNDS

YEAR ENDED JUNE 30, 2011

	Jobs Bill Fund	District Local Grants Fund	HS/MS Elem Local Grants Fund	Driver Education Fund
REVENUES:				
Local income		\$34,908	\$9,105	\$7,073
Federal and State assistance	\$158,509			6,375
Total revenues	158,509	34,908	9,105	13,448
EXPENDITURES:				
Instructional services	38,468	18,860	1,465	10,652
Support services	7,596	14,629	5,083	
Non-instructional services				
Capital outlay				
Total expenditures	46,064	33,489	6,548	10,652
EXCESS REVENUES (EXPENDITURES)	112,445	1,419	2,557	2,796
TRANSFERS (TO) FROM OTHER FUNDS	—	—	—	—
EXCESS FINANCING SOURCES (USES)	112,445	1,419	2,557	2,796
FUND BALANCE - JUNE 30, 2010	0	1,117	8,564	0
FUND BALANCE - JUNE 30, 2011	\$112,445	\$2,536	\$11,121	\$2,796

State Vocational Fund	Technology Grant Fund	State Drug-Free Fund	Title I Fund	Reading 1st Grant Fund	Title I Migrant Fund	Title IB Fund
\$25,787			\$214,881	\$9,998	\$93,526	\$100,000
<u>25,787</u>	<u>\$0</u>	<u>\$0</u>	<u>214,881</u>	<u>9,998</u>	<u>93,526</u>	<u>100,000</u>
23,635	12,894		193,775 8,169	24,714	67,603 23,623	186,444 15,111
<u>23,635</u>	<u>12,894</u>	<u>0</u>	<u>201,944</u>	<u>24,714</u>	<u>91,226</u>	<u>201,555</u>
2,152	(12,894)	0	12,937	(14,716)	2,300	(101,555)
			<u>(4,612)</u>		<u>(2,205)</u>	
2,152	(12,894)	0	8,325	(14,716)	95	(101,555)
<u>0</u>	<u>12,894</u>	<u>997</u>	<u>7,498</u>	<u>18,317</u>	<u>0</u>	<u>0</u>
<u>\$2,152</u>	<u>\$0</u>	<u>\$997</u>	<u>\$15,823</u>	<u>\$3,601</u>	<u>\$95</u>	<u>(\$101,555)</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON MAJOR FUNDS - (CONTINUED)

YEAR ENDED JUNE 30, 2011

	Title VI-B Fund	Preschool Fund	C. Perkins Vocational Education Fund	Title III LEP Fund
<b>REVENUES:</b>				
Local income				
Federal and State assistance	\$173,373	\$5,208	\$14,232	\$25,482
Total revenues	<u>173,373</u>	<u>5,208</u>	<u>14,232</u>	<u>25,482</u>
<b>EXPENDITURES:</b>				
Instructional services	122,477	5,002	10,054	27,178
Support services	57,801	6,128	4,011	
Non-instructional services				
Capital outlay				
Total expenditures	<u>180,278</u>	<u>11,130</u>	<u>14,065</u>	<u>27,178</u>
EXCESS REVENUES (EXPENDITURES)	(6,905)	(5,922)	167	(1,696)
TRANSFERS (TO) FROM OTHER FUNDS	<u>(4,215)</u>	<u>(143)</u>		<u>(586)</u>
EXCESS FINANCING SOURCES (USES)	(11,120)	(6,065)	167	(2,282)
FUND BALANCE - JUNE 30, 2010	<u>575</u>	<u>3,186</u>	<u>0</u>	<u>(281)</u>
FUND BALANCE - JUNE 30, 2011	<u><u>(\$10,545)</u></u>	<u><u>(\$2,879)</u></u>	<u><u>\$167</u></u>	<u><u>(\$2,563)</u></u>

Title II Teacher Quality Fund	Drug-Free Schools Fund	Title II D Drug-Free Schools Fund	School Lunch Fund	Bus Depreciation Fund	Lottery Fund	2011 Totals
			\$28,200	\$11,889	\$5,970	\$97,145
\$62,354	\$1,222	\$50,000	265,602			1,206,549
<u>62,354</u>	<u>1,222</u>	<u>50,000</u>	<u>293,802</u>	<u>11,889</u>	<u>5,970</u>	<u>1,303,694</u>
62,558						792,885
		50,000				205,045
			274,749			274,749
						0
<u>62,558</u>	<u>0</u>	<u>50,000</u>	<u>274,749</u>	<u>0</u>	<u>0</u>	<u>1,272,679</u>
(204)	1,222	0	19,053	11,889	5,970	31,015
			995	33,097	(5,364)	16,967
(204)	1,222	0	20,048	44,986	606	47,982
(2)	0	0	103,908	54,932	5,372	217,077
<u>(\$206)</u>	<u>\$1,222</u>	<u>\$0</u>	<u>\$123,956</u>	<u>\$99,918</u>	<u>\$5,978</u>	<u>\$265,059</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR FUND REVENUE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011

	Estimated Revenues	Actual Revenues	Variance Favorable (Unfavorable)
JOBS BILL FUND:			
Local revenue	\$0	\$158,509	\$158,509
DISTRICT LOCAL GRANT:			
Local revenue	\$41,473	\$34,908	(\$6,565)
HS/MS/ELEM LOCAL GRANT:			
Local revenue	\$4,900	\$9,105	\$4,205
DRIVER EDUCATION FUND:			
Local revenue	\$6,893	\$7,073	\$180
State assistance	8,000	6,375	(1,625)
	<u>\$14,893</u>	<u>\$13,448</u>	<u>(\$1,445)</u>
STATE VOCATIONAL FUND:			
State assistance	\$24,763	\$25,787	\$1,024
TITLE I FUND:			
Federal assistance	\$183,572	\$214,881	\$31,309
READING 1st GRANT FUND:			
Federal assistance	\$9,998	\$9,998	\$0
TITLE I MIGRANT FUND:			
Federal assistance	\$95,888	\$93,526	(\$2,362)
Title IB			
Federal assistance	\$100,000	\$100,000	\$0
TITLE VI-B FUND:			
Federal assistance	\$166,128	\$173,373	(\$7,245)
PRESCHOOL FUND:			
Federal assistance	\$7,160	\$5,208	\$1,952

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR FUND REVENUE - BUDGET AND ACTUAL - (CONTINUED)  
 YEAR ENDED JUNE 30, 2011

	Estimated Revenues	Actual Revenues	Variance Favorable (Unfavorable)
<b>C. PERKINS VOCATIONAL EDUCATION FUND:</b>			
Federal assistance	\$14,065	\$14,232	\$167
<b>TITLE III LEP FUND:</b>			
Federal assistance	\$25,482	\$25,482	\$0
<b>TITLE II TEACHER QUALITY FUND:</b>			
Federal assistance	\$60,455	\$62,354	\$1,899
<b>DRUG-FREE SCHOOLS FUND:</b>			
Federal assistance	\$0	\$1,222	\$1,222
<b>TITLE II D FUND:</b>			
Federal assistance	\$50,000	\$50,000	\$0
<b>SCHOOL LUNCH FUND:</b>			
Other local	\$28,526	\$28,200	(\$326)
Federal assistance	255,350	265,602	10,252
	<u>\$283,876</u>	<u>\$293,802</u>	<u>\$9,926</u>
<b>BUS DEPRECIATION FUND:</b>			
Other local	\$7,356	\$11,889	\$4,533
<b>LOTTERY FUND:</b>			
Other local	\$0	\$5,970	\$5,970

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2011

	Appropriated	Expended	Variance Favorable (Unfavorable)
<b>JOBS BILL FUND:</b>			
Instruction:			
Salaries		\$32,390	(\$32,390)
Benefits		6,078	(6,078)
Support Services:			
Salaries		6,390	(6,390)
Benefits		1,206	(1,206)
	<u>\$0</u>	<u>\$46,064</u>	<u>(\$46,064)</u>
<b>DISTRICT LOCAL GRANT:</b>			
Instruction:			
Salaries	\$6,823	\$7,300	(\$477)
Benefits		1,298	(1,298)
Purchased services	14,995	7,040	7,955
Materials and supplies	5,380	3,222	2,158
Support Services:			
Purchased services	14,000	14,367	(367)
Materials and supplies	275	262	13
	<u>\$41,473</u>	<u>\$33,489</u>	<u>\$7,984</u>
<b>MS/ELEM LOCAL GRANT:</b>			
Instruction:			
Salaries	\$3,400		\$3,400
Materials and supplies	2,704	\$1,465	1,239
Support Services:			
Salaries		636	(636)
Benefits		49	(49)
Purchased services	7,807	4,398	3,409
	<u>\$13,911</u>	<u>\$6,548</u>	<u>\$7,363</u>
<b>DRIVER EDUCATION FUND:</b>			
Instruction:			
Salaries	\$8,300	\$7,816	\$484
Benefits	1,650	1,467	183
Purchased services	2,800		2,800
Materials and supplies	2,014	1,131	883
Insurance	128	238	(110)
	<u>\$14,892</u>	<u>\$10,652</u>	<u>\$4,240</u>
<b>STATE VOCATIONAL FUND:</b>			
Instruction:			
Salaries	\$10,771	\$10,771	\$0
Benefits	2,079	2,079	0
Purchased services	2,691	2,691	0
Materials and supplies	8,094	8,094	0
	<u>\$23,635</u>	<u>\$23,635</u>	<u>\$0</u>
<b>TECHNOLOGY GRANT FUND:</b>			
Support Services:			
Purchased services		\$12,894	(\$12,894)
	<u>\$0</u>	<u>\$12,894</u>	<u>(\$12,894)</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

TITLE I FUND:	Appropriated	Expended	Variance Favorable (Unfavorable)
Instruction:			
Salaries	\$128,125	\$125,208	\$2,917
Benefits	53,070	51,878	1,192
Purchased services	4,928	6,335	(1,407)
Materials and supplies	275	10,354	(10,079)
Support Services:			
Salaries	4,320	4,320	0
Benefits	1,792	1,760	32
Purchased services		1,922	(1,922)
Materials and supplies		167	(167)
	<u>\$192,510</u>	<u>\$201,944</u>	<u>(\$9,434)</u>
READING 1st GRANT FUND:			
Instruction:			
Salaries	\$24,892	\$19,181	\$5,711
Benefits	7,141	5,533	1,608
Purchased services	244		244
Materials and supplies	1,000		1,000
	<u>\$33,277</u>	<u>\$24,714</u>	<u>\$8,563</u>
TITLE I MIGRANT FUND:			
Instruction:			
Salaries	\$63,376	\$50,896	\$12,480
Benefits	30,307	16,105	14,202
Purchased services		494	(494)
Materials and supplies		109	(109)
Support Services:			
Salaries		15,957	(15,957)
Benefits		7,665	(7,665)
	<u>\$93,683</u>	<u>\$91,226</u>	<u>\$2,457</u>
TITLE IB FUND:			
Instruction:			
Salaries	\$236,544	\$135,061	\$101,483
Benefits	32,857	33,685	(828)
Purchased services		762	(762)
Materials and supplies		16,936	(16,936)
Support Services:			
Salaries	5,026	4,025	1,001
Benefits	667	5,687	(5,020)
Purchased services		1,240	(1,240)
Materials and supplies		4,159	(4,159)
	<u>\$275,094</u>	<u>\$201,555</u>	<u>\$73,539</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)  
YEAR ENDED JUNE 30, 2011

	Appropriated	Expended	Variance Favorable (Unfavorable)
<b>TITLE VI-B FUND:</b>			
Instruction:			
Salaries	\$71,099	\$75,605	(\$4,506)
Benefits	27,434	29,112	(1,678)
Purchased services		17,409	(17,409)
Materials and supplies		351	(351)
Support Services:			
Salaries	45,969	41,094	4,875
Benefits	20,029	16,707	3,322
	<u>\$164,531</u>	<u>\$180,278</u>	<u>(\$15,747)</u>
<b>PRESCHOOL FUND:</b>			
Instruction:			
Salaries	\$5,275	\$4,615	\$660
Benefits	1,072	387	685
Support Services:			
Salaries	1,080	4,263	(3,183)
Benefits	449	1,865	(1,416)
	<u>\$7,876</u>	<u>\$11,130</u>	<u>(\$3,254)</u>
<b>C. PERKINS VOCATIONAL EDUCATION FUND:</b>			
Instruction:			
Purchased services	\$1,054	\$1,054	\$0
Materials and supplies	9,000	9,000	0
Support Services:			
Purchased services	4,011	4,011	0
	<u>\$14,065</u>	<u>\$14,065</u>	<u>\$0</u>
<b>TITLE III LEP FUND:</b>			
Instruction:			
Salaries	\$20,031	\$18,728	\$1,303
Benefits		4,483	(4,483)
Purchased services	3,907	3,952	(45)
Materials and supplies	841	15	826
	<u>\$24,779</u>	<u>\$27,178</u>	<u>(\$2,399)</u>
<b>TITLE II TEACHER QUALITY FUND:</b>			
Instruction:			
Salaries	\$45,158	\$46,858	(\$1,700)
Benefits	15,297	15,700	(403)
	<u>\$60,455</u>	<u>\$62,558</u>	<u>(\$2,103)</u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

SCHEDULE OF NON MAJOR EXPENDITURES - BUDGET AND ACTUAL - (CONTINUED)  
 YEAR ENDED JUNE 30, 2011

	<u>Appropriated</u>	<u>Expended</u>	<u>Variance Favorable (Unfavorable)</u>
Title II D Fund:			
Instruction:			
Salaries		\$4,500	(\$4,500)
Benefits		869	(869)
Purchased services	\$16,500	12,008	4,492
Materials and supplies	33,500	32,623	877
	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>
SCHOOL LUNCH FUND:			
Non-Instruction:			
Salaries	\$91,459	\$93,048	(\$1,589)
Benefits	44,095	43,219	876
Purchased services	1,315	1,313	2
Materials and supplies	148,200	137,169	11,031
	<u>\$285,069</u>	<u>\$274,749</u>	<u>\$10,320</u>
LOTTERY FUND:			
Capital outlay	<u>\$7,000</u>	<u>\$0</u>	<u>\$7,000</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF HIGH SCHOOL STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2011

FUND:	Balance 6/30/10	Receipts	Disbursements	Transfers	Balance 6/30/11
Academic Decathlon	\$0		(\$1,461)		(\$1,461)
BPA	591	\$3,017	(2,084)	\$6	1,530
Drama	223	1,085	(1,008)		300
IDLA	(375)	675	(375)	75	0
Duel credit	442	750	(421)		771
FCA	23	745	(761)		7
FFA - Booth	285	10,382	(9,639)	(190)	838
FFA	(530)	5,715	(5,375)	190	0
AG	308	1,539	(1,170)		677
FCCLA	1,037	68			1,105
National Honor Society	161	30	(74)		117
HALO	64				64
Ski Club	81				81
Student Body	185	1,502	(1,436)	(240)	11
YEA	0	602	(602)		0
Tiger Club	232		(12)		220
Tiger Force	265	5,161	(4,771)		655
Cheerleaders	193	642	(327)		508
Youth Legislature	389				389
IDFY	0	216			216
Athletic Calendar	2,083	2,766	(2,777)		2,072
Class of 2013	125	724	(28)		821
Class of 2014	0	298	(10)		288
Track resurfacing	0	10,238	0		10,238
Announcements	150	411	(182)		379
Pop Machine	2,431	2,422	(749)		4,104
Music Supplies	7	116	(180)	57	0
Band Rental & Repair	86	1,595	(1,078)		603
Pep Band	734	16,907	(15,399)	(86)	2,156
Musical	77	5,074	(6,288)	1,137	0
First Aid A	2,023				2,023
First Aid B	3,584	1,764	(309)	10	5,049
Athletics	23,556	16,730	(7,268)	(42)	32,976
Gearup	70			(70)	0
Plato	0	2,295	(2,295)	70	70

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF HIGH SCHOOL STUDENT BODY FUNDS - (CONTINUED)

YEAR ENDED JUNE 30, 2011

FUND:	Balance 6/30/10	Receipts	Disbursements	Transfers	Balance 6/30/11
Extra/Trans	\$11,143	\$7,801	(\$10,677)	(\$1,183)	\$7,084
District Tournaments	25			(25)	0
ACT	60				60
Annual	6,197	9,409	(9,078)	280	6,808
Chemistry	543	489	(245)		787
Art	25	1,385	(1,107)	(150)	153
Art Equipment	0			150	150
Computer Lab	1,850	1,016	(597)		2,269
Accounting class	0	146	(125)		21
Counselor	820	594	(519)		895
Drivers Ed	6,389	5,915	(9,313)		2,991
Faculty Pop	803	705	(1,321)		187
Home Ec	(30)	270	(157)		83
Interest	443	804	(987)		260
Insurance	35	219	(219)		35
Library	164	150	(50)	(40)	224
Math	504				504
Lockers	81				81
Rental	59	75	(30)		104
Sales Tax	6	3,670	(2,915)		761
Telescope	683				683
Texbook Fines	1,074	120	(1,061)		133
Savings	5,457				5,457
Football	118	2,973	(2,568)		523
Volleyball	288	10,344	(9,681)	(46)	905
Soccer	103	2,199	(1,923)		379
Cross Country	133				133
Girls Basketball	423	5,989	(5,596)		816
Boys Basketball	1,586	5,608	(5,251)		1,943
Wrestling	6,896	12,440	(10,456)		8,880
Golf	291		(80)		211
Track	(97)	863	(716)	97	147
Cheerleading	878	12,353	(12,039)		1,192
	<u>\$85,450</u>	<u>\$179,006</u>	<u>(\$152,790)</u>	<u>\$0</u>	<u>\$111,666</u>
Checking					\$2,456
Savings					5,665
Investments					103,545
					<u>\$111,666</u>

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE MIDDLE SCHOOL STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2011

FUND:	Balance 6/30/10	Receipts	Disbursements	Transfers	Balance 6/30/11
Annual	\$921	\$2,205	(\$1,653)		\$1,473
Accelerated reader	520	1,216	(1,220)	(\$72)	444
Art	542	645	(724)	(5)	458
Athletics - Gen	1,073		(285)		788
Athletics - VB	0	1,254	(1,116)		138
Athletics - W	0	785	(1,055)	(50)	(320)
Athletics - GBB	341	1,816	(2,472)		(315)
Athletics -BBB	0	5,652	(4,590)	536	1,598
Athletics - CC	297				297
Athletics - Track	111	1,046	(583)		574
Cheer/Drill	823	100			923
Computers	1,165	991	(363)		1,793
Cool to be kind	521	258	(377)		402
Credit recovery	0	675			675
Fundraiser	738	1,117	(1,250)		605
Health/PE	(273)	981	(581)		127
Health fair	153	105	(29)	(25)	204
General	13,022	5,823	(1,293)	(66)	17,486
Grade 6	294	78	(167)		205
Grade 7	852	313	(176)		989
Grade 8	342	771	(701)		412
Grants	198				198
Locks	1,197	10			1,207
Media Center	216	1,362	(1,307)		271
Migrant	5				5
Milk machine/health	111	22	(167)		(34)
Multi media	164				164
Music - McCombs	359	2,340	(1,950)	5	754
Music - Millett	(91)			91	0
Postage	174		(5)		169
Special Services	27		(4)		23
Student Govt	712	5,838	(5,395)	(415)	740
Ski-skate	832	6,477	(5,857)		1,452
Teachers	750	78			828
PTSA	2,104	90			2,194
Vending	2,307	4,827	(6,213)		921
Yellowstone	906				906
	<u>\$31,413</u>	<u>\$46,875</u>	<u>(\$39,533)</u>	<u>(\$1)</u>	<u>\$38,754</u>
Cash in bank - checking					<u>\$38,754</u>

SCHOOL DISTRICT NO. 58  
 ABERDEEN, IDAHO

SCHEDULE OF ELEMENTARY STUDENT BODY FUNDS

YEAR ENDED JUNE 30, 2011

	<u>Balance</u> 6/30/10	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Balance</u> 6/30/11
FUND:					
General	\$31,754	\$5,908	(\$7,081)		\$30,581
Vending	7,952	6,355	(5,660)		8,647
Teachers	986	1,254	(1,083)		1,157
Library	75	289	(68)		296
	<u>\$40,767</u>	<u>\$13,806</u>	<u>(\$13,892)</u>	<u>\$0</u>	<u>\$40,681</u>
Cash in bank - checking					<u>\$40,681</u>

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Jones, Yost, Hatt,  
Erickson P.A.

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Board of Trustees  
School District No. 58  
Aberdeen, Idaho

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With Government Auditing  
Standards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District No. 58, 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 September 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United State 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 in a timely basis.

Our consideration of the 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 weakness, as defined above.

Compliance and other matters

As part of obtaining reasonable assurance about whether School District No. 58's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, 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.

*Jones, Gost, Hatt, Erickson P.A.*

Pocatello, Idaho  
September 1, 2011



Jones, Yost, Hatt,  
Erickson P.A.

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Board of Trustees  
School District No. 58  
Aberdeen, Idaho

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

Compliance

We have audited the compliance of School District No. 58 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2011. Major Federal programs are identified in the accompanying Summary 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 District 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 School District No. 58's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on School District No. 58's compliance with those requirements.

In our opinion, School District No. 58 complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2011.

Internal Control over Compliance

The management of School District No. 58 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 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 the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A 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 considered material weaknesses as defined above.

This report is intended solely for the information and use of the audit committee, management and Federal awarding agencies and pass-through entities, is not intended to be, and should not be used by anyone other than these specified parties.

Pocatello, Idaho,  
September 1, 2011

*Jones, Gost, Hatt, Erickson P.A.*

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

Title	Catalogue of Federal Domestic Assistance Number	Expenditures
<u>Department of Education (State Dept. of Education Pass Thru Funding):</u>		
Title I - Remedial )	84.010	\$191,084
Title I (ARRA)	84.389	15,472
Title I Migrant	84.011	91,226
Title VI-B	84.027	175,233
Title VI-B (ARRA)	84.391	9,260
Vocational Education (Perkins)	84.048	14,232
Title VI-B Preschool	84.173	10,029
Title VI-B Preschool (ARRA)	84.392	1,245
Reading 1st	84.340	24,714
Title II Technology	84.386	10,990
Title III LEP	84.365	27,765
Improving Teacher Quality	84.367	62,558
Title I Improvement	84.377	201,555
Gaining Early Awareness & Reading	84.664	33,489
Education Jobs Bill (ARRA)	84.410	46,064
		<u>914,916</u>
<u>Department of Transportation (State Dept. of Education Pass Thru Funding):</u>		
Highway Safety Grant	20.205	<u>1,678</u>
<u>Department of Agriculture (State Dept. of Education Pass Thru Funding):</u>		
School Breakfast Program	10.553	54,519
School Lunch Program	10.555	220,084
School Lunch non cash commodities	10.555	24,257
Summer Food Service Program For Children	10.559	1,211
		<u>300,071</u>
Total		<u><u>\$1,216,665</u></u>

Note 1 Basis of Presentation

The above schedule of expenditures of Federal awards includes the federal grant activity of School District # 58 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations."

Audits of States, Local Governments, and Non-Profit Organizations.

SCHOOL DISTRICT NO. 58  
ABERDEEN, IDAHO

SUMMARY OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

FINANCIAL STATEMENTS

The auditor's report is unqualified.

Internal control over financial reporting:

There are no material weaknesses identified.

There are no reportable conditions identified that are not considered to be a material weakness.

There are no instances of noncompliance material to financial statements identified.

FEDERAL AWARDS

There are no material weaknesses identified.

There are no reportable conditions identified that are not considered to be material weaknesses.

The auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 is unqualified.

There are no audit findings required to be reported in accordance with section 510(a) of Circular A-133.

IDENTIFICATION OF MAJOR PROGRAMS

The programs tested as major programs include:

Department of Education	84.010	84.389	84.027	84.391
	84.173	84.392	84.386	84.410

The threshold for distinguishing Types A and B programs was \$300,000.

Aberdeen School District No. 58 qualifies as a low-risk auditee.