

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

AUDITED FINANCIAL STATEMENTS
For The Year Ended June 30, 2011

KENDRICK JOINT SCHOOL DISTRICT NO. 283
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For The Year Ended June 30, 2011

HAYDEN & ROSS, P.A.
Certified Public Accountants
Moscow, Idaho

INTRODUCTORY SECTION

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

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FINANCIAL SECTION

HAYDEN & ROSS, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

Jim Pilcher, CPA/PFS • Dave Jones, CPA/PFS • Brad Lewis, CPA/PFS • Cade Konen, CPA/PFS • Nathan Strong, CPA/PFS • Mark Watson, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Kendrick Joint School District No. 283
Kendrick, Idaho 83537

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kendrick Joint School District No. 283 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of the Kendrick Joint School District No. 283's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kendrick Joint School District No. 283 as of June 30, 2011, and the respective changes in financial position and when applicable, cash flows, 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 18, 2011, on our consideration of Kendrick Joint School District No. 283's internal control over financial reporting and 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 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 read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 7, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kendrick Joint School District No. 283's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the 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 of Kendrick Joint School District No. 283. The combining and individual non-major fund 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hayden & Ross, P.A.

Moscow, Idaho
October 18, 2011

KENDRICK JT. SCHOOL DISTRICT #283
Kendrick, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011

The discussion and analysis of the Kendrick Joint School District No. 283's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011.

Financial Highlights

- The net market value of Kendrick Joint School District No. 283 increased by \$6.9M from 2009-2010 (109.4M) to 2010-2011 (116.4M). This increase in market value helped to keep the Levy rate steady, with only a slight increase. The 2009 Levy rate went from 7.23 to 7.39 in 2010.
- Student enrollment dropped 3% from 236 students in the fall of 2009 to 229 students in the fall of 2010. This is a decrease of 7 students or 3% of student population in the past year. These declining numbers are continuing and have a huge impact on the District, since our State foundation support is generated by the average attendance of students enrolled in our District.
- The Board of Trustees chose to cut all salaries of instructional and support personnel by 5% for FY 2010/2011, freezing all steps and lanes on the experience and education salary schedule. This cut was implemented as a result of declining revenue from taxes received at the State of Idaho that could result in a hold back of State funding to the district in the spring of 2011.
- Certified staff negotiated to take the 5% cut as long as the state held back funds, otherwise the teachers and staff would receive 2.5% of the cut wages as a bonus payable in the spring as an additional check. The District received Federal Stimulus Funds to restore loss of wages through the Federal Jobs Bill. This restored the remainder of the salaries lost from the 5% cut. These "one time funds" saved the employees from the drastic 5% wage cut.
- Title IID monies were received as a grant from the Federal Government to purchase classroom technology. All classrooms received a projector and Mimio Board and professional development for teachers to use the equipment to enhance student learning. The grant was for \$50,000.
- A contingency fund of \$89,000 was created in the budget to provide for future cash flow needs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District’s finances. They contain useful long-term information for the just completed fiscal year.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In the government-wide financial statements, the District’s activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation and food service. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

Fund Financial Statements. Funds are accounting devices the District uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund Financial statements generally report operation in more detail than the government-wide statements. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on those which are considered most significant.

Governmental Funds. Most of the District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported on the “Modified accrual” basis of 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.

Internal Service Fund. This fund records transactions for the medical risk pool. It uses the same basis of accounting as business-type activities, and is consolidated with the governmental activities in the statements for the District as a whole.

Fiduciary Funds. The District serves as trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operation.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve as a useful indicator of a district’s financial position. In the case of the District, assets exceeded liabilities by \$3,628,079.

**Statement of Net Assets
June 30, 2011**

ASSETS	2010-2011	2009-2010	Change
Current and Other Assets	1,229,237	1,124,249	104,988
Capital Assets	4,873,710	4,891,179	(17,469)
Total Assets	6,102,947	6,015,428	87,519
LIABILITIES			
Long-Term Liabilities Outstanding	2,100,000	2,165,000	(65,000)
Other Liabilities	374,868	404,530	(29,662)
Total Liabilities	2,474,868	2,569,530	(94,662)
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,681,310	2,611,055	70,255
Restricted	548,357	515,501	32,856
Unreserved	398,412	319,342	79,070
Total Net Assets	3,628,079	3,445,898	182,181

The largest portions of the District’s net assets (73.9%) reflect investments in capital assets (i.e. land, building, and improvements, furniture, and equipment) net of related debt (general obligation bonds) used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District’s net assets (15.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unreserved net assets (11%) may be used to meet the District’s ongoing obligations to students, employee, and creditors.

The unreserved net asset amount has been earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency.

Changes in Net Assets - The table below shows the changes in net assets for the fiscal year 2010/2011. The District had total revenues of \$3,292,339 and total expenses of \$3,110,158 that generated an increase in net assets of \$182,181.

**Changes in Net Assets
For Fiscal Year Ending June 30, 2011**

REVENUES	2010-2011	2009-2010	Change
Program Revenues:			
Charges for services	46,371	46,153	218
Operating grants and contributions	621,512	437,211	184,301
General Revenues			
Property Taxes	897,880	814,182	83,698
Federal and State revenues	1,709,509	1,862,673	(153,164)
Local Revenues	17,067	22,742	(5,675)
Total Revenues	3,292,339	3,182,961	109,378
EXPENSES			
Program Expenses:			
Instruction	1,445,076	1,522,166	(77,090)
Support Services	1,240,799	1,145,542	95,257
Food Services	140,905	142,097	(1,192)
Capital Outlay	24,205	54,924	(30,719)
Debt Service	96,088	99,810	(3,722)
Depreciation, unallocated	163,087	150,635	12,452
Total Expenses	3,110,158	3,115,174	(5,016)
Change in Net Assets	182,181	67,787	114,394

DISTRICT'S FUNDS FINANCIAL ANALYSIS

General Fund - The general fund is the maintenance and operation fund and the most significant budgeted fund. At the end of the current fiscal year, the general fund balance is \$366,004, which is up 29.4% from the ending balance in fiscal year 2010 of \$282,907. The reason for the increase was an increase in grant revenues and the District decreasing its expenditures slightly. A minimum fund balance of one month's expenses and preferably two months is recommended by our auditor. The District has a fund balance of a little under two months at the end of fiscal year 2011.

Revenues in the general fund totaled \$2,462,329, a 5.8% decrease from the prior year. Expenditures in the general fund totaled \$2,307,836, a 7% decrease from the prior year.

Internal Service Fund - The District has an internal service fund which accounts for the activities of the Self-Insured Employee Medical Pool. To mitigate the effects of increasing health insurance premiums and position the District for partially self-insuring medical deductibles in the future, the Board contributed \$30,000 of the 2001 "Gainsharing" distribution into this fund. This fund has net assets totaling \$264,155 at June 30, 2011.

Capital Assets - The Plant Facility Fund is used for capital construction, building and site improvement, remodeling, and equipment; to purchase school buses; for lease and lease purchase agreements for any of the above purposes. A levy in the amount of \$50,000 was approved by the voters in 2009 and continues for ten years. At the end of the current fiscal year, the balance in the Plant Facility Fund is \$86,588. This is an increase from the prior balance of \$83,308.

**Capital Assets
Governmental Activities
Net of Accumulated Depreciation
June 30, 2011**

	2010-2011	2009-2010	Change
Sites	349,788	353,870	(4,082)
Buildings	4,288,100	4,398,338	(110,238)
Equipment	37,437	3,010	34,427
Transportation	198,385	135,961	62,424
Total Net Assets	4,873,710	4,891,179	(17,469)

Long-term debt –

General Obligation Bonds -

The debt service fund has a total fund balance of \$129,727 all of which is restricted for the payment of debt service on a general obligation bond. The debt of the District is secured by an annual debt service tax levy authorized by the patrons of the District in 2009.

At year end the District had \$2,160,000 outstanding.

Capital Leases –

In July of 2008 the District entered into a capital lease purchase agreement in the amount of \$52,281 for the purpose of acquiring a new school bus. At year end the amount outstanding is \$0, as the final installment was paid on July 31, 2010.

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. Any questions or requests for additional information should be directed to the District’s Business Manager, Mellissa Eichner at the District’s Administrative Office, P.O. Box 283, Kendrick, ID 83537, by phone at (208) 289-4211, or by email at sd283@tds.net.

FINANCIAL STATEMENTS

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF NET ASSETS
June 30, 2011

ASSETS

Current Assets

Cash	192,514	
Investments	532,982	
Taxes receivable	55,459	
Other receivables:		
Due from other governmental units	445,520	
Other receivables	1,525	
Prepaid expense	<u>1,237</u>	
Total current assets		1,229,237

Noncurrent Assets

Non-depreciated capital assets	296,770	
Depreciated capital assets	6,763,363	
Less: Accumulated Depreciation	<u>(2,186,423)</u>	
Total noncurrent assets		<u>4,873,710</u>

Total Assets 6,102,947

LIABILITIES

Current Liabilities

Accounts payable and other current liabilities	314,868	
Current portion of long-term debt	<u>60,000</u>	
Total current liabilities		374,868

Noncurrent Liabilities

Noncurrent portion of long-term debt	<u>2,100,000</u>	
Total noncurrent liabilities		<u>2,100,000</u>

Total Liabilities 2,474,868

Net Assets

Invested in capital assets, net of related debt	2,681,310	
Restricted for:		
Debt service	136,759	
Capital projects	103,637	
Grant programs	43,806	
Medical benefits	264,155	
Unrestricted	<u>398,412</u>	
Total net assets		<u>\$ 3,628,079</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
Preschool - 12 Instruction	1,445,074	1,355	218,114		(1,225,605)
Support Services					
Pupil support	280,185		214,994		(65,191)
Staff support	83,858				(83,858)
General Administration	111,439				(111,439)
School Administration	196,218				(196,218)
Business Services	95,850				(95,850)
Mainenance/Custodial	302,576				(302,576)
Transportation	169,136		112,545		(56,591)
Other	1,537				(1,537)
Food services	140,905	45,016	75,859		(20,030)
Capital Outlay	24,205				(24,205)
Debt Services	96,088				(96,088)
Depreciation, unallocated	163,087				(163,087)
Total School District	\$ 3,110,158	46,371	621,512	0	(2,442,275)

General Revenues

Taxes	
Property taxes levied for general purposes	658,502
Property taxes levied for liability insurance	149
Property taxes levied for debt service	180,509
Property taxes levied for capital projects	58,720
Federal and State aid not restricted to specific purposes	1,709,509
Other	14,653
Interest and investment earnings	2,414
Total General Revenues	2,624,456
Change in Net Assets	182,181
Net assets - beginning	3,445,898
Net assets - ending	\$ 3,628,079

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	77,334	72,651	50,649	57,965	258,599
Investments	217,666		35,450		253,116
Taxes receivable	43,572	8,791	3,096		55,459
Other receivables:					
Due from other governmental units	284,514	55,317	14,442	91,247	445,520
Other receivables	1,525				1,525
Prepaid expense	1,237				1,237
Total assets	<u>\$ 625,848</u>	<u>136,759</u>	<u>103,637</u>	<u>149,212</u>	<u>1,015,456</u>
LIABILITIES					
Bank overdrafts				50,374	50,374
Accrued payroll and benefits	224,986			55,032	280,018
Deferred revenue	34,858	7,032	2,477	807	45,174
Total liabilities	<u>259,844</u>	<u>7,032</u>	<u>2,477</u>	<u>106,213</u>	<u>375,566</u>
FUND BALANCES					
Restricted		129,727	101,160	42,999	273,886
Unassigned	366,004				366,004
Total fund balances	<u>366,004</u>	<u>129,727</u>	<u>101,160</u>	<u>42,999</u>	<u>639,890</u>
Total liabilities and fund balances	<u>\$ 625,848</u>	<u>136,759</u>	<u>103,637</u>	<u>149,212</u>	<u>1,015,456</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2011**

Total Fund Balances - Governmental Funds	639,890
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	7,060,133
Accumulated depreciation	(2,186,423)
Property taxes receivable will 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.	
	45,174
In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the criteria.	
	(2,450)
Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	
	264,155
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when paid.	
	(32,400)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
General obligation bonds	<u>(2,160,000)</u>
Total Net Assets - Governmental Funds	<u>\$ 3,628,079</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	676,449	181,757	59,614	48,114	965,934
State	1,660,438	17,174	19,000	20,560	1,717,172
Federal	125,442			488,407	613,849
Total revenues	<u>2,462,329</u>	<u>198,931</u>	<u>78,614</u>	<u>557,081</u>	<u>3,296,955</u>
EXPENDITURES					
Current:					
Instruction	1,222,907			237,384	1,460,291
Support	1,081,470			214,994	1,296,464
Non-instruction	3,459			137,446	140,905
Capital objects			96,492		96,492
Debt service		155,575	28,237		183,812
Total expenditures	<u>2,307,836</u>	<u>155,575</u>	<u>124,729</u>	<u>589,824</u>	<u>3,177,964</u>
Excess (deficiency) of revenue over expenditures	<u>154,493</u>	<u>43,356</u>	<u>(46,115)</u>	<u>(32,743)</u>	<u>118,991</u>
Other financing sources (uses):					
Operating transfer in	32,000		90,920	14,828	137,748
Operating transfer out	(103,396)		(40,771)		(144,167)
Total other financing sources (uses)	<u>(71,396)</u>	<u>0</u>	<u>50,149</u>	<u>14,828</u>	<u>(6,419)</u>
Net change in fund balance	83,097	43,356	4,034	(17,915)	112,572
Fund balance-Beginning of year	<u>282,907</u>	<u>86,371</u>	<u>97,126</u>	<u>60,914</u>	<u>527,318</u>
Fund balance-End of year	<u>\$ 366,004</u>	<u>129,727</u>	<u>101,160</u>	<u>42,999</u>	<u>639,890</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds 112,572

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 expense in the statement of activities.

Capital outlays	145,618	
Depreciation expense	<u>(163,087)</u>	(17,469)

Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. (5,362)

In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the criteria. (2,450)

Repayment of the principal on capital leases is an expenditure in the governmental funds, but it reduces the capital leases payable in the statement of net assets and does not affect the statement of activities. 26,824

Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net assets and does not affect the statement of activities. 60,000

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when paid. 900

Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net income of the internal service fund is reported with governmental activities. 7,166

Total change in net assets of governmental activities \$ 182,181

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	633,391	633,391	660,228	26,837	26,837
Earnings on investments	500	500	1,568	1,068	1,068
Other	4,500	4,500	14,653	10,153	10,153
Total local	638,391	638,391	676,449	38,058	38,058
State:					
Base program	1,306,453	1,306,453	1,275,656	(30,797)	(30,797)
Transportation	126,000	126,000	112,545	(13,455)	(13,455)
Exceptional child support	6,508	6,508	6,760	252	252
Payroll benefits	171,956	171,956	166,040	(5,916)	(5,916)
Revenue in lieu of taxes	21,284	21,284	25,478	4,194	4,194
Other state support			73,959	73,959	73,959
Total state	1,632,201	1,632,201	1,660,438	28,237	28,237
Federal:					
Unrestricted			41,395	41,395	41,395
Restricted	34,700	34,700	84,047	49,347	49,347
Total federal	34,700	34,700	125,442	90,742	90,742
Total revenues	2,305,292	2,305,292	2,462,329	157,037	157,037
EXPENDITURES					
Current:					
Instruction:					
Salaries	832,592	832,592	871,248	(38,656)	(38,656)
Benefits	358,625	358,625	300,239	58,386	58,386
Purchased services	53,658	53,658	31,897	21,761	21,761
Supply-materials	27,800	27,800	19,523	8,277	8,277
Total instruction	1,272,675	1,272,675	1,222,907	49,768	49,768
Support:					
Salaries	541,154	541,154	539,758	1,396	1,396
Benefits	278,949	278,949	201,655	77,294	77,294
Purchased services	197,239	197,239	223,988	(26,749)	(26,749)
Supply-materials	129,543	129,543	88,195	41,348	41,348
Capital objects			6,781	(6,781)	(6,781)
Insurance	21,093	21,093	21,093	0	0
Total support	1,167,978	1,167,978	1,081,470	86,508	86,508
Non-instruction:					
Benefits	4,000	4,000	3,459	541	541
Total non-instruction	4,000	4,000	3,459	541	541
Capital objects	21,397	21,397	0	21,397	21,397
Contingency reserve	89,000	89,000	0	89,000	89,000
Total expenditures	2,555,050	2,555,050	2,307,836	158,214	158,214
Excess (deficiency) of revenues other expenditures	(249,758)	(249,758)	154,493	315,251	315,251
Other financing sources (uses):					
Operating transfer in:					
Capital Construction	32,000	32,000	32,000	0	0
Operating transfer out:					
Food service fund	(24,208)	(24,208)	(14,828)	9,380	9,380
Bus depreciation	(31,598)	(31,598)	(50,149)	(18,551)	(18,551)
Internal service fund	(9,343)	(9,343)	(38,419)	(29,076)	(29,076)
Total other financing sources (uses)	(33,149)	(33,149)	(71,396)	(38,247)	(38,247)
Net change in fund balance	\$ (282,907)	(282,907)	83,097	277,004	277,004
Fund balance-Beginning of year			282,907		
Fund balance-End of year			\$ 366,004		

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variances Favorable (Unfavorable)	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
REVENUES					
Local:					
Taxes	<u>188,416</u>	<u>188,416</u>	<u>181,757</u>	<u>(6,659)</u>	<u>(6,659)</u>
State:					
Other	<u>17,174</u>	<u>17,174</u>	<u>17,174</u>	<u>0</u>	<u>0</u>
Total revenues	<u>205,590</u>	<u>205,590</u>	<u>198,931</u>	<u>(6,659)</u>	<u>(6,659)</u>
EXPENDITURES					
Debt service					
Interest	<u>95,575</u>	<u>95,575</u>	<u>95,575</u>	<u>0</u>	<u>0</u>
Principal	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>0</u>
Total debt service	<u>155,575</u>	<u>155,575</u>	<u>155,575</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>155,575</u>	<u>155,575</u>	<u>155,575</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ 50,015</u>	<u>50,015</u>	43,356	<u>(6,659)</u>	<u>(6,659)</u>
Fund balance-Beginning of year			<u>86,371</u>		
Fund balance-End of year			<u>\$ 129,727</u>		

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SCHOOL PLANT FACILITY FUND - BUS DEPRECIATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variances	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
REVENUES					
Federal:					
Unrestricted	19,000	19,000	19,000	0	0
Total revenues	19,000	19,000	19,000	0	0
EXPENDITURES					
Debt services:					
Principal	26,829	26,829	26,824	5	5
Interest	1,408	1,408	1,413	(5)	(5)
Capital objects	95,500	95,500	80,929	14,571	14,571
Total expenditures	123,737	123,737	109,166	14,571	14,571
Excess (deficiency) of revenues over/under expenditures	(104,737)	(104,737)	(90,166)	14,571	14,571
Other financing sources (uses):					
Transfer in	90,920	90,920	90,920	0	0
Total other financing sources (uses)	90,920	90,920	90,920	0	0
Net change in fund balance	\$ (13,817)	(13,817)	754	14,571	14,571
Fund balance-Beginning of year			13,818		
Fund balance-End of year			\$ 14,572		

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SCHOOL PLANT FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variances	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	50,000	50,000	59,515	9,515	9,515
Earnings on investments			99	99	99
Total local	<u>50,000</u>	<u>50,000</u>	<u>59,614</u>	<u>9,614</u>	<u>9,614</u>
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>59,614</u>	<u>9,614</u>	<u>9,614</u>
EXPENDITURES					
Purchased services	46,269	46,269		46,269	46,269
Supplies-material	46,269	46,269		46,269	46,269
Capital objects	0	0	15,563	(15,563)	(15,563)
Total expenditures	<u>92,538</u>	<u>92,538</u>	<u>15,563</u>	<u>76,975</u>	<u>76,975</u>
Excess (deficiency) of revenues over/under expenditures	<u>(42,538)</u>	<u>(42,538)</u>	<u>44,051</u>	<u>86,589</u>	<u>86,589</u>
Other financing sources (uses):					
Transfer out	<u>(40,771)</u>	<u>(40,771)</u>	<u>(40,771)</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>(40,771)</u>	<u>(40,771)</u>	<u>(40,771)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ (83,309)</u>	<u>(83,309)</u>	3,280	<u>86,589</u>	<u>86,589</u>
Fund balance-Beginning of year			<u>83,308</u>		
Fund balance-End of year			<u>\$ 86,588</u>		

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF NET ASSETS - ALL PROPRIETARY FUNDS
June 30, 2011

ASSETS

Current Assets:		
Investments	<u>279,866</u>	
Total assets		\$ <u>279,866</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Bank overdraft	<u>15,711</u>	
Total liabilities		15,711
Net Assets:		
Restricted for medical payments		<u>264,155</u>
Total liabilities and net assets		\$ <u>279,866</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
- ALL PROPRIETARY FUNDS
For the Year Ended June 30, 2011

REVENUE		
Earnings on investments	<u>747</u>	
Total revenues		<u>747</u>
Other financing sources:		
Operating transfer in	38,419	
Operating transfer out	<u>(32,000)</u>	
Total other financing sources		<u>6,419</u>
Change in net assets		7,166
Total net assets - beginning		<u>256,989</u>
Total net assets - ending		<u>\$ 264,155</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUNDS
For the Year Ended June 30, 2011

Cash Flows From Noncapital Financing Activities		
Cash received from other funds	6,419	
Net cash provided by noncapital financing activities	<u>6,419</u>	6,419
Cash Flows From Investing Activities		
Purchase of investments	(37,085)	
Earnings on investments	747	
Net cash used in investing activities	<u>(36,338)</u>	(36,338)
Net decrease in cash		(29,919)
Cash-beginning of year		<u>14,208</u>
Cash-end of year		<u>\$ (15,711)</u>

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30, 2011

ASSETS

Current Assets

Cash

35,585

Total assets

\$ 35,585

LIABILITIES

Current Liabilities

Due to student groups

35,585

Total liabilities

\$ 35,585

The accompanying notes are an integral part of these financial statements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kendrick Joint School District No. 283 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to 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 of the government's accounting policies are described below:

Reporting Entity - The Kendrick Joint School District No. 283 is the basic level of government, which has financial accountability, and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation, Fund Accounting - District-wide Statements: The statement of net assets and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Only governmental-type activities are shown, since there are no "business-type activities" within the school district.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) 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 and state foundation aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. 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 governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- Debt Service Fund. This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- Capital Projects Fund. This fund is used to account for financial resources that are legally reserved for the acquisition, construction, or major repair of school property.

The District reports the following fund types:

- Internal service fund. The District has an internal service fund which is used to account for a medical risk pool. It uses the same basis of accounting as business-type activities.
- Agency funds. These funds account for assets held by the District as an agent for various student groups and clubs.

Basis of Accounting - The district-wide, proprietary, and fiduciary fund (excepting agency funds) 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 gives (or receives) value without directly receiving (or 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 the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

Governmental funds are reported using the current 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 they are collected within sixty days after year-end. 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 liabilities and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Internal service funds follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless these pronouncements conflict with GASB pronouncements.

Restricted Resources - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unreserved net assets are available.

Budgets - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

The Board of Directors 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.

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

Cash and Investments - The District's cash includes amounts in demand deposits and savings accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool. State statute and Board investment policy authorizes the District to invest in obligations of the U.S. Treasury, the State of Idaho, or county, city or other taxing districts of the State of Idaho, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair value, which approximates market. All investments are invested FDIC- and SLIC-insured accounts. Certain investments exceed the FDIC insured limits of \$250,000 as listed in Note 3. Interest income is defined as a non-operating revenue.

Deposits in 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:

- a. Local Certificates of Deposit
- b. Repurchase Agreements
- c. U.S. Government Securities

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

- a. Increase the overall rate of return.
- b. Reduce the risk of default.
- c. Place each entity under the FDIC and SLIC limits of \$250,000.

Investments in time certificates of deposit and savings accounts are authorized by Board policy as permitted by Idaho code Section 67-1210.

Inventory - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased.

General Fixed Assets - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–30 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Accumulated Unpaid Vacation and Sick Pay - Under the terms of the "Kendrick Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Employees are not paid for unused sick leave upon termination of employment with the District.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There is no accumulated vacation payable at June 30, 2011. In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for non-vesting an accumulating right to receive sick pay benefits.

Long Term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. In the fund financial statements, governmental fund types recognized 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Compensation - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day.

The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement. At June 30, 2011, there were 84 days of sick leave in the bank.

Encumbrances - The District does not utilize an encumbrance system.

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

Fund Equity, GASB 54 - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications.

Deferred Revenue - Deferred revenue in the General, Debt Service, and Capital Projects Funds represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

Subsequent Events - Subsequent events have been evaluated through October 18, 2011. This is the date the financial statements were available to be issued. The District has concluded that no subsequent events have occurred.

NOTE 2 - PROPERTY TAX

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2010 upon which the 2010 levy was based was \$117,194,582.

The District's actual levy was 4.29% per \$100 of market valuation for plant facility acquisitions, and 16.18% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt and plant facility acquisitions for the year ended June 30, 2011 was 53.53% per \$100, which means that the District was required to pass an override levy in the amount of 53.53% per \$100. The total tax levy for the year ended June 30, 2011 was \$866,361 with total tax collections being \$812,383.

Taxes are due in two equal installments on December 20th and June 20th following the levy date. Current tax collections for the year ended June 30, 2011 were 93.2% of the tax levy. Property taxes levied for 2010 are recorded as receivables to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Total taxes				
receivable at				
June 30, 2011	43,572	8,791	3,096	55,459
Less: Taxes				
estimated to be				
collected by the				
County Treasurer				
by August 31,				
2011	<u>8,714</u>	<u>1,759</u>	<u>619</u>	<u>11,092</u>
Deferred revenue	<u>\$ 34,858</u>	<u>7,032</u>	<u>2,477</u>	<u>44,367</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

<u>CASH</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking and Savings Accounts	<u>\$228,099</u>	<u>228,550</u>

Checking and savings accounts were with Wells Fargo Bank, N.A. and Latah Federal Credit Union of which \$250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance.

Investments

Detail of investments at June 30, 2011 are as follows:

	<u>Rate</u>	<u>Maturing Date</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Internal Service</u>	<u>Total</u>
Investment in State						
Treasurer's Pool	Variable		<u>217,666</u>	<u>35,450</u>	<u>279,866</u>	<u>532,982</u>
Total			<u>\$217,666</u>	<u>35,450</u>	<u>279,866</u>	<u>532,982</u>

Investment Maturities

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	532,982	532,982	532,982	-0-

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The district has no policy limiting the amount it may invest in any one issuer.

The State Treasurer's Local Government Investment Pool issues its own financial statement which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	July 1, 2010			June 30, 2011
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital Assets not being depreciated				
Land improvements	296,770	-0-	-0-	296,770
Capital Assets being depreciated				
Land improvements	207,448	7,644		215,092
Buildings	5,859,533			5,859,533
Equipment	63,882	39,045		102,927
Transportation	<u>543,314</u>	<u>98,929</u>	<u>(56,432)</u>	<u>585,811</u>
Total depreciated assets	<u>6,674,177</u>	<u>145,618</u>	<u>(56,432)</u>	<u>6,763,363</u>
Less: accumulated depreciation				
	July 1, 2010			June 30, 2011
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land and improvements	(150,348)	(11,726)		(162,074)
Buildings	(1,461,195)	(110,238)		(1,571,433)
Equipment	(60,872)	(4,618)		(65,490)
Transportation	<u>(407,353)</u>	<u>(36,505)</u>	<u>56,432</u>	<u>(387,426)</u>
Total Accumulated Depreciation	<u>(2,079,768)</u>	<u>(163,087)</u>	<u>56,432</u>	<u>(2,186,423)</u>
Governmental Activities Assets (Net)	<u>\$4,891,179</u>	<u>(17,469)</u>	<u>-0-</u>	<u>4,873,710</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended June 30, 2011.

Bonds payable @ July 1, 2010	2,220,000
Principal payments	<u>(60,000)</u>
Bonds payable @ June 30, 2011	<u>\$ 2,160,000</u>

Bonds payable at June 30, 2011, are comprised of the following individual issues:

General Obligation Bonds:

2008 Series	
Original issue of \$2,360,000 due August 15, 2032	
Interest varies between 4% and 4.5%	<u>\$2,160,000</u>

SERIES 2008

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2011	4.00%	60,000.00	47,187.50	107,187.50
2/15/2012			45,987.50	45,987.50
8/15/2012	4.00%	65,000.00	45,987.50	110,987.50
2/15/2013			44,687.50	44,687.50
8/15/2013	4.00%	65,000.00	44,687.50	109,687.50
2/15/2014			43,387.50	43,387.50
8/15/2014	4.00%	70,000.00	43,387.50	113,387.50
2/15/2015			41,987.50	41,987.50
8/15/2015	4.00%	70,000.00	41,987.50	111,987.50
2/15/2016			40,587.50	40,587.50
8/15/2016	4.00%	75,000.00	40,587.50	115,587.50
2/15/2017			39,087.50	39,087.50
8/15/2017	4.00%	80,000.00	39,087.50	119,087.50
2/15/2018			37,487.50	37,487.50
8/15/2018	4.00%	80,000.00	37,487.50	117,487.50
2/15/2019			35,887.50	35,887.50
8/15/2019	4.00%	85,000.00	35,887.50	120,887.50
2/15/2020			33,975.00	33,975.00
8/15/2020	4.00%	90,000.00	33,975.00	123,975.00
2/15/2021			31,950.00	31,950.00
8/15/2021	4.00%	90,000.00	31,950.00	121,950.00
2/15/2022			29,925.00	29,925.00
8/15/2022	4.00%	95,000.00	29,925.00	124,925.00
2/15/2023			27,787.50	27,787.50
8/15/2023	4.00%	100,000.00	27,787.50	127,787.50
2/15/2024			25,537.50	25,537.50
8/15/2024	4.00%	105,000.00	25,537.50	130,537.50
2/15/2025			23,175.00	23,175.00
8/15/2025	4.00%	110,000.00	23,175.00	133,175.00
2/15/2026			20,700.00	20,700.00
8/15/2026	4.00%	115,000.00	20,700.00	135,700.00
2/15/2027			18,112.50	18,112.50
8/15/2027	4.00%	120,000.00	18,112.50	138,112.50
2/15/2028			15,412.50	15,412.50
8/15/2028	4.00%	125,000.00	15,412.50	140,412.50
2/15/2029			12,600.00	12,600.00
8/15/2029	4.00%	130,000.00	12,600.00	142,600.00

2/15/2030			9,675.00	9,675.00
8/15/2030	4.00%	135,000.00	9,675.00	144,675.00
2/15/2031			6,637.50	6,637.50
8/15/2031	4.00%	145,000.00	6,637.50	151,637.50
2/15/2032			3,375.00	3,375.00
8/15/2032	4.00%	<u>150,000.00</u>	<u>3,375.00</u>	<u>153,375.00</u>
		<u>\$2,160,000.00</u>	<u>1,223,112.50</u>	<u>3,383,112.50</u>

Capital Leases - On August 14, 2008, the District entered into a capital lease purchase for a school bus for \$80,497. The interest is stated at 5.25%. Three payments of \$28,216.40 will be made. Final payment was made on July 31, 2010.

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2011 the Legal Debt Margin was:

Market Value at January 1, 2010	117,194,582
Percentage allowed	<u>5%</u>
Debt limitation	5,859,729
Less: Bonded debt at June 30, 2011	<u>2,160,000</u>
Legal Debt Margin	<u>\$3,699,729</u>

As of June 30, 2011, \$129,727 was available in the debt service fund to service the general obligation bonds.

NOTE 6 - PARTIALLY SELF-INSURED MEDICAL BENEFIT POOL

Dramatic increases in health insurance premiums have made it necessary for Kendrick Joint School District No. 283 to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees encumbered \$30,000 of the General Fund Balance in the FY 2001-2002 budget as a Self-Insured Employee Medical Pool. The purpose of the pool was two-fold: to offset the liability assumed by providing a partial self-fund health insurance plan for its employees, and to help fund future increases in the cost of medical insurance through the savings projected in administering the plan.

The savings in insurance costs, along with interest earned on investments, increased the Self-Insured Medical Benefit Pool balance to \$264,155 by the end of FY 2010-2011. The Board of Trustees authorized an operating transfer of the same amount to a newly created Internal Service Fund. The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

Administration – The Self-Insured Medical Benefit Pool is administered by the Kendrick Jt. School District No. 283 Board of Trustees. The business manager will provide the Board with financial statements upon which the Board will make decisions and set a yearly budget. Operating transfers of funds out of the Pool will only be made at the direction of the Board of Trustees.

Initial Investment – With the exception of unusual circumstances, the initial investment of \$30,000 cannot be spent, only invested. An example of an “unusual circumstance” would be employee paid deductibles in a year that would exceed net earnings over the initial investment of \$30,000. An operating transfer to the General M & O Fund to help defray medical fringe benefit cost would not be an “unusual circumstance”.

District Liability – 100% of the liability of self-insuring the employees and dependents of Kendrick Jt. School Dist. No. 283 shall be retained in the Self-Insured Medical Benefit Pool. Liability is calculated by the number of employees and dependents plus the eligible retirees and dependents times 90% of the difference between the employee paid deductible and the district paid deductible.

Eligible Retirees – Retirees under the age of 65 years are eligible for benefits under the Self-Insured Medical Benefit Pool with no additional cost in premium to the retiree.

Dissolving the Self-Insured Medical Pool – If the Self-Insured Medical Benefit Pool is dissolved at some point in time, the fund balance will revert back into the General M & O Fund through an operating transfer of funds.

NOTE 7 - EMPLOYEE'S 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 other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

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

The actuarially determined contribution requirements of the Kendrick Joint School District No. 283 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% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. The Kendrick Joint School District No. 283 employer contributions required and paid were \$157,252, \$156,375, and \$168,221, for the three years ended June 30, 2011, 2010, and 2009, respectively.

NOTE 8 - 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, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 9 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2011:

<u>Fund</u>	<u>Excess</u>
Child Nutrition	16,446
State Professional Technical Fund	330

These over-expenditures arose due to an increase in Local, State and Federal funding. To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

Interfund Transfers - Transfers to support the operations of other funds are recorded as "Operating Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total operating transfers are as follows:

	<u>Out</u>	<u>In</u>
General	103,396	32,000
Child Nutrition		14,828
Plant Facility	40,771	90,920
Internal Service	<u>32,000</u>	<u>38,419</u>
Totals	<u>\$176,167</u>	<u>176,167</u>

NOTE 11- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS

Fiscal year-end 2010 is the first year of recognition of a non-current liability for Other Post-Employment Benefits (OPEB) pursuant to the requirements of GASB Statement 45.

The Kendrick Joint School District No 283 Employee Group Benefits Plan is a single-employer plan that provides health insurance benefits to eligible retirees and their dependents from the time of retirement until the employee/retiree reaches age 65 and becomes eligible for Medicare benefits. Retirees pay 100% of the premium cost for themselves and their dependents.

Management has determined that five retirees participate in the plan. Management estimates a cost of \$5,148 to the District for these retirees to participate in the plan each year. The District has determined the benefit amount to be immaterial and therefore the amount has not been recorded in the financial statements.

COMBINING, INDIVIDUAL FUND FINANCIAL STATEMENTS

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND

To account for resources traditionally associated with District operations which are not required to be accounted for in another fund.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
BALANCE SHEET
June 30, 2011

ASSETS

Cash	77,334	
Investments	217,666	
Taxes receivable	43,572	
Other receivables:		
State support	88,622	
Taxes due from counties	195,892	
Federal reimbursement		
Other receivables	1,525	
Prepaid Expenses	<u>1,237</u>	
Total assets		\$ <u>625,848</u>

LIABILITIES AND FUND EQUITY

Liabilities:		
Accounts payable	1,273	
Accrued payroll and benefits	223,713	
Deferred revenue	<u>34,858</u>	
Total liabilities		259,844
Fund equity:		
Fund balance:		
Unassigned	<u>366,004</u>	
Total fund equity		<u>366,004</u>
Total liabilities and fund equity		\$ <u>625,848</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	660,228	633,391	26,837
Earnings on investments	1,568	500	1,068
Other	14,653	4,500	10,153
Total local	<u>676,449</u>	<u>638,391</u>	<u>38,058</u>
State:			
Base support	1,275,656	1,306,453	(30,797)
Transportation	112,545	126,000	(13,455)
Exceptional child support	6,760	6,508	252
Benefit apportionment	166,040	171,956	(5,916)
Revenue in lieu of taxes	25,478	21,284	4,194
Other state	73,959		73,959
Total state	<u>1,660,438</u>	<u>1,632,201</u>	<u>28,237</u>
Federal:			
Unrestricted	41,395		41,395
Restricted	84,047	34,700	49,347
Total federal	<u>125,442</u>	<u>34,700</u>	<u>90,742</u>
Total revenues	<u>2,462,329</u>	<u>2,305,292</u>	<u>157,037</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	871,248	832,592	(38,656)
Benefits	300,239	358,625	58,386
Purchased services	31,897	53,658	21,761
Supply-materials	19,523	27,800	8,277
Total instruction	<u>1,222,907</u>	<u>1,272,675</u>	<u>49,768</u>
Support:			
Salaries	539,758	541,154	1,396
Benefits	201,655	278,949	77,294
Purchased services	223,988	197,239	(26,749)
Supply-materials	88,195	129,543	41,348
Capital objects	6,781		(6,781)
Insurance	21,093	21,093	0
Total support	<u>1,081,470</u>	<u>1,167,978</u>	<u>86,508</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (Continued)			
Non-instruction:			
Benefits	3,459	4,000	541
Total non-instruction	<u>3,459</u>	<u>4,000</u>	<u>541</u>
Capital objects	<u>0</u>	<u>21,397</u>	<u>21,397</u>
Contingency reserve	<u>0</u>	<u>89,000</u>	<u>89,000</u>
Total expenditures	<u>2,307,836</u>	<u>2,555,050</u>	<u>158,214</u>
Excess (deficiency) of revenues over expenditures	<u>154,493</u>	<u>(249,758)</u>	<u>404,251</u>
Other financing sources (uses):			
Operating transfer in:			
Internal Service fund	32,000	32,000	0
Operating transfer out:			
Bus depreciation	(50,149)	(31,598)	(18,551)
Child nutrition	(14,828)	(9,343)	(5,485)
Internal Service fund	(38,419)	(24,208)	(14,211)
Total other financing sources (uses)	<u>(71,396)</u>	<u>(33,149)</u>	<u>(38,247)</u>
Net change in fund balance	83,097	<u>(282,907)</u>	<u>366,004</u>
Fund balance-Beginning of year	<u>282,907</u>		
Fund balance-End of year	<u>\$ 366,004</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Kindergarten/elementary			
Salaries	373,816	323,417	(50,399)
Benefits	131,212	144,226	13,014
Purchased services	4,427	15,000	10,573
Supply-materials	7,379	12,400	5,021
Total kindergarten/elementary	<u>516,834</u>	<u>495,043</u>	<u>(21,791)</u>
Secondary			
Salaries	310,750	320,675	9,925
Benefits	110,251	137,351	27,100
Purchased services	8,371	15,000	6,629
Supply-materials	9,628	12,700	3,072
Total secondary	<u>439,000</u>	<u>485,726</u>	<u>46,726</u>
Vocational-technical program			
Salaries	80,878	80,528	(350)
Benefits	30,935	34,796	3,861
Purchased services	264	300	36
Supply-materials	830	600	(230)
Total vocational-technical program	<u>112,907</u>	<u>116,224</u>	<u>3,317</u>
Exceptional child			
Salaries	57,634	57,095	(539)
Benefits	21,128	35,321	14,193
Purchased services	14,804	19,008	4,204
Supply-materials	1,686	600	17,322
Total exceptional child	<u>95,252</u>	<u>112,024</u>	<u>35,180</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
INSTRUCTION (Continued):			
Interscholastic program			
Salaries	42,690	44,089	1,399
Benefits	5,225	4,554	(671)
Purchased services	4,031	3,850	(181)
Supply-materials		1,500	1,500
Total interscholastic program	<u>51,946</u>	<u>53,993</u>	<u>2,047</u>
School activity program			
Salaries	5,480	6,788	1,308
Benefits	1,488	2,377	889
Purchased services		500	500
Total school activity program	<u>6,968</u>	<u>9,665</u>	<u>2,697</u>
TOTAL INSTRUCTION			
Salaries	871,248	832,592	(38,656)
Benefits	300,239	358,625	58,386
Purchased services	31,897	53,658	21,761
Supply-materials	19,523	27,800	8,277
Total Instruction	<u>\$ 1,222,907</u>	<u>1,272,675</u>	<u>49,768</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT:			
Attendance, guidance and health			
Salaries	34,594	30,822	(3,772)
Benefits	11,712	25,693	13,981
Purchased services	578		(578)
Supply-materials	170	600	430
Total attendance, guidance and health	<u>47,054</u>	<u>57,115</u>	<u>10,061</u>
Special services			
Salaries	32,684	31,175	(1,509)
Benefits	10,358	31,786	21,428
Purchased Services	26,389	20,000	(6,389)
Supply-materials	39	792	753
Total special services	<u>69,470</u>	<u>83,753</u>	<u>14,283</u>
Media			
Salaries	25,729	24,273	(1,456)
Benefits	8,084	21,450	13,366
Purchased Services	950	750	(200)
Supply-materials	1,825	3,500	1,675
Total media	<u>36,588</u>	<u>49,973</u>	<u>13,385</u>
Instruction-related technology program			
Salaries	26,224	25,102	(1,122)
Benefits	8,256	11,204	2,948
Purchased services		2,000	2,000
Supply-materials	10,341	11,000	659
Capital objects	202		(202)
Total instruction-related technology program	<u>45,023</u>	<u>49,306</u>	<u>4,283</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
District administration			
Salaries	64,438	62,433	(2,005)
Benefits	17,698	18,558	860
Purchased services	26,289	12,000	(14,289)
Supply-materials	2,961	3,000	39
Insurance	53	53	0
Total district administration	<u>111,439</u>	<u>96,044</u>	<u>(15,395)</u>
School administration			
Salaries	110,702	111,855	1,153
Benefits	41,512	50,587	9,075
Purchased services	2,872	2,100	(772)
Supply-materials	4,221	3,000	(1,221)
Total school administration	<u>159,307</u>	<u>167,542</u>	<u>8,235</u>
Business operation			
Salaries	51,054	51,902	848
Benefits	26,670	27,372	702
Purchased services	11,914	5,200	(6,714)
Supply-materials	6,159	2,500	(3,659)
Insurance	53	53	0
Total business operation	<u>95,850</u>	<u>87,027</u>	<u>(8,823)</u>
Administrative technology services program			
Salaries	25,119	25,102	(17)
Benefits	8,040	11,204	3,164
Purchased services	1,990	2,000	10
Supply-materials	1,762	11,000	9,238
Capital objects	5,287		(5,287)
Total administrative technology services program	<u>42,198</u>	<u>49,306</u>	<u>7,108</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Favorable Variance (Unfavorable)</u>
SUPPORT (Continued):			
Custodial			
Salaries	36,569	47,269	10,700
Benefits	24,520	34,345	9,825
Purchased services	127,642	120,000	(7,642)
Supply-materials	8,743	18,256	9,513
Insurance	14,744	14,744	0
Total custodial	<u>212,218</u>	<u>234,614</u>	<u>22,396</u>
Maintenance - buildings (non-student)			
Salaries	1,967	2,000	33
Benefits	796	1,019	223
Purchased services	496		(496)
Supply-materials	234	1,000	766
Total maintenance - buildings (non-student)	<u>3,493</u>	<u>4,019</u>	<u>526</u>
Maintenance - buildings and equipment			
Salaries	38,328	36,000	(2,328)
Benefits	15,739	18,357	2,618
Purchased services	8,278	15,000	6,722
Supply-materials	14,576	15,000	424
Capital objects	1,292		(1,292)
Total maintenance - buildings and equipment	<u>78,213</u>	<u>84,357</u>	<u>7,436</u>
Maintenance - grounds			
Salaries	2,986	4,000	1,014
Benefits	917	1,413	496
Purchased Services	4,644	2,500	(2,144)
Supply-materials	1,397	1,000	(397)
Total maintenance - grounds	<u>9,944</u>	<u>8,913</u>	<u>(1,031)</u>
Transportation			
Salaries	81,341	81,108	(233)
Benefits	26,295	24,523	(1,772)
Purchased services	9,232	10,345	1,113
Supply-materials	35,404	48,500	13,096
Insurance	3,973	3,973	0
Total transportation	<u>156,245</u>	<u>168,449</u>	<u>12,204</u>
Activity transportation			
Salaries	7,571	6,400	(1,171)
Benefits	947	795	(152)
Purchased Services	268	624	356
Supply-materials		9,000	9,000
Total activity transportation	<u>8,786</u>	<u>16,819</u>	<u>8,033</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES
BY FUNCTION-BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
General transportation program			
Salaries	452	1,713	1,261
Benefits	111	643	532
Purchased services	909	3,175	2,266
Supply-materials	363	1,395	1,032
Insurance	2,270	2,270	0
Total general transportation program	<u>4,105</u>	<u>9,196</u>	<u>5,091</u>
Other support services			
Purchased services	1,537	1,545	8
Total other support services	<u>1,537</u>	<u>1,545</u>	<u>8</u>
TOTAL SUPPORT			
Salaries	539,758	541,154	1,396
Benefits	201,655	278,949	77,294
Purchased services	223,988	197,239	(26,749)
Supply-materials	88,195	129,543	41,348
Capital objects	6,781	0	(6,781)
Insurance	21,093	21,093	0
Total Support	<u>\$ 1,081,470</u>	<u>1,167,978</u>	<u>86,508</u>
NON-INSTRUCTION:			
Food services			
Benefits	3,459	4,000	541
Total other support services	<u>3,459</u>	<u>4,000</u>	<u>541</u>
TOTAL NON-INSTRUCTION			
Benefits	3,459	4,000	541
Total Non-instruction	<u>\$ 3,459</u>	<u>4,000</u>	<u>541</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SPECIAL REVENUE FUNDS

Child Nutrition Fund - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sale of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amount of State and Federal assistance received by the program.

Driver Education Fund - To account for costs of providing a driver education program. Financing for the program is provided through the Idaho State Department of Education.

Federal Forest Fund - To account for Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

Title IV-A, ESEA – Safe & Drug Free School Fund - To account for restricted Federal revenue to be spent on drug education inservice training for teachers and parents and materials for classroom, as well as to account for the 21st Century Federal revenue to be spent on programs that provide training for personnel to offer extended learning opportunities to students through after-school and summer programs.

Title I-A, ESEA – Improving Basic Programs Fund - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

Title VI-B, IDEA – School-Age Fund - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aides, equipment and materials, etc. in special education.

Title VI-B, IDEA – Pre-school Fund - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in the Title VI-B program.

State Professional Technical Fund - To account for restricted Federal revenue to be spent on equipment and materials for vocational programs.

Title II-A, ESEA – Improving Teacher Quality Fund - To account for restricted Federal revenue to be spent on inservice training of math and/or science teachers.

Title VI-B, ESEA – Rural Education Achievement Program Fund – To account for restricted Federal revenue to be spent on enhancing the other Federal programs.

Perkins III – Professional Technical Act Fund – To account for restricted Federal revenue to be spent on vocational training for alternative high school.

Title II-D, ESEA – Technical Fund – To account for restricted Federal revenue to be spent on materials to supplement existing programs within the District.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
June 30, 2011

ASSETS	Child Nutrition	Driver Education	Federal Forest	Title IV-A Safe & Drug Free Schools	Title I-A Improving Basic Programs	Title VI-B School-Age	Title VI-B Pre-school	State Professional Technical	Rural			Total
									Title II-A Improving Teacher Quality	Ed Achievment Programs	Title II-D Technology	
Cash	13,820	1,775	39,474		2,091	805						57,965
Other receivables:												
State driver education reimbursement		1,750						5,643				1,750
State reimbursement	760			19,965	20,341	12,929	1,065		4,071		13,179	5,643
Federal reimbursement			39,474	19,965	20,341	15,020	1,870	5,643	4,071		13,179	83,854
Total assets	\$ 14,580	3,525	39,474	19,965	20,341	15,020	1,870	5,643	4,071		13,179	149,212
LIABILITIES AND FUND EQUITY												
Liabilities:												
Bank overdraft				13,427	4,020			4,624	4,071		13,179	50,374
Accrued payroll and benefits	13,773			6,538	16,321	15,020	1,870	1,019	491			55,032
Deferred Revenue	807											807
Total liabilities	14,580	0	0	19,965	20,341	15,020	1,870	5,643	4,071		13,179	106,213
Fund equity:												
Fund balance:												
Restricted	0	3,525	39,474	0	0	0	0	0	0	0	0	42,999
Total fund equity	0	3,525	39,474	0	0	0	0	0	0	0	0	42,999
Total liabilities and fund equity	\$ 14,580	3,525	39,474	19,965	20,341	15,020	1,870	5,643	4,071		13,179	149,212

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

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

	Child Nutrition	Driver Education	Federal Forest	Title IV-A Safe & Drug Free Schools	Title I-A Improving Basic Programs	Title VI-B School-Age	Title V-B Pre-school	State Professional Technical	Title II-A Improving Teacher Quality	Rural Educations Achievement Programs	Perkins III - Professional Technical Act	Title II-D Technology	Total
REVENUES													
Local:													
Lunch sales	46,759												46,759
Other	1,355												1,355
Total local	48,114												48,114
State:													
Other state support		1,750						18,810					18,810
Driver education program		1,750						18,810					1,750
Total state		3,500						37,620					20,560
Federal:													
School lunch reimbursement	75,859												75,859
Restricted			5,368	134,255	83,623	87,144	14,902		26,704	4,071	10,481	46,000	412,548
Total federal	75,859		5,368	134,255	83,623	87,144	14,902		26,704	4,071	10,481	46,000	488,407
Total revenues	122,618	3,105	5,368	134,255	83,623	87,144	14,902	18,810	26,704	4,071	10,481	46,000	557,081
EXPENDITURES													
Current:													
Instruction:													
Salaries		2,288			48,332	58,673	7,030	5,145	5,456				126,924
Benefits		716			27,563	27,615	4,082	996	2,114				62,886
Purchased services		460			3,751	856		2,345					7,412
Supply-materials		1,288			1,522		3,790	5,588	45		10,481	12,667	24,900
Capital objects								4,736					15,217
Insurance		45											45
Total instruction		4,797			80,968	87,144	14,902	18,810	7,615		10,481	12,667	237,384
Support:													
Salaries				83,071	5,225				1,766				90,062
Benefits				25,978	1,021				6,843				33,842
Purchased services				10,513					9,030	4,071			19,543
Supply-materials				14,693					1,450				20,214
Capital objects												33,333	51,333
Total support				134,255	6,246				19,089	4,071		33,333	214,994
Non-instruction													
Salaries	48,188												48,188
Benefits	37,056												37,056
Purchased services	655												655
Supply-materials	51,547												51,547
Total non-instruction	137,446												137,446
Total expenditures	137,446	4,797	18,000	134,255	87,214	87,144	14,902	18,810	26,704	4,071	10,481	46,000	539,824
Excess (deficiency) revenues over expenditures	(14,828)	(1,692)	(12,632)	0	(3,591)	0	0	0	0	0	0	0	(32,743)
Other financing sources (uses):													
Operating transfer in	14,828												14,828
Net change in fund balance	0	(1,692)	(12,632)	0	(3,591)	0	0	0	0	0	0	0	(17,915)
Fund balance - Beginning of year	0	5,217	52,106	0	3,591	0	0	0	0	0	0	0	60,914
Fund balance - End of year	\$ 0	3,525	39,474	0	0	0	0	0	0	0	0	0	42,999

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

CHILD NUTRITION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Lunch sales	46,759	41,000	5,759
Federal:			
School lunch reimbursement	75,859	65,000	10,859
Total revenues	<u>122,618</u>	<u>106,000</u>	<u>16,618</u>
EXPENDITURES			
Current:			
Non-instruction			
Salaries	48,188	48,807	619
Benefits	37,056	37,733	677
Purchased services	655		(655)
Supply-materials	51,547	34,460	(17,087)
Total non-instruction	<u>137,446</u>	<u>121,000</u>	<u>(16,446)</u>
Total expenditures	<u>137,446</u>	<u>121,000</u>	<u>(16,446)</u>
Excess (deficiency) revenues over expenditures	(14,828)	(15,000)	172
Other financing sources (uses):			
Operating transfer in	14,828	15,000	(172)
Net change in fund balance	0	<u>0</u>	<u>0</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

DRIVERS EDUCATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Other	1,355	1,620	(265)
State:			
Driver education program	1,750	1,800	(50)
Total revenue	<u>3,105</u>	<u>3,420</u>	<u>(315)</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	2,288	2,000	(288)
Benefits	716	390	(326)
Purchased services	460	2,250	1,790
Supply-materials	1,288	500	(788)
Capital objects		3,652	3,652
Insurance	45	85	40
Total instruction	<u>4,797</u>	<u>8,877</u>	<u>4,080</u>
Total expenditures	<u>4,797</u>	<u>8,877</u>	<u>4,080</u>
Net change in fund balance	(1,692)	<u>(5,457)</u>	<u>3,765</u>
Fund balance-Beginning of year	<u>5,217</u>		
Fund balance-End of year	<u>\$ 3,525</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

FEDERAL FOREST FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	<u>5,368</u>	<u>5,553</u>	<u>(185)</u>
Total revenues	<u>5,368</u>	<u>5,553</u>	<u>(185)</u>
EXPENDITURES			
Support:			
Capital objects	<u>18,000</u>	<u>57,658</u>	<u>39,658</u>
Total expenditures	<u>18,000</u>	<u>57,658</u>	<u>39,658</u>
Net change in fund balance	(12,632)	<u>(52,105)</u>	<u>39,473</u>
Fund balance-Beginning of year	<u>52,106</u>		
Fund balance-End of year	<u>\$ 39,474</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE IV-A, ESEA - SAFE & DRUG FREE SCHOOLS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

REVENUES

Federal:

 Restricted

134,255

Total revenues

134,255

EXPENDITURES

Current:

 Support:

 Salaries

83,071

 Benefits

25,978

 Purchased services

10,513

 Supply-materials

14,693

Total expenditures

134,255

Net change in fund balance

0

Fund balance-Beginning of year

0

Fund balance-End of year

\$ 0

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	83,623	88,526	(4,903)
Total revenues	<u>83,623</u>	<u>88,526</u>	<u>(4,903)</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	48,332	62,273	13,941
Benefits	27,363	23,106	(4,257)
Purchased services	3,751	4,400	649
Supply-materials	1,522	6,972	5,450
Total instruction	<u>80,968</u>	<u>96,751</u>	<u>15,783</u>
Support:			
Salaries	5,225	5,500	275
Benefits	1,021	1,084	63
Purchased services		10,494	10,494
Total support	<u>6,246</u>	<u>17,078</u>	<u>10,832</u>
Total expenditures	<u>87,214</u>	<u>113,829</u>	<u>26,615</u>
Net change in fund balance	(3,591)	<u>(25,303)</u>	<u>21,712</u>
Fund balance -Beginning of year	<u>3,591</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE VI-B, IDEA - SCHOOL-AGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	87,144	60,332	26,812
Total revenues	<u>87,144</u>	<u>60,332</u>	<u>26,812</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	58,673	100,000	41,327
Benefits	27,615	19,700	(7,915)
Supply-materials	856	5,345	4,489
Total instruction	<u>87,144</u>	<u>125,045</u>	<u>37,901</u>
Total expenditures	<u>87,144</u>	<u>125,045</u>	<u>37,901</u>
Net change in fund balance	0	<u>(64,713)</u>	<u>64,713</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE VI-B, ESEA - PRE-SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Federal:			
Restricted	<u>14,902</u>	<u>4,877</u>	<u>10,025</u>
Total revenues	<u>14,902</u>	<u>4,877</u>	<u>10,025</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	7,030	12,235	5,205
Benefits	4,082	2,411	(1,671)
Supply-materials	<u>3,790</u>	<u>340</u>	<u>(3,450)</u>
Total instruction	<u>14,902</u>	<u>14,986</u>	<u>84</u>
Total expenditures	<u>14,902</u>	<u>14,986</u>	<u>84</u>
Net change in fund balance	0	<u>(10,109)</u>	<u>10,109</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATE PROFESSIONAL TECHNICAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State:			
Other state support	18,810	18,480	330
Total revenues	<u>18,810</u>	<u>18,480</u>	<u>330</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	5,145	5,299	154
Benefits	996	1,017	21
Purchased services	2,345	1,600	(745)
Supply-materials	5,588	8,286	2,698
Capital objects	4,736	2,278	(2,458)
Total instruction	<u>18,810</u>	<u>18,480</u>	<u>(330)</u>
Total expenditures	<u>18,810</u>	<u>18,480</u>	<u>(330)</u>
Net change in fund balance	0	<u>0</u>	<u>0</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	26,704	21,478	5,226
Total revenues	<u>26,704</u>	<u>21,478</u>	<u>5,226</u>
EXPENDITURES			
Current:			
Instruction:			
Salaries	5,456		(5,456)
Benefits	2,114		(2,114)
Purchased services	45		(45)
Total instruction	<u>7,615</u>	<u>0</u>	<u>(7,615)</u>
Support:			
Salaries	1,766		(1,766)
Benefits	6,843	36,342	29,499
Purchased services	9,030		(9,030)
Supply-materials	1,450		(1,450)
Total support	<u>19,089</u>	<u>36,342</u>	<u>17,253</u>
Total expenditures	<u>26,704</u>	<u>36,342</u>	<u>9,638</u>
Net change in fund balance	0	<u>(14,864)</u>	<u>14,864</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE VI-B, ESEA - RURAL EDUCATION ACHIEVEMENT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	4,071	15,443	(11,372)
Total revenues	<u>4,071</u>	<u>15,443</u>	<u>(11,372)</u>
EXPENDITURES			
Current:			
Instruction:			
Purchased services		7,326	7,326
Supply-materials		6,000	6,000
Total instruction	<u>0</u>	<u>13,326</u>	<u>13,326</u>
Support:			
Salaries		2,112	2,112
Benefits		187	187
Supply-materials	4,071		(4,071)
Total Support	<u>4,071</u>	<u>2,299</u>	<u>(1,772)</u>
Total expenditures	<u>4,071</u>	<u>15,625</u>	<u>11,554</u>
Net change in fund balance	0	<u>(182)</u>	<u>182</u>
Fund balance-Beginning of year	<u>0</u>		
Fund balance-End of year	<u>\$ 0</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

PERKINS III - PROFESSIONAL TECHNICAL ACT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

REVENUES

Federal:		
Restricted	<u>10,481</u>	
Total revenues		<u>10,481</u>

EXPENDITURES

Current:		
Instruction:		
Capital objects	<u>10,481</u>	
Total expenditures		<u>10,481</u>
Net change in fund balance		0
Fund balance-Beginning of year		<u>0</u>
Fund balance-End of year		<u>\$ 0</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

TITLE II-D, ESEA - TECHNOLOGY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

REVENUES

Federal:		
Restricted	<u>46,000</u>	
Total revenues		<u>46,000</u>

EXPENDITURES

Current:		
Instruction:		
Purchased services	<u>12,667</u>	
Total instruction		12,667
Support:		
Capital objects	<u>33,333</u>	
Total Support		<u>33,333</u>
Total expenditures		<u>46,000</u>
Net change in fund balance		0
Fund balance-Beginning of year		<u>0</u>
Fund balance-End of year		<u>\$ 0</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

DEBT SERVICE FUND

The debt service fund is established to receive property taxes levied for the redemption of general obligation bonds and payment of interest on those bonds as it is due. The District is allowed by law to carry in fund balance an additional seven months bond requirements in this fund to cover cash flow requirements.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

DEBT SERVICE FUND
BALANCE SHEET
June 30, 2011

ASSETS

Cash	72,651	
Taxes receivable	8,791	
Other receivables:		
Taxes due from counties	<u>55,317</u>	
Total assets		\$ <u><u>136,759</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:		
Deferred revenue	<u>7,032</u>	
Total liabilities		7,032
Fund equity:		
Fund balance:		
Restricted	<u>129,727</u>	
Total fund equity		<u>129,727</u>
Total liabilities and fund equity		\$ <u><u>136,759</u></u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	181,757	188,416	(6,659)
State:			
Other	17,174	17,174	0
Total revenues	<u>198,931</u>	<u>205,590</u>	<u>(6,659)</u>
EXPENDITURES			
Debt service:			
Principal	60,000	60,000	0
Interest	95,575	95,575	0
Total expenditures	<u>155,575</u>	<u>155,575</u>	<u>0</u>
Net change in fund balance	43,356	<u>50,015</u>	<u>(6,659)</u>
Fund balance-Beginning of year	<u>86,371</u>		
Fund balance-End of year	<u>\$ 129,727</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

CAPITAL PROJECTS FUND

School Plant Facility - This fund is established to account for appropriated funds to acquire plant facility items. Financing is provided by tax revenues.

School Plant Facility Bus Depreciation – This fund is established to account for funds to replace school buses only.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS
June 30, 2011

	<u>Plant Facility</u>	<u>Plant Facility- Bus Dep</u>	<u>Total</u>
ASSETS			
Cash	36,077	14,572	50,649
Investments	35,450		35,450
Taxes receivable	3,096		3,096
Other receivables:			
Taxes due from counties	14,442		14,442
Total assets	<u>\$ 89,065</u>	<u>14,572</u>	<u>103,637</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Deferred revenue	2,477		2,477
Total liabilities	<u>2,477</u>	<u>0</u>	<u>2,477</u>
Fund equity:			
Fund balance			
Restricted	86,588	14,572	101,160
Total fund equity	<u>86,588</u>	<u>14,572</u>	<u>101,160</u>
Total liabilities and fund equity	<u>\$ 89,065</u>	<u>14,572</u>	<u>103,637</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ALL CAPITAL PROJECTS FUNDS
 For The Year Ended June 30, 2011**

	<u>Plant Facility</u>	<u>Plant Facility- Bus Depr</u>	<u>Total</u>
REVENUES			
Local:			
Taxes	59,515		59,515
Earnings on investments	99		99
Total local	<u>59,614</u>	<u>0</u>	<u>59,614</u>
Federal:			
Unrestricted		19,000	19,000
Total revenues	<u>59,614</u>	<u>19,000</u>	<u>78,614</u>
EXPENDITURES			
Capital objects	15,563	80,929	96,492
Debt service:			
Principal		26,824	26,824
Interest		1,413	1,413
Total expenditures	<u>15,563</u>	<u>109,166</u>	<u>124,729</u>
Excess (deficiency) of revenues over/under expenditures	44,051	(90,166)	(46,115)
Other financing sources (uses):			
Transfer in		90,920	90,920
Transfer out	(40,771)		(40,771)
Total other financing sources (uses)	<u>(40,771)</u>	<u>90,920</u>	<u>50,149</u>
Net change in fund balance	3,280	754	4,034
Fund balance-Beginning of year	<u>83,308</u>	<u>13,818</u>	<u>97,126</u>
Fund balance-End of year	<u><u>86,588</u></u>	<u><u>14,572</u></u>	<u><u>101,160</u></u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SCHOOL PLANT FACILITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Local:			
Taxes	59,515	50,000	9,515
Earnings on investments	99		99
Total local	<u>59,614</u>	<u>50,000</u>	<u>9,614</u>
Total revenues	<u>59,614</u>	<u>50,000</u>	<u>9,614</u>
EXPENDITURES			
Purchased services		46,269	46,269
Supplies-materials		46,269	46,269
Capital objects	15,563		(15,563)
Total expenditures	<u>15,563</u>	<u>92,538</u>	<u>76,975</u>
Excess (deficiency) of revenues over/under expenditures	<u>44,051</u>	<u>(42,538)</u>	<u>86,589</u>
Other financing sources (uses):			
Transfer out	(40,771)	(40,771)	0
Total other financing sources (uses)	<u>(40,771)</u>	<u>(40,771)</u>	<u>0</u>
Net change in fund balance	3,280	<u>(83,309)</u>	<u>86,589</u>
Fund balance-Beginning of year	<u>83,308</u>		
Fund balance-End of year	<u>\$ 86,588</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SCHOOL PLANT FACILITY FUND - BUS DEPRECIATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Unrestricted	19,000	19,000	0
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>0</u>
 EXPENDITURES			
Debt services:			
Principal	26,824	26,829	5
Interest	1,413	1,408	(5)
Capital objects	80,929	95,500	14,571
Total expenditures	<u>109,166</u>	<u>123,737</u>	<u>14,571</u>
Excess (deficiency) of revenues over/under expenditures	<u>(90,166)</u>	<u>(104,737)</u>	<u>14,571</u>
Other financing sources (uses):			
Transfer in	90,920	90,920	0
Total other financing sources (uses)	<u>90,920</u>	<u>90,920</u>	<u>0</u>
Net change in fund balance	754	<u>(13,817)</u>	<u>14,571</u>
Fund balance-Beginning of year	<u>13,818</u>		
Fund balance-End of year	<u>\$ 14,572</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

PROPRIETARY FUND

To account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial information. Goods or services from such activities are provided to other funds.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

INTERNAL SERVICE FUND

The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

BALANCE SHEET
INTERNAL SERVICE FUND
June 30, 2011

ASSETS

Investments 279,866

Total assets \$ 279,866

LIABILITIES AND FUND EQUITY

Liabilities:

Bank overdraft 15,711

Total liabilities 15,711

Fund equity:

Retained earnings 264,155

Total liabilities and fund equity \$ 279,866

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL - INTERNAL SERVICE FUND
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
Earnings on investments	747	600	147
Total revenues	<u>747</u>	<u>600</u>	<u>147</u>
Other financing sources:			
Operating transfer in	38,419	20,000	18,419
Operating transfer out	(32,000)	(72,500)	40,500
Total other financing sources	<u>6,419</u>	<u>(52,500)</u>	<u>58,919</u>
Net change in retained earnings	7,166	<u>(51,900)</u>	<u>59,066</u>
Retained earnings-Beginning of year	<u>256,989</u>		
Retained earnings-End of year	<u>\$ 264,155</u>		

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND
For the Year Ended June 30, 2011

Cash Flows From Noncapital Financing Activities

Cash from other funds	<u>6,419</u>	
Net cash provided by noncapital financing activities		6,419

Cash Flows From Investing Activities

Purchase of investments	(37,085)	
Earnings on investments	<u>747</u>	
Net cash used in investing activities		<u>(36,338)</u>

Net decrease in cash (29,919)

Cash-beginning of year 14,208

Cash-end of year \$ (15,711)

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

AGENCY FUND

The agency fund includes funds held for elementary and secondary student groups by the District for disbursements as dictated by the individual student groups. Operations of these student groups are not considered a part of District financial operations.

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT GROUP AGENCY FUND
For the Year Ended June 30, 2011

	Balance July 1, 2010	Net Change	Balance June 30, 2011
ASSETS			
Cash	35,246	339	35,585
Total assets	\$ 35,246	339	35,585
LIABILITIES			
Due to student groups	35,246	339	35,585
Total liabilities	\$ 35,246	339	35,585

SINGLE AUDIT SECTION

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

	Federal CFDA Number	Pass Through Grantor's Number	Federal Grant Number	Expenditures
U.S. Department of Agriculture				
Passed through State Department of Education				
School Lunch	10.555	11-283	2010IN109947	
Breakfast Program	10.553	11-283	2010IN109947	48,814
Food Distribution (non-cash)	10.550	11-283	2010IN109947	9,478
Fresh Food Grant	10.579	11-283	2010IL410347	2,349
Fresh Fruit and Vegetable Program	10.582	11-283	2010CL160347	24
Federal Forest	10.665	11-283		<u>18,000</u>
Total U.S. Department of Agriculture				<u>78,665</u>
U.S. Department of Juvenile Corrections				
Passed through State Department of Juvenile Corrections				
Juvenile Justice and Delinquency Prevention	16.540	11-283	2007JFFX055	<u>4,381</u>
Total U.S. Department of Juvenile Corrections				<u>4,381</u>
U.S. Department of Environmental Quality				
Passed through State Department of Environmental Quality				
State Clean Diesel Grant-ARRA	66.040A	11-283	2D-96087601-3	<u>19,000</u>
Total U.S. Department of Environmental Quality				<u>19,000</u>
U.S. Department of Education				
Passed through State Department of Education				
Education Jobs Fund	84.410	11-283	S410A100013	41,395
Title I-A, ESEA - Improving Basic Programs	84.010	11-283	S010A090012	58,545
Title I-A, ESEA - Improving Basic Programs-ARRA	84.389	11-283	S389A090012	28,669
Title VI-B, IDEA - School-Age	84.027	11-283	H027A090088	49,608
Title VI-B, IDEA - School-Age ARRA	84.391	11-283	H391A090088	37,536
Title VI-B, IDEA - Pre-school-Age	84.173	11-283	H173A090030	14,902
Title II-A, ESEA - Improving Teacher Quality	84.367	11-283	S367A090011	26,704
Rural Education Achievement Program	84.358	11-283	R372A090025	4,071
Statewide Data Systems	84.372	11-283	R372A090025	4,500
21st Century Grant	84.287	11-283	S287C090012	134,255
Education Technology State Grant-ARRA	84.386	11-283	S386A090012	<u>46,000</u>
Total U.S. Department of Education				<u>446,185</u>
Total Expenditures				<u>\$ 548,231</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2011

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Kendrick Joint School District No. 283 under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Kendrick Joint School District No. 283, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Kendrick Joint School District No. 283.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, Cost Principles for Educational Institutions, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2011, the organization had no food commodities in inventory.

HAYDEN & ROSS, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

Jim Pilcher, CPA/PFS • Dave Jones, CPA/PFS • Brad Lewis, CPA/PFS • Cade Konen, CPA/PFS • Nathan Strong, CPA/PFS • Mark Watson, CPA

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*

To the Board of Trustees
Kendrick Joint School District No. 283
Kendrick, Idaho 83537

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Kendrick Joint School District No. 283 as of and for the year ended June 30, 2011, which collectively comprise the Kendrick Joint School District No. 283's basic financial statements and have issued our report thereon dated October 18, 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 Kendrick Joint School District No. 283's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kendrick Joint School District No. 283's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Kendrick Joint School District No. 283's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control 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 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.

COMPLIANCE AND OTHER MATTERS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kendrick Joint School District No. 283's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and 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.

Hayden & Ross, P.A.

Moscow, Idaho
October 18, 2011

HAYDEN & ROSS, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

Jim Pilcher, CPA/PFS • Dave Jones, CPA/PFS • Brad Lewis, CPA/PFS • Cade Konen, CPA/PFS • Nathan Strong, CPA/PFS • Mark Watson, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
Kendrick Joint School District No. 283
Kendrick, Idaho 83537

COMPLIANCE

We have audited Kendrick Joint School District No. 283'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 Kendrick Joint School District No. 283's major federal programs for the year ended June 30, 2011. Kendrick Joint School District No. 283'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 Kendrick Joint School District No. 283's management. Our responsibility is to express an opinion on the Kendrick Joint School District No. 283'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 Kendrick Joint School District No. 283'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 Kendrick Joint School District No. 283's compliance with those requirements.

In our opinion, the Kendrick Joint School District No. 283 complied, in all material respects, with the compliance 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

Management of Kendrick Joint School District No. 283 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 Kendrick Joint School District No. 283's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 Kendrick Joint School District No. 283'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 control 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 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 audit committee, management, Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be used by anyone other than these specified parties.

Hayden & Ross, P.A.

Moscow, Idaho
October 18, 2011

KENDRICK JOINT SCHOOL DISTRICT NO. 283
Kendrick, Idaho

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

Financial Statements

Type of auditor's report issued – unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial

statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued – unqualified

on compliance for major programs

Any audit finding disclosed that are required

to be reported in accordance with Section

510(a) of OMB Circular A-133? yes X no

Identification of major program:

Reporting Requirements and Communication Considerations

CFDA Number(s)	Name of Federal Program or Cluster
84.010, 84.389 84.027, 84.173, 84.391, 84.392 84.287	Title I, Part A Cluster Special Education Cluster 21 st Century

Dollar threshold used to distinguish between
Type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes X no