

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2009

DIETRICH SCHOOL DISTRICT NO. 314
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INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

August 24, 2009

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dietrich School District No. 314, management. Our responsibility is to express opinions 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 opinions.

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 Dietrich School District No. 314, as of June 30, 2009, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the "Management's Discussions and Analysis" that the Governmental Accounting Standards Board has determined is necessary to supplement, although no required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2009, on our consideration of the Dietrich School District No. 314 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The budgetary comparison information on pages 28 through 36, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. Accounting principles generally accepted in the United States of America also require that a management discussion and analysis accompany these statements although it is not a part of the basic financial statements. Management has chosen not to include the management discussion and analysis which is a departure from accounting principals generally accepted in the United States of America.

Independent Auditor's Report

Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dietrich School District No. 314, basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,



R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET ASSETS
JUNE 30, 2009

		<u>Governmental Activities</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 584,884	
Investments	169,778	
Net Receivables	86,669	
Inventory	<u>11,953</u>	
<u>TOTAL CURRENT ASSETS</u>		\$ 853,284
<u>NONCURRENT ASSETS</u>		
Long-Term Receivables	\$ 11,915	
Investments - Restricted	697,879	
Capital Assets (non-depreciated)	80,000	
Capital Assets (depreciated - net)	<u>2,692,840</u>	
<u>TOTAL NONCURRENT ASSETS</u>		<u>3,482,634</u>
<u>TOTAL ASSETS</u>		<u>4,335,918</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 76,083	
Salaries and Benefits Payable	193,530	
Interest Payable	24,121	
Current Portion of Long-Term Debt	<u>21,766</u>	
<u>TOTAL CURRENT LIABILITIES</u>		315,500
<u>NONCURRENT LIABILITIES</u>		
Lease Payable (net of current portion)	\$ 56,629	
Bond Payable (net of current portion)	<u>1,947,000</u>	
<u>TOTAL NONCURRENT LIABILITIES</u>		<u>2,003,629</u>
<u>TOTAL LIABILITIES</u>		2,319,129
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	\$ 723,324	
Restricted for:		
Capital Projects	8,152	
Debt Service	737,606	
Federal and State Programs	(16,539)	
Unrestricted	<u>564,246</u>	
<u>TOTAL NET ASSETS</u>		<u>\$ 2,016,789</u>

See accompanying notes to the basic financial statements

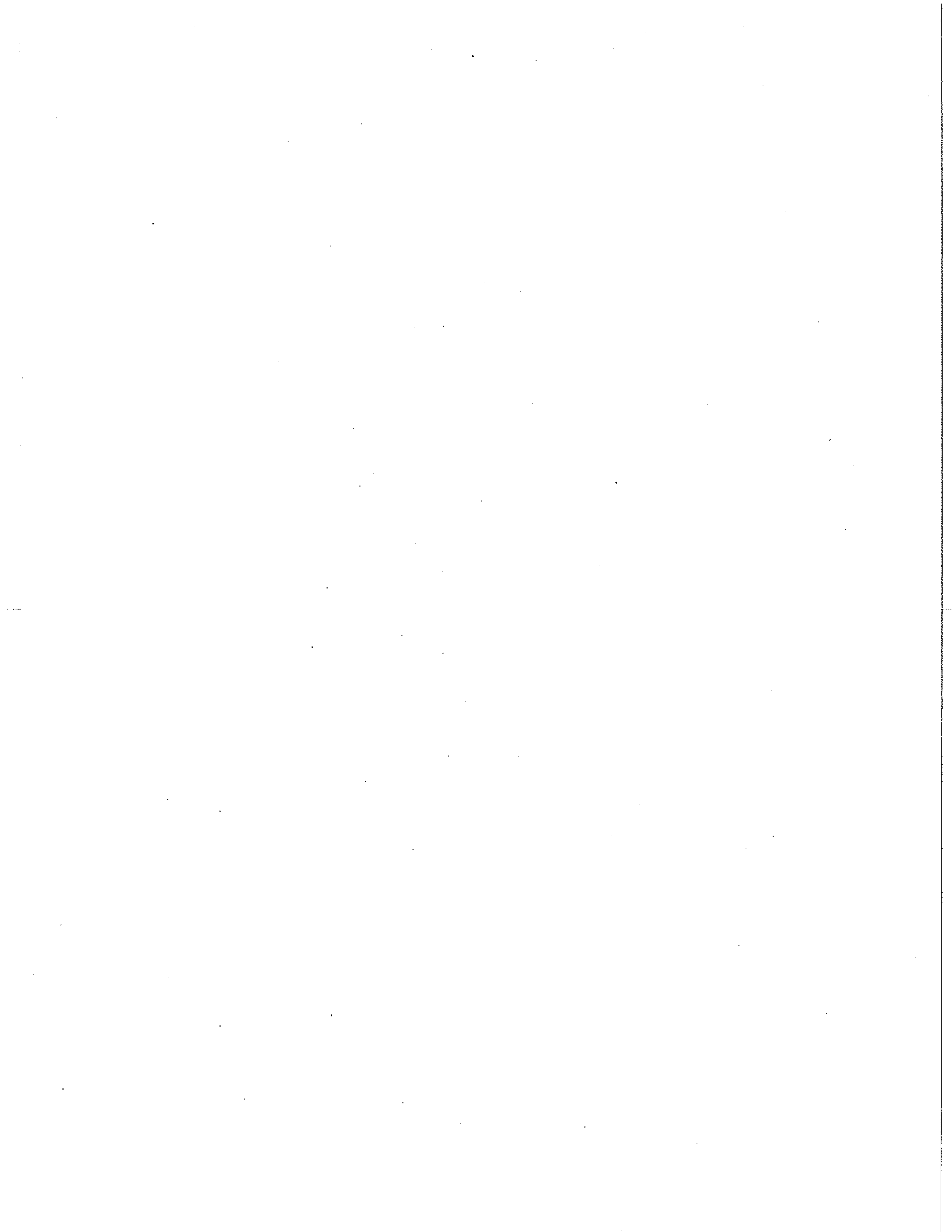


Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (714,375)		\$ (714,375)
(181,482)		(181,482)
(255,545)		(255,545)
(119,728)		(119,728)
(18,012)		(18,012)
6,398		6,398
29,961		29,961
(1,252,783)		(1,252,783)
0	\$ 0	0
(1,252,783)	0	(1,252,783)
105,627		105,627
1,327,937		1,327,937
29,616		29,616
18,432		18,432
42,613		42,613
1,524,225	0	1,524,225
271,442	0	271,442
1,745,347	0	1,745,347
\$ 2,016,789	\$ 0	\$ 2,016,789



Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 46,627		\$ 584,884
15,275		169,778
		49,916
20,506	\$ 17,630	357,385
	6,546	48,668
		697,879
<u>\$ 82,408</u>	<u>\$ 24,176</u>	<u>\$ 1,908,510</u>
\$ 53,750	\$ 2,821	\$ 76,083
32,252	16,786	357,385
	33,996	193,530
		11,915
<u>86,002</u>	<u>53,603</u>	<u>638,913</u>
		697,879
	(29,427)	(18,462)
		349,493
(3,594)		(3,594)
		244,281
<u>(3,594)</u>	<u>(29,427)</u>	<u>1,269,597</u>
<u>\$ 82,408</u>	<u>\$ 24,176</u>	<u>\$ 1,908,510</u>



<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 106,960
		1,584,192
\$ 44,727	\$ 49,168	217,829
	151,342	333,668
278		42,613
124	6,601	45,194
<u>45,129</u>	<u>207,111</u>	<u>2,330,456</u>
	158,863	1,119,234
	48,039	172,225
	16,091	255,292
10,403		164,455
		92,044
		114,948
		0
20,470		20,470
4,384		40,073
<u>35,257</u>	<u>222,993</u>	<u>1,978,741</u>
<u>9,872</u>	<u>(15,882)</u>	<u>351,715</u>
<u>(5,606)</u>	<u>(38,464)</u>	<u>0</u>
<u>(5,606)</u>	<u>(38,464)</u>	<u>0</u>
4,266	(54,346)	351,715
(7,860)	24,919	917,882
<u>\$ (3,594)</u>	<u>\$ (29,427)</u>	<u>\$ 1,269,597</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

<u>Total Governmental Fund Balances</u>	\$ 1,269,597
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Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Capital assets (non-depreciated and depreciated) used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, \$80,000 of land and \$4,020,136 net of accumulated depreciation of \$1,327,296.	\$ 2,772,840
--	--------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	11,915
--	--------

Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements.	11,953
---	--------

Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements.	(24,121)
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Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Capital Leases	(78,395)
Outstanding Bonds	(1,947,000)
	(1,947,000)

<u>Net Changes</u>	747,192
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<u>Net Assets of Governmental Activities</u>	\$ 2,016,789
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See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances - Governmental Fund Balances \$ 351,715

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

- Depreciation	\$ (111,331)
- Capital Expenditures	11,838

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

(1,333)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Assets.

20,470

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

83

Net Changes

(80,273)

Change in Net Assets of Governmental Activities

\$ 271,442

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 30,625
Accounts Receivable	<u>795</u>
<u>Total Assets</u>	<u>\$ 31,421</u>
<u>Liabilities</u>	
Due to Student Groups	<u>\$ 31,421</u>
<u>Total Liabilities</u>	<u>\$ 31,421</u>

See accompanying notes to the basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Dietrich School District No. 314 are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2009.

The District is a public educational agency operating under the laws and regulations of the State of Idaho. The District is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. All operations controlled by the Board are included within these financial statements.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

B - REPORTING ENTITY

These financial statements present the District (the primary government) and any component units of the District. As defined by GASB No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on this definition, the District has no component units.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The Statement of Net Assets and Statement of Activities display information about the District as a whole. They include all funds of the District except for fiduciary funds with all interfund activities removed. *Governmental activities* generally are financed through taxes, State foundation funds, grants, and other intergovernmental revenues. The District has no business-type activities that primarily rely on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Indirect costs are all allocated to the administrative function. The District has no proprietary funds, therefore, there are no activities outside of the governmental funds.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

Fund financial statements of the District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Funds - The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The District has no enterprise funds.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund maintained by the District is the student body account.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits of the District.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as "due to/from other funds." Short-term interfund loans are reported as "interfund receivable/payable." Long-term interfund loans (noncurrent portion) are reported as "advances to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 7 for details of interfund transactions, including receivables and payables at year-end. All interfund activity has been eliminated in the government-wide statement of activity.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days of year-end since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the District and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the District uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The District does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the District has maintained a \$500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the District's financial statements and the District has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

<u>Description</u>	<u>Life</u>	<u>Capitalization Amount</u>
Aggregate Cost of Library Books	3	\$5,000
Automobiles	5	\$5,000
Office and Light-weight Equipment	5	\$5,000
Heavy Equipment	7	\$10,000
Buildings and Improvements	40	\$15,000
Infrastructure	50	\$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue 5 days personal leave each year. At the end of the year, the employees are paid for all unused personal days. The days are paid at the rate paid to substitutes and is included in their June pay check. Therefore, no liability for compensated absences has been incurred or recorded at year end.

Vacation and sick days are not allowed to be carried over at the District level. Therefore, there is no liability associated with vacation or sick leave days.

Long-Term Debt

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts and 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.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Net Assets and Fund Balance)

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net assets, it uses restricted net assets first unless unrestricted net assets will have to be returned because they were not used. Net assets on the Statement of Net Assets include the following:

Investment in Capital Assets, Net of Related Debt - The component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets—All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserved Fund Balance - That portion of fund balance which is not available for appropriation or which has been legally segregated for a specific purpose.

Unreserved Fund Balance - Composed of designated and undesignated portions. The undesignated portion of the unreserved fund balance represents that portion of the fund balance that is available for budgeting in future periods. Designated fund balances represents tentative plans for future use of financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of Idaho Code Sections 33-701 and 67-1210. Under Idaho Code, the District, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2 - CASH AND INVESTMENTS (Continued)

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk -The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At June 30, 2009, the District had a carrying value of cash deposits of \$618,514 and a bank balance of \$634,516. Based on the above definitions, the District is subject to \$282,866 of concentration of credit risk. Of this amount, \$277,525 is collateralized by a letter of credit (LOC) issued by the Federal Home Loan Bank of Seattle and provides for payment on demand.

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was \$867,657 (\$169,778 Idaho State Local Government Investment Pool and \$697,879 Zions Bank - Dreyfus Treasury Cash Management Account) which approximates market value. The Idaho State Local Government Investment Pool has a credit rating of AA+ from Standard & Poor's.

The \$697,879 invested with Zions Bank is a sinking fund required by the QZAB bond obtained by the District. Amounts are deposited into the account and are restricted by bond covenants to be used strictly for the retirement of the QZAB bond and interest. Funds are invested in obligations of the U.S. government and do not require disclosure of credit quality ratings.

Investments by the City in the State Treasury Pool are specifically excluded from reporting for custodial credit risk and concentration of credit risk by GASB 40.

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all 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, 2008, upon which the 2008 levy was based was \$35,354,281.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2009, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

<u>Type</u>	<u>Rate</u>	<u>Maximum Rate</u>
General	0.0000	Not Allowed
Emergency	0.0600	Voter Approved
Bond	0.2339	No Limit

At June 30, 2009, the components of taxes receivable are as follows:

<u>Property Tax year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
2008	\$ 9,419	\$ 33,249	\$ 42,668
2007	656	5,641	6,297
2006	114	837	951
<u>Total</u>	<u>\$ 10,189</u>	<u>\$ 39,727</u>	<u>\$ 49,916</u>

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2009, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2009, are deferred revenue. Amounts are eliminated for government-wide statements. The components of deferred revenue are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 2,432
Debt Service Fund	9,483
<u>Total</u>	<u>\$ 11,915</u>

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho through the School Foundation Program. Amounts due from federal and state governments at June 30, 2009, are as follows:

<u>Source - Description</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
State - Foundation	\$ 12,283		\$ 12,283
State - Other Support	17,077	\$ 6,546	23,623
Federal - Grant Awards		12,762	12,762
<u>Total</u>	<u>\$ 29,360</u>	<u>\$ 19,308</u>	<u>\$ 48,668</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 - 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 reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The District controls risk of loss by having adequate insurance coverage. The type and coverage amount is listed below:

Workers Compensation Insurance	Limited by State Law
General Liability	\$ 2,000,000
Building	9,298,653
Auto	3,000,000
Criminal Acts	300,000
Educators Legal Liability	2,000,000
Abuse and Molestation Coverage	2,000,000
Boiler & Machinery	50,000,000

The District believes that the above coverage is proper to protect the District from any losses.

NOTE 6 - CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2009, was as follows (beginning amounts restated to reflect GASB 34):

	<u>Primary Government - Governmental Activities</u>			Ending Balance
	Beginning Balance	Additions	Retirements	
Non-depreciated assets:				
Land	\$ 80,000			\$ 80,000
Construction-in-progress	0			0
Subtotal	<u>80,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>80,000</u>
Other capital assets:				
Buildings and Improvements	3,340,164			3,340,164
Library	199,697	11,838		211,535
Heavy Equipment and Busses	337,178			337,178
Equipment	131,259			131,259
Subtotal	<u>4,008,298</u>	<u>11,838</u>	<u>0</u>	<u>4,020,136</u>
Less accumulated depreciation for:				
Buildings and Improvements	(644,319)	(75,384)		(719,703)
Library	(183,703)	(13,398)		(197,101)
Heavy Equipment and Busses	(259,562)	(21,111)		(280,673)
Equipment	(128,381)	(1,438)		(129,819)
Subtotal	<u>(1,215,965)</u>	<u>(111,331)</u>	<u>0</u>	<u>(1,327,296)</u>
Net Depreciated Assets	<u>2,792,333</u>	<u>(99,493)</u>	<u>0</u>	<u>2,692,840</u>
Net Capital Assets	<u>\$ 2,872,333</u>	<u>\$ (99,493)</u>	<u>\$ 0</u>	<u>\$ 2,772,840</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 76,384
Support	9,257
General Administration	2,810
Student Transportation	21,442
Non-Instructional - Food Service	<u>1,438</u>
Total	<u>\$ 111,331</u>

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2009, are summarized below:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
Transfers:			
To cover past expenditures	General Fund	Capital Proj.	\$ 5,906
To cover indirect costs	General Fund	Special Revenue	38,464
Due To/From:			
To cover current expenditures	General Fund	Debt Service	308,347
To cover current expenditures	General Fund	Special Revenue	844
To cover current expenditures	Capital Projects	Debt Service	11,746
To cover current expenditures	Food Service Fund	General Fund	2,767

NOTE 8 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2009, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements are contained on pages 51 to 52. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 - DEBT

The following is a summary of the District's long-term debt obligations and transactions for the year ended June 30, 2009:

	<u>Amount Outstanding Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding Ending</u>
Capital Lease	\$ 98,865	\$ 0	\$ 20,470	\$ 78,395
Bond Issue @ 1.69%	1,947,000			1,947,000
Total	<u>\$ 2,045,865</u>	<u>\$ 0</u>	<u>\$ 20,470</u>	<u>\$ 2,025,395</u>

The bond is a "Qualified Zone Academy" Bond as described in Internal Revenue Code Section 1397E(d)(4). The facility must meet certain criteria in order to qualify and the District must adopt a curriculum designed for the new job market and a comprehensive science program with laboratory and equipment. Curriculum must be reviewed to monitor the progress of the programs. Also, payments will be made for \$115,000.00 to a sinking fund that will be used to pay the principal at maturity.

The annual requirements to amortize the bond issue as of June 30, 2009, is as follows:

<u>Year Ended June 30,</u>	<u>Bond Principal</u>	<u>Lease Principal</u>	<u>Interest</u>	<u>Total</u>
2010		\$ 21,766	\$ 35,699	\$ 57,465
2011		17,453	34,700	52,153
2012		12,298	33,999	46,297
2013		12,943	33,354	46,297
2014		13,935	32,680	46,615
2015			32,235	32,235
2016	\$ 1,947,000		32,235	1,979,235
Total	<u>\$ 1,947,000</u>	<u>\$ 78,395</u>	<u>\$ 234,902</u>	<u>\$ 2,260,297</u>

NOTE 10 - RETIREMENT PLAN

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.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 - RETIREMENT PLAN (Continued)

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 District and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2009, 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 District's employer contributions required and paid were \$112,432, \$109,985, and \$109,124 for the three years ended June 30, 2009, 2008, and 2007, respectively.

NOTE 11 - REQUIRED DISCLOSURE - DEFICIT FUND BALANCES

The following nonmajor funds had deficit fund balances at June 30, 2009:

Capital Construction	\$ (53,746)
Plant Facilities - Bus Depreciation	(32,252)
Title I-A Local Program	(16,918)
Title I-C Migrant	(4,326)
REAP	(14,525)
Title VI-B School Age	(8,577)
Title VI-B Preschool	(517)
Perkins III	(2,293)

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
<u>Budgetary Fund Balance - Beginning</u>	\$ 35,672	\$ 35,672	\$ (2,427)	\$ (38,099)
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	3,250	3,250	21,496	18,246
Property Tax Penalty and Interest	1,000	1,000	374	(626)
Investment Earnings	12,500	12,500	17,229	4,729
Other Local Revenue	7,500	7,500	16,470	8,970
<u>Total Local Revenue</u>	<u>24,250</u>	<u>24,250</u>	<u>55,569</u>	<u>31,319</u>
<u>State Revenue</u>				
Base Support Program	1,265,003	1,265,003	1,327,937	62,934
Transportation Support	89,071	89,071	95,474	6,403
Benefit Apportionment	158,199	158,199	160,781	2,582
Other State Support	17,184	17,184	49,148	31,964
Revenue in Lieu / Ag Replacement Tax	6,447	6,447	4,835	(1,612)
<u>Total State Revenue</u>	<u>1,535,904</u>	<u>1,535,904</u>	<u>1,638,175</u>	<u>102,271</u>
<u>Federal Revenue</u>				
Indirect Federal Revenue			81,541	81,541
<u>Total Federal Revenue</u>	<u>0</u>	<u>0</u>	<u>81,541</u>	<u>81,541</u>
<u>Other Sources</u>				
Interfund Transfers	24,332	24,332	44,070	19,738
<u>Total Other Sources</u>	<u>24,332</u>	<u>24,332</u>	<u>44,070</u>	<u>19,738</u>
<u>Amounts Available for Appropriations</u>	<u>1,620,158</u>	<u>1,620,158</u>	<u>1,816,928</u>	<u>196,770</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	316,114	316,114	316,057	57
Benefits	88,127	88,127	80,733	7,394
Purchased Services	1,150	1,150	268	882
Supplies	20,175	20,175	9,081	11,094
<u>Total Elementary School Program</u>	<u>425,566</u>	<u>425,566</u>	<u>406,139</u>	<u>19,427</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Secondary School Program</u>				
Salaries	\$ 290,900	\$ 290,900	\$ 272,078	\$ 18,822
Benefits	87,244	87,244	68,931	18,313
Purchased Services	2,512	2,512	303	2,209
Supplies	17,800	17,800	10,659	7,141
Capital Expenditures	5,600	5,600		5,600
<u>Total Secondary School Program</u>	<u>404,056</u>	<u>404,056</u>	<u>351,971</u>	<u>52,085</u>
<u>Exceptional Child Program</u>				
Salaries	53,058	53,058	64,291	(11,233)
Benefits	14,145	14,145	12,873	1,272
Supplies			2,823	(2,823)
<u>Total Exceptional Child Program</u>	<u>67,203</u>	<u>67,203</u>	<u>79,987</u>	<u>(12,784)</u>
<u>Preschool</u>				
Salaries	9,208	9,208	8,643	565
Benefits	1,766	1,766	2,307	(541)
Supplies	2,000	2,000	635	1,365
<u>Total Preschool</u>	<u>12,974</u>	<u>12,974</u>	<u>11,585</u>	<u>1,389</u>
<u>Vocational</u>				
Salaries			56,387	(56,387)
Benefits			15,292	(15,292)
Supplies	3,000	3,000	2,321	679
<u>Total Vocational</u>	<u>3,000</u>	<u>3,000</u>	<u>74,000</u>	<u>(71,000)</u>
<u>Interscholastic Program</u>				
Salaries	25,975	25,975	27,492	(1,517)
Benefits	7,013	7,013	7,190	(177)
Purchased Services	3,000	3,000	1,757	1,243
Supplies	200	200	250	(50)
<u>Total School Activity</u>	<u>36,188</u>	<u>36,188</u>	<u>36,689</u>	<u>(501)</u>
<u>Total Instructional</u>	<u>948,987</u>	<u>948,987</u>	<u>960,371</u>	<u>(11,384)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
<u>Support</u>				
<u>Guidance</u>				
Salaries	\$ 200	\$ 200		\$ 21,000
Purchased Services	21,000	21,000	\$ 22,300	(22,200)
Supplies	100	100	14	86
<u>Total Guidance</u>	<u>21,300</u>	<u>21,300</u>	<u>22,314</u>	<u>(1,114)</u>
<u>Special Services</u>				
Purchased Services			69,705	(69,705)
<u>Total Special Services</u>	<u>0</u>	<u>0</u>	<u>69,705</u>	<u>(69,705)</u>
<u>Housing</u>				
Purchased Services			2,007	(2,007)
Supplies				0
<u>Total Housing</u>	<u>0</u>	<u>0</u>	<u>2,007</u>	<u>(2,007)</u>
<u>Educational Media</u>				
Salaries	6,819	6,819	6,116	703
Benefits	1,308	1,308	1,174	134
Supplies	4,250	4,250	3,952	298
<u>Total Educational Media</u>	<u>12,377</u>	<u>12,377</u>	<u>11,242</u>	<u>1,135</u>
<u>Technology Coordinator</u>				
Salaries			1,500	(1,500)
Benefits			455	(455)
Purchased Services	300	300	2,878	(2,578)
Supplies	3,000	3,000	1,507	1,493
<u>Total Technology Coordinator</u>	<u>3,300</u>	<u>3,300</u>	<u>6,340</u>	<u>(3,040)</u>
<u>Total Support</u>	<u>36,977</u>	<u>36,977</u>	<u>111,608</u>	<u>(74,731)</u>
<u>General Administrative</u>				
<u>Board of Education</u>				
Purchased Services	5,430	5,430	1,217	4,213
Supplies	120	120	701	(581)
<u>Total Board of Education</u>	<u>5,550</u>	<u>5,550</u>	<u>1,918</u>	<u>3,632</u>

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DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
<u>District Administration</u>				
Salaries	\$ 83,165	\$ 83,165	\$ 75,000	\$ 8,165
Benefits	31,926	31,926	22,362	9,564
Purchased Services	16,700	16,700	11,672	5,028
Supplies	6,000	6,000	5,323	677
Insurance	24,103	24,103		24,103
<u>Total District Administration</u>	<u>161,894</u>	<u>161,894</u>	<u>114,357</u>	<u>47,537</u>
<u>School Administration</u>				
Salaries	39,304	39,304	44,114	(4,810)
Benefits	14,503	14,503	13,639	864
Purchased Services	4,250	4,250	50	4,200
Supplies	1,100	1,100	39	1,061
<u>Total School Administration</u>	<u>59,157</u>	<u>59,157</u>	<u>57,842</u>	<u>1,315</u>
<u>Business Operations</u>				
Salaries	31,000	31,000	48,448	(17,448)
Benefits	9,143	9,143	15,936	(6,793)
<u>Total Business Operations</u>	<u>40,143</u>	<u>40,143</u>	<u>64,384</u>	<u>(24,241)</u>
<u>Total General Administrative</u>	<u>266,744</u>	<u>266,744</u>	<u>238,501</u>	<u>48,852</u>
<u>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	25,978	25,978	20,483	5,495
Benefits	8,947	8,947	7,756	1,191
Purchased Services	250	250	130	120
Supplies	6,000	6,000	5,800	200
<u>Total Custodians</u>	<u>41,175</u>	<u>41,175</u>	<u>34,169</u>	<u>7,006</u>
<u>Maintenance - Buildings</u>				
Salaries	5,111	5,111		5,111
Benefits	982	982		982
Purchased Services	64,580	64,580	50,681	13,899
Supplies	1,500	1,500	961	539
<u>Total Maintenance - Buildings</u>	<u>72,173</u>	<u>72,173</u>	<u>51,642</u>	<u>20,531</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Maintenance - Student Occupied</u>				
Salaries	\$ 33,104	\$ 33,104	\$ 30,692	\$ 2,412
Benefits	10,315	10,315	7,557	2,758
Purchased Services	7,500	7,500	959	6,541
Supplies	15,000	15,000	14,548	452
<u>Total Maintenance - Student Occ.</u>	<u>65,919</u>	<u>65,919</u>	<u>53,756</u>	<u>12,163</u>
<u>Maintenance - Grounds</u>				
Salaries	11,034	11,034	8,157	2,877
Benefits	2,118	2,118	2,881	(763)
Purchased Services	1,800	1,800	2,859	(1,059)
Supplies	3,500	3,500	588	2,912
<u>Total Maintenance - Grounds</u>	<u>18,452</u>	<u>18,452</u>	<u>14,485</u>	<u>3,967</u>
<u>Total Custodial / Maintenance</u>	<u>197,719</u>	<u>197,719</u>	<u>154,052</u>	<u>31,504</u>
<u>Security Program</u>				
Purchased Services	300	300	700	(400)
<u>Total Security Program</u>	<u>300</u>	<u>300</u>	<u>700</u>	<u>(400)</u>
<u>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	48,333	48,333	46,666	1,667
Benefits	17,083	17,083	14,586	2,497
Purchased Services	21,950	21,950	6,566	15,384
Supplies	23,900	23,900	19,219	4,681
Insurance	312	312		312
<u>Total School Transportation</u>	<u>111,578</u>	<u>111,578</u>	<u>87,037</u>	<u>24,541</u>
<u>Activity Transportation</u>				
Purchased Services	1,000	1,000	365	635
Supplies	8,950	8,950	4,642	4,308
<u>Total Activity Transportation</u>	<u>9,950</u>	<u>9,950</u>	<u>5,007</u>	<u>4,943</u>
<u>Total Transportation</u>	<u>121,528</u>	<u>121,528</u>	<u>92,044</u>	<u>29,484</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Support Services</u>				
Purchased Services	\$ 7,650	\$ 7,650	\$ 7,669	\$ (19)
Supplies	4,000	4,000	4,909	(909)
<u>Total Other Support Services</u>	<u>11,650</u>	<u>11,650</u>	<u>12,578</u>	<u>(928)</u>
<u>Non-Instructional</u>				
Benefits	2,649	2,649	2,793	(144)
<u>Total Non-Instructional</u>	<u>2,649</u>	<u>2,649</u>	<u>2,793</u>	<u>(144)</u>
<u>Interfund Transfers</u>	<u>9,272</u>	<u>9,272</u>		<u>9,272</u>
<u>Total Charges to Appropriations</u>	<u>1,595,826</u>	<u>1,595,826</u>	<u>1,572,647</u>	<u>23,179</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 24,332</u>	<u>\$ 24,332</u>	<u>\$ 244,281</u>	<u>\$ 219,949</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 1,200	\$ 1,200	\$ 336	\$ (864)
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	19,593	19,593	16,126	(3,467)
Adult Meal Sales			5,873	5,873
Investment Earnings	200	200		(200)
<u>Total Local Revenue</u>	<u>19,793</u>	<u>19,793</u>	<u>21,999</u>	<u>2,206</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	89,711	89,711	100,785	11,074
<u>Total Federal Revenue</u>	<u>89,711</u>	<u>89,711</u>	<u>100,785</u>	<u>11,074</u>
<u>Amounts Available for Appropriations</u>	<u>110,704</u>	<u>110,704</u>	<u>123,120</u>	<u>12,416</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	36,354	36,354	38,316	(1,962)
Benefits	12,250	12,250	10,712	1,538
Purchased Services	900	900	276	624
Supplies	61,200	61,200	62,851	(1,651)
<u>Total Non-Instructional</u>	<u>110,704</u>	<u>110,704</u>	<u>112,155</u>	<u>(1,451)</u>
<u>Total Charges to Appropriations</u>	<u>110,704</u>	<u>110,704</u>	<u>112,155</u>	<u>(1,451)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,965</u>	<u>\$ 10,965</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	<u>General Fund</u>	<u>Food Service</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,816,928	\$ 123,120
<u>Differences - Budget to GAAP</u>		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	2,427	(336)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(44,070)</u>	<u>0</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,775,285</u>	<u>\$ 122,784</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,572,647	\$ 112,155
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>0</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,572,647</u>	<u>\$ 112,155</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

NOTE 2 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
Food Service	\$ 110,704	\$ 112,155	\$ 1,451

NOTE 3 - BUDGET PROCESS

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

- 1) At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
- 2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
- 3) The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
- 4) The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.
- 5) The legal budget is adopted at the function level.

SUPPLEMENTAL INFORMATION SECTION

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Driver's Education</u>	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>
<u>ASSETS</u>				
Cash				
Interfund Balances	\$ 1,928	\$ 5,021	\$ 5,247	\$ 908
Due From Other Governments		5,027	1,519	
	<u>1,928</u>	<u>10,048</u>	<u>6,766</u>	<u>908</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,928</u>	<u>\$ 10,048</u>	<u>\$ 6,766</u>	<u>\$ 908</u>
<u>LIABILITIES</u>				
Accounts Payable		\$ 1,731		\$ 213
Contracts and Benefits Payable		2,611	\$ 611	
Interfund Balances				
		<u>4,342</u>	<u>611</u>	<u>213</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>4,342</u>	<u>611</u>	<u>213</u>
<u>FUND BALANCES</u>				
Unreserved	<u>1,928</u>	<u>5,706</u>	<u>6,155</u>	<u>695</u>
<u>TOTAL FUND BALANCES</u>	<u>1,928</u>	<u>5,706</u>	<u>6,155</u>	<u>695</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,928</u>	<u>\$ 10,048</u>	<u>\$ 6,766</u>	<u>\$ 908</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Title I-A Local Program</u>	<u>Title I-C Migrant</u>	<u>Title VI-B School Age</u>	<u>Title VI-B Preschool</u>
<u>ASSETS</u>				
Cash				
Interfund Balances	\$ 494			\$ 211
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 494</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 211</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 57		\$ 244	
Contracts and Benefits Payable	17,355	\$ 4,108	6,606	\$ 728
Interfund Balances		218	1,727	
<u>TOTAL LIABILITIES</u>	<u>17,412</u>	<u>4,326</u>	<u>8,577</u>	<u>728</u>
<u>FUND BALANCES</u>				
Unreserved	(16,918)	(4,326)	(8,577)	(517)
<u>TOTAL FUND BALANCES</u>	<u>(16,918)</u>	<u>(4,326)</u>	<u>(8,577)</u>	<u>(517)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 494</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 211</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Title V-A Innovative</u>	<u>Perkins III - Vocational Technology</u>	<u>Title II-A Improving Teacher Quality</u>	<u>Title IV-A Drug Free Schools</u>
<u>ASSETS</u>				
Cash				
Interfund Balances			\$ 3,538	\$ 283
Due From Other Governments				
	<u>0</u>	<u>0</u>	<u>3,538</u>	<u>283</u>
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,538</u>	<u>\$ 283</u>
<u>LIABILITIES</u>				
Accounts Payable			\$ 350	\$ 226
Contracts and Benefits Payable				
Interfund Balances		\$ 2,293		
	<u>0</u>	<u>2,293</u>	<u>350</u>	<u>226</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>2,293</u>	<u>350</u>	<u>226</u>
<u>FUND BALANCES</u>				
Unreserved	<u>0</u>	<u>(2,293)</u>	<u>3,188</u>	<u>57</u>
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>(2,293)</u>	<u>3,188</u>	<u>57</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,538</u>	<u>\$ 283</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	<u>Rural Education Achievement Program</u>	<u>Total</u>
<u>ASSETS</u>		
Cash		\$ 0
Interfund Balances		17,630
Due From Other Governments		6,546
<u>TOTAL ASSETS</u>	\$ 0	\$ 24,176
 <u>LIABILITIES</u>		
Accounts Payable		\$ 2,821
Contracts and Benefits Payable	\$ 1,977	33,996
Interfund Balances	12,548	16,786
<u>TOTAL LIABILITIES</u>	14,525	53,603
 <u>FUND BALANCES</u>		
Unreserved	(14,525)	(29,427)
<u>TOTAL FUND BALANCES</u>	(14,525)	(29,427)
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>		
	\$ 0	\$ 24,176

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Driver's Education</u>	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>
<u>REVENUES</u>				
Local				\$ 101
State		\$ 16,755	\$ 26,866	5,547
Federal				
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>16,755</u>	<u>26,866</u>	<u>5,648</u>
<u>EXPENDITURES</u>				
Instructional		11,373		
Support			18,067	5,512
Administrative			9,494	
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>11,373</u>	<u>27,561</u>	<u>5,512</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>5,382</u>	<u>(695)</u>	<u>136</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>0</u>	<u>5,382</u>	<u>(695)</u>	<u>136</u>
<u>FUND BALANCE - BEGINNING</u>	<u>1,928</u>	<u>324</u>	<u>6,850</u>	<u>559</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 1,928</u>	<u>\$ 5,706</u>	<u>\$ 6,155</u>	<u>\$ 695</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Title I-A Local Program</u>	<u>Title I-C Migrant</u>	<u>Title VI-B School Age</u>	<u>Title VI-B Preschool</u>
<u>REVENUES</u>				
Local				
State				
Federal	\$ 71,742	\$ 15,738	\$ 32,736	\$ 5,116
<u>TOTAL REVENUES</u>	<u>71,742</u>	<u>15,738</u>	<u>32,736</u>	<u>5,116</u>
<u>EXPENDITURES</u>				
Instructional	68,298	19,165	32,365	5,857
Support	403		7,370	
Administrative	6,597			
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>75,298</u>	<u>19,165</u>	<u>39,735</u>	<u>5,857</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>(3,556)</u>	<u>(3,427)</u>	<u>(6,999)</u>	<u>(741)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers		(3,428)	(33,680)	
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>(3,428)</u>	<u>(33,680)</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	(3,556)	(6,855)	(40,679)	(741)
<u>FUND BALANCE - BEGINNING</u>	<u>(13,362)</u>	<u>2,529</u>	<u>32,102</u>	<u>224</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (16,918)</u>	<u>\$ (4,326)</u>	<u>\$ (8,577)</u>	<u>\$ (517)</u>

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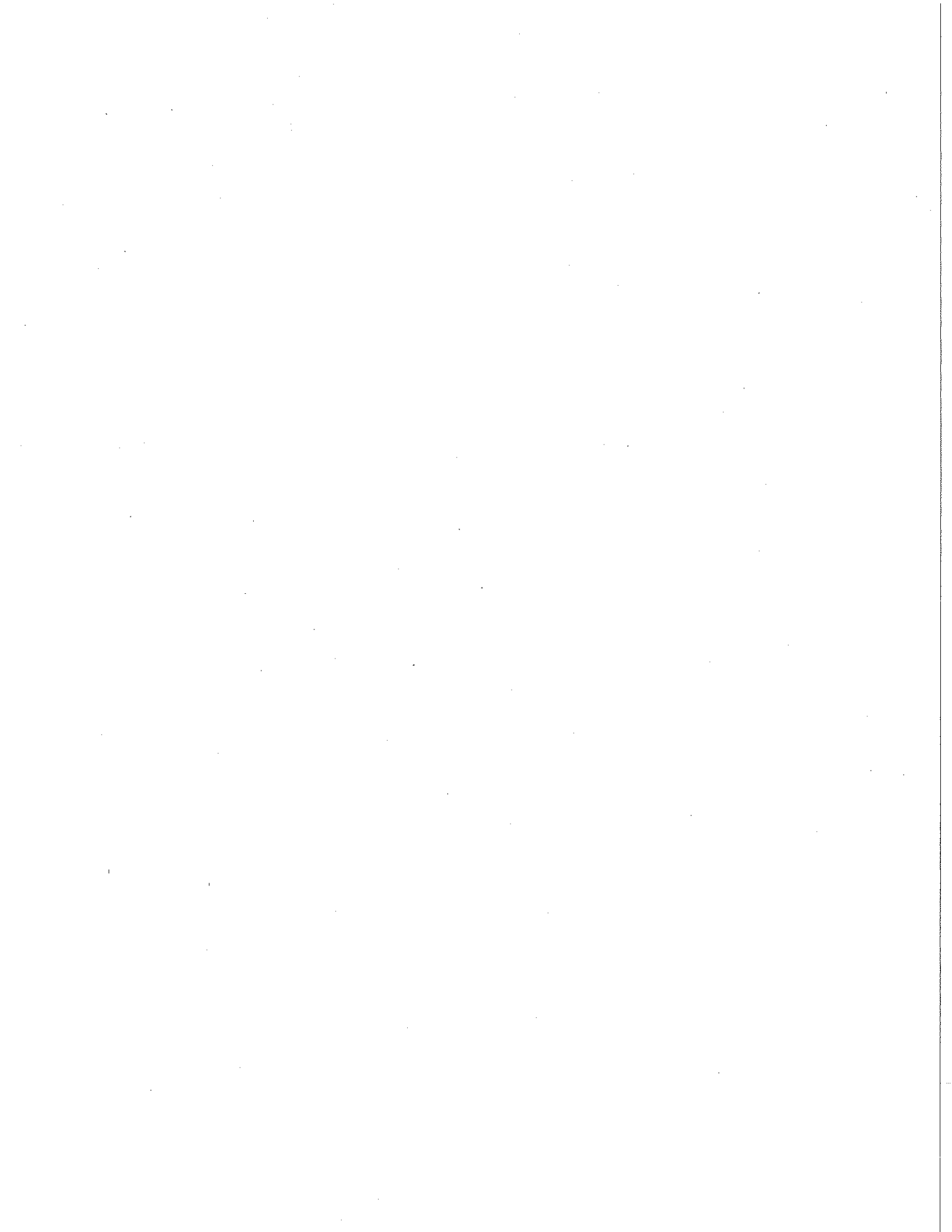
DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Title V-A Innovative</u>	<u>Perkins III - Vocational Technology</u>	<u>Title II-A Improving Teacher Quality</u>	<u>Title IV-A Drug Free Schools</u>
<u>REVENUES</u>				
Local				
State				
Federal		\$ 3,260	\$ 7,277	\$ 1,727
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>3,260</u>	<u>7,277</u>	<u>1,727</u>
<u>EXPENDITURES</u>				
Instructional		5,553	538	
Support			3,358	1,698
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>5,553</u>	<u>3,896</u>	<u>1,698</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>(2,293)</u>	<u>3,381</u>	<u>29</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers			(1,356)	
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>(1,356)</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>0</u>	<u>(2,293)</u>	<u>2,025</u>	<u>29</u>
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>0</u>	<u>1,163</u>	<u>28</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ (2,293)</u>	<u>\$ 3,188</u>	<u>\$ 57</u>

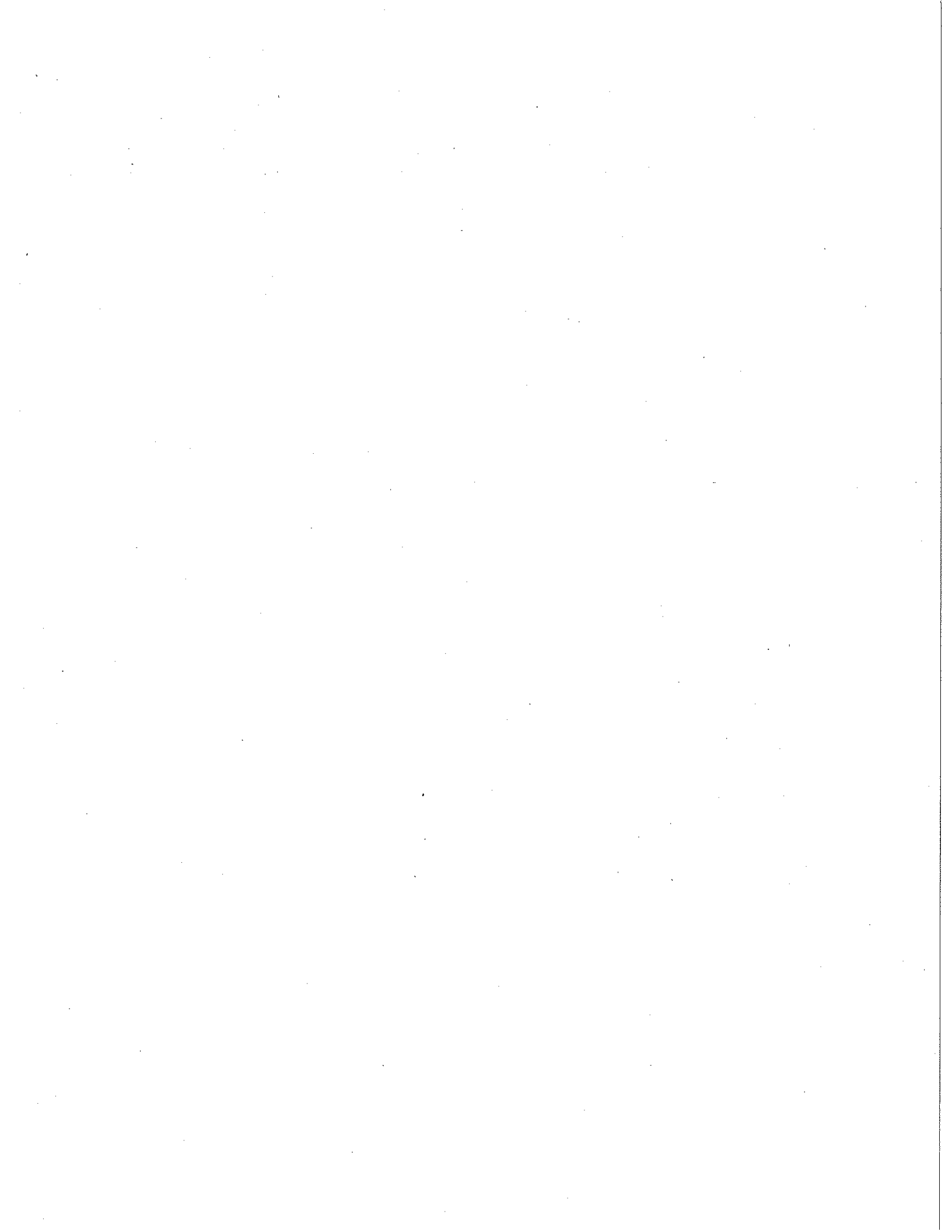
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DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Rural Education Achievement Program</u>	<u>PTO</u>	<u>Total</u>
<u>REVENUES</u>			
Local		\$ 6,500	\$ 6,601
State			49,168
Federal	\$ 13,746		151,342
<u>TOTAL REVENUES</u>	<u>13,746</u>	<u>6,500</u>	<u>207,111</u>
<u>EXPENDITURES</u>			
Instructional	14,518	1,196	158,863
Support	6,327	5,304	48,039
Administrative			16,091
Non-Instructional - Food Service			0
Capital Expenditures			0
<u>TOTAL EXPENDITURES</u>	<u>20,845</u>	<u>6,500</u>	<u>222,993</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>(7,099)</u>	<u>0</u>	<u>(15,882)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund Transfers			(38,464)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>(38,464)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(7,099)</u>	<u>0</u>	<u>(54,346)</u>
<u>FUND BALANCE - BEGINNING</u>	<u>(7,426)</u>	<u>0</u>	<u>24,919</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (14,525)</u>	<u>\$ 0</u>	<u>\$ (29,427)</u>



<u>P.F. - Lottery</u>	<u>Student Occupied</u>	<u>Total</u>
\$ 23,950	\$ 5,793	\$ 46,627
		15,275
	20,506	20,506
<u>\$ 23,950</u>	<u>\$ 26,299</u>	<u>\$ 82,408</u>
	\$	\$ 53,750
		0
		32,252
<u>\$ 0</u>	<u>0</u>	<u>86,002</u>
<u>23,950</u>	<u>26,299</u>	<u>(3,594)</u>
<u>23,950</u>	<u>26,299</u>	<u>(3,594)</u>
<u>\$ 23,950</u>	<u>\$ 26,299</u>	<u>\$ 82,408</u>



<u>P.F. - Lottery</u>	<u>Student Occupied</u>	<u>Total</u>
\$ 12,822	\$ 31,905	\$ 44,727
		124
		278
<u>12,822</u>	<u>31,905</u>	<u>45,129</u>
10,403		10,403
		20,470
		4,384
<u>10,403</u>	<u>0</u>	<u>35,257</u>
<u>2,419</u>	<u>31,905</u>	<u>9,872</u>
	<u>(5,606)</u>	<u>(5,606)</u>
<u>0</u>	<u>(5,606)</u>	<u>(5,606)</u>
2,419	26,299	4,266
<u>21,531</u>	<u>0</u>	<u>(7,860)</u>
<u>\$ 23,950</u>	<u>\$ 26,299</u>	<u>\$ (3,594)</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF CHANGE IN NET ASSETS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
High School Association of Students	\$ (1,824.62)	\$ 19,265.42	\$ 23,496.56	\$ (6,055.76)
District	645.17		612.17	33.00
Annual Club	2,887.50	4,070.00	1,961.58	4,995.92
Kindergarten	(20.44)	506.20	439.75	46.01
First Grade	0.00	629.56	629.56	0.00
Second Grade	(7.18)	129.00	121.82	0.00
Third Grade	122.70	38.35	161.05	0.00
Sixth Grade	0.00	195.86	195.86	0.00
Class of 2014	0.00	535.35	5.53	529.82
Class of 2013	466.51	210.42	3.27	673.66
Class of 2012	679.36	544.46	35.25	1,188.57
Class of 2011	1,372.67	1,053.06	291.51	2,134.22
Class of 2010	1,385.85	1,353.02	825.41	1,913.46
Class of 2009	1,200.32	419.50	1,619.82	0.00
Class of 2008	46.55	59.00	105.55	0.00
Class of 2007	80.00		80.00	(0.00)
Class of 2006	265.00		265.00	0.00
Future Farmers of America	281.58	3,366.99	4,827.48	(1,178.91)
IDFY	1,366.44	938.90	816.89	1,488.45
YEA	(975.57)	773.63	500.00	(701.94)
Tutor Program	64.39			64.39
Social Committee	(88.34)	165.00	214.74	(138.08)
Library	234.47	1,011.62	1,072.46	173.63
Northside Conference	(109.70)	109.70		(0.00)
Drama	757.34	598.42	210.08	1,145.68
BPA	(192.55)	2,322.28	2,534.88	(405.15)
Athletics	635.43	23,686.78	23,433.65	888.56
Coaches	5,982.74	14,059.55	12,314.42	7,727.87
Tournament	2,529.44	6,778.94	6,482.23	2,826.15
Spanish Club	14.38			14.38
Rodeo	1,654.72	2,525.91	2,494.45	1,686.18
Read-a-thon	0.00	53.56		53.56
PSAT	(48.00)	195.00	195.00	(48.00)
In & Out - Other	(46.50)	13,883.09	13,520.72	315.87
Cookbook	(765.72)	481.00		(284.72)
Scholarships	9,551.70	3,532.86	750.00	12,334.56
Total	\$ 28,145.64	\$ 103,492.43	\$ 100,216.69	\$ 31,421.38

R. MICHAEL BURR

Certified Public Accountant

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**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**

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

August 24, 2009

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314, as of and for the year ended June 30, 2009, which collectively comprise the Dietrich School District No. 314's basic financial statements and have issued our report thereon dated August 24, 2009. 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 Dietrich School District No. 314'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 Dietrich School District No. 314's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Dietrich School District No. 314's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Dietrich School District No. 314's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Dietrich School District No. 314's financial statements that is more than inconsequential will not be prevented or detected by the Dietrich School District No. 314's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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

Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Dietrich School District No. 314's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described on the schedule findings and responses, we consider items 2009-1 and 2009-3 to be material weaknesses.

Compliance and Other Matters

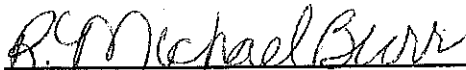
As part of obtaining reasonable assurance about whether Dietrich School District No. 314's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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.

We also noted certain additional matters that we reported to management of Dietrich School District No. 314, in a separate letter dated August 24, 2009.

Dietrich School District No. 314's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Dietrich School District No. 314's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, Board of Trustees, and the State of Idaho and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009

FINDING 2009-1: Lack of Segregation of Duties

Description of Condition

Most accounting functions are performed by only one person. These functions include, but are not limited to, check writing, posting, reconciling and report preparation.

Effect of Condition

This condition could result in inaccurate financial reporting, undetected errors, and misappropriation of funds.

Recommendation

We recommend that additional personnel be hired or reassigned to assist in the accounting functions so that one person does not have complete control over the financial information.

District's Response

We agree and are aware of this issue. We segregate whenever possible but the funding sources do not provide enough revenue to hire more staff to allow proper segregation.

FINDING 2009-2: Lack of a Formal Accounting Policy Manual

Description of Condition

The District has no accounting policy and procedure manual

Effect of Condition

This could result in a lack of continuity of job procedures with personnel turnover and no written control procedures to follow in order to safeguard assets.

Recommendation

We recommend that the District either prepare or purchase an accounting policy and procedure manual and evaluate internal controls to be included in the manual.

District's Response

We agree and aware of this issue. We are in the process of producing this manual.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009

FINDING 2009-3: Personnel does not Possess Education to Write Annual Report

Description of Condition

The District does not have employees who possess the knowledge to write the annual audit

Effect of Condition

This could result in a report not containing all the required statements and disclosures.

Recommendation

We recommend that the District pursue education for those involved in the accounting functions to enable them to write the annual audit report.

District's Response

It is not cost effective to hire personnel with such capabilities.

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

August 24, 2009

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314 for the year ended June 30, 2009, and have issued my report thereon dated August 24, 2009. Professional standards require that I provide you with the following information related to my audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in my engagement letter dated June 15, 2009, my responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

As part of my audit, I considered the internal control of Dietrich School District No. 314. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed test of Dietrich School District No. 314's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 15, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dietrich School District No. 314 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2007-08 fiscal year. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Communication with Those Charged with Governance

Management's estimate of the useful life of assets is based on industry standards and experience. I evaluated the key factors and assumptions used to develop the depreciation policy in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of the audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated August 24, 2009.

Management Consultations with Other Independent Accountants

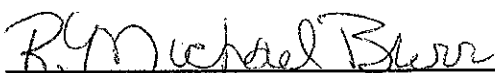
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of the Board of Trustees and management of Dietrich School District No. 314 and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


R. Michael Burr, CPA

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

MANAGEMENT LETTER

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

August 24, 2009

In planning and performing our audit of the financial statements of Dietrich School District No. 314, for the year ended June 30, 2009, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect Dietrich School District No. 314's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily disclose all matters that might be reportable conditions. In addition, because of inherent limitations in internal control, errors or fraud may occur and not be detected by such controls.

The reportable conditions we believe existed at June 30, 2009, are included in the schedule of finding and responses.

There were also other items we need to cover. These items are as follows:

- 1) Several funds have negative fund balances. These items need to be reviewed and corrected if possible.

This report is intended solely for the information and use of the management, Board of Trustees, State of Idaho, 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.

Sincerely,



R. Michael Burr
Certified Public Accountant