

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2011

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INDEPENDENT AUDITOR'S REPORT

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

August 24, 2011

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, 2010, 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.

Management has not adopted a methodology for reporting other postemployment benefits under the guidelines of *GASB 45* in the general fund and, accordingly, has not considered the need to record a liability for such benefits. Accounting principles generally accepted in the United States of America require that an adequate liability be provided for postemployment benefits, which would increase the liabilities and decrease fund balance and change the revenues in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

In our opinion, except for the effects of not providing an adequate liability for other postemployment benefits for the general fund as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of Dietrich School District No. 314, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, all other major funds and the aggregate remaining fund information of Dietrich School District No. 314, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2011, 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 29 through 38 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 Dietrich School District No. 314's financial statements as a whole. The combining and individual nonmajor fund financial statements and agency fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. The agency, combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET ASSETS
JUNE 30, 2011

		<u>Governmental Activities</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 113,169	
Investments	475,477	
Net Receivables	310,262	
Inventory	11,953	
<u>TOTAL CURRENT ASSETS</u>		\$ 910,861
 <u>NONCURRENT ASSETS</u>		
Long-Term Receivables	\$ 30,312	
Investments - Restricted	1,095,029	
Capital Assets (non-depreciated)	80,000	
Capital Assets (depreciated - net)	2,499,343	
<u>TOTAL NONCURRENT ASSETS</u>		<u>3,704,684</u>
<u>TOTAL ASSETS</u>		<u>4,615,545</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 65,740	
Salaries and Benefits Payable	168,051	
Interest Payable	23,946	
Current Portion of Long-Term Debt	12,298	
<u>TOTAL CURRENT LIABILITIES</u>		270,035
 <u>NONCURRENT LIABILITIES</u>		
Lease Payable (net of current portion)	\$ 27,732	
Bond Payable (net of current portion)	1,947,000	
<u>TOTAL NONCURRENT LIABILITIES</u>		<u>1,974,732</u>
<u>TOTAL LIABILITIES</u>		2,244,767
 <u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	\$ 568,367	
Restricted for:		
Capital Projects	18,729	
Debt Service	1,183,822	
Federal and State Programs	128,143	
Unrestricted	471,717	
<u>TOTAL NET ASSETS</u>		<u>\$ 2,370,778</u>

See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

<u>Primary Government Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Instruction	\$ 1,302,343	\$ 3,657	\$ 554,203	
Support	104,308			
General Administrative	257,238			
Custodial/Maintenance	183,178		5,404	
Student Transportation	77,635		44,632	
Non-Instructional - Food Service	112,177	16,242	95,568	
Debt Service - Interest on Debt	38,722			
<u>Total Governmental Activities</u>	<u>2,075,601</u>	<u>19,899</u>	<u>699,807</u>	<u>\$ 0</u>
 <u>Business-Type Activities</u>				
None	0	0	0	0
<u>Total Business-Type Activities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Primary Government</u>	<u>\$ 2,075,601</u>	<u>\$ 19,899</u>	<u>\$ 699,807</u>	<u>\$ 0</u>

General Revenue
Property Taxes
State Formula Support
Other State Support
Local Revenue
Investment Earnings

Total General Revenue

Changes in Net Assets

Net Assets - Beginning

Net Assets - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (744,483)		\$ (744,483)
(104,308)		(104,308)
(257,238)		(257,238)
(177,774)		(177,774)
(33,003)		(33,003)
(367)		(367)
(38,722)		(38,722)
(1,355,895)		(1,355,895)
0	\$ 0	0
(1,355,895)	0	(1,355,895)
198,037		198,037
1,265,944		1,265,944
1,612		1,612
36,791		36,791
40,431		40,431
1,542,815	0	1,542,815
186,920	0	186,920
2,183,858	0	2,183,858
\$ 2,370,778	\$ 0	\$ 2,370,778

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,587	\$ 44,872	\$ 49,314
Investments	460,118		
Property Taxes Receivable	44,231		39,479
Interfund Balances	1,671		90,201
Due From Other Governments	133,826	12,762	
Restricted Assets - Investments			1,095,029
	<u>445,043</u>	<u>57,634</u>	<u>1,274,023</u>
<u>TOTAL ASSETS</u>	<u>\$ 655,433</u>	<u>\$ 57,634</u>	<u>\$ 1,274,023</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 54,088	\$ 9,556	
Interfund Balances		2,767	
Contracts and Benefits Payable	139,910		
Deferred Revenue	16,392		\$ 13,920
	<u>210,390</u>	<u>12,323</u>	<u>13,920</u>
<u>TOTAL LIABILITIES</u>	<u>210,390</u>	<u>12,323</u>	<u>13,920</u>
 <u>FUND BALANCES</u>			
Restricted - Special Revenue Funds		45,311	
Restricted - Debt Service Fund			1,260,103
Restricted - Capital Projects Fund			
Unassigned	445,043		
	<u>445,043</u>	<u>45,311</u>	<u>1,260,103</u>
<u>TOTAL FUND BALANCES</u>	<u>445,043</u>	<u>45,311</u>	<u>1,260,103</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 655,433</u>	<u>\$ 57,634</u>	<u>\$ 1,274,023</u>

See accompanying notes to the basic financial statements

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,396		\$ 113,169
15,359		475,477
		83,710
17,208		109,080
	\$ 110,276	256,864
		1,095,029
<u>\$ 35,963</u>	<u>\$ 110,276</u>	<u>\$ 2,133,329</u>
	\$ 2,096	\$ 65,740
	106,313	109,080
\$ 26	28,115	168,051
		30,312
<u>26</u>	<u>136,524</u>	<u>373,183</u>
	(26,248)	19,063
		1,260,103
35,937		35,937
		445,043
<u>35,937</u>	<u>(26,248)</u>	<u>1,760,146</u>
<u>\$ 35,963</u>	<u>\$ 110,276</u>	<u>\$ 2,133,329</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>REVENUES</u>			
Property Taxes and Penalty and Interest	\$ 94,768		\$ 80,047
State Foundation Support	1,457,419		
Other State Support/Grants	11,595		64,111
Federal Revenue/Grants	66,644	\$ 95,568	
Investment Earnings	4,370		36,015
Other Local Revenue	42,465	16,242	
	<u>1,677,261</u>	<u>111,810</u>	<u>180,173</u>
<u>TOTAL REVENUES</u>			
<u>EXPENDITURES</u>			
Instructional	989,516		
Support	86,110		
General Administrative	250,940		
Custodial/Maintenance	163,619		
Student Transportation	65,506		
Non-Instructional	4,558	107,617	
Capital Expenditures	9,301		
Debt Service - Principal			
Debt Service - Interest and Charges			35,689
	<u>1,569,550</u>	<u>107,617</u>	<u>35,689</u>
<u>TOTAL EXPENDITURES</u>			
<u>EXCESS REVENUES OVER</u>			
<u>(UNDER) EXPENDITURES</u>			
	<u>107,711</u>	<u>4,193</u>	<u>144,484</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>(85,535)</u>		
	<u>(85,535)</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>			
<u>EXCESS REVENUES AND</u>			
<u>OTHER FINANCING SOURCES OVER</u>			
<u>(UNDER) EXPENDITURES</u>			
	22,176	4,193	144,484
<u>FUND BALANCE - BEGINNING</u>	<u>422,867</u>	<u>41,118</u>	<u>1,115,619</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 445,043</u>	<u>\$ 45,311</u>	<u>\$ 1,260,103</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Fund</u>	<u>Other Governmenta I Funds</u>	<u>Total Governmenta I Funds</u>
		\$ 174,815
		1,457,419
	\$ 45,834	121,540
	220,788	383,000
\$ 46		40,431
	<u>3,387</u>	<u>62,094</u>
<u>46</u>	<u>270,009</u>	<u>2,239,299</u>
	240,541	1,230,057
	12,519	98,629
	6,298	257,238
		163,619
		65,506
		112,175
10,258		19,559
17,510		17,510
3,120		<u>38,809</u>
<u>30,888</u>	<u>259,358</u>	<u>2,003,102</u>
<u>(30,842)</u>	<u>10,651</u>	<u>236,197</u>
<u>84,007</u>	<u>1,528</u>	<u>0</u>
<u>84,007</u>	<u>1,528</u>	<u>0</u>
53,165	12,179	236,197
<u>(17,228)</u>	<u>(38,427)</u>	<u>1,523,949</u>
<u>\$ 35,937</u>	<u>\$ (26,248)</u>	<u>\$ 1,760,146</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

<u>Total Governmental Fund Balances</u>	\$ 1,760,146
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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 \$1,520,793.	\$ 2,579,343
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	30,312
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Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements.	11,953
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Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements.	(23,946)
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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	(40,030)
Outstanding Bonds	<u>(1,947,000)</u>

<u>Net Changes</u>	<u>610,632</u>
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<u>Net Assets of Governmental Activities</u>	<u><u>\$ 2,370,778</u></u>
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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, 2011

Net Change in Fund Balances - Governmental Fund Balances \$ 236,197

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	\$ (90,096)
- Capital Expenditures	0

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	23,222
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Assets.	17,510
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	87
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<u>Net Changes</u>	<u>(49,277)</u>
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<u>Change in Net Assets of Governmental Activities</u>	<u>\$ 186,920</u>
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See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 47,952
Accounts Receivable	<u>1,457</u>
<u>Total Assets</u>	<u>\$ 49,409</u>
 <u>Liabilities</u>	
Due to Student Groups	<u>\$ 49,409</u>
<u>Total Liabilities</u>	<u>\$ 49,409</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, 2011

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, 2011.

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, 2011

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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned 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 all financial resources restricted, committed or assigned 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, 2011

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, 2011

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 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, 2011

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, 2011

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, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

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.

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 nonspendable, restricted, committed, assigned, or unassigned.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable Fund Balance - 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.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority, the Board of Trustees.

Assigned Fund Balance - Includes amounts intended to be used by the District 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 - Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

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.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

2 - CASH AND INVESTMENTS (Continued)

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, 2011, the District had a carrying value of cash deposits of \$528,223 and a bank balance of \$538,419. Based on the above definitions, the District is subject to \$508,192 of concentration of credit risk. Of this amount, \$226,920 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 \$1,192,326 (\$97,297 Idaho State Local Government Investment Pool and \$1,095,029 Zions Bank - Dreyfus Treasury Cash Management Account) which approximates market value. The Idaho State Local Government Investment Pool has no credit rating.

The \$1,095,029 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, 2010, upon which the 2010 levy was based was \$39,300,348.

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2011, 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	0.2705	Voter Approved
Bond	0.2297	No Limit

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

At June 30, 2011, 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>
2010	\$ 42,830	\$ 36,370	\$ 79,200
2009	759		759
2008	513	2,002	2,515
2007	129	1,107	1,236
<u>Total</u>	<u>\$ 44,231</u>	<u>\$ 39,479</u>	<u>\$ 83,710</u>

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2011, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2011, 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	\$ 16,392
Debt Service Fund	13,920
<u>Total</u>	<u>\$ 30,312</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, 2011, are as follows:

<u>Source - Description</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
State - Foundation	\$ 71,432		\$ 71,432
State - Other Support	62,394	\$ 7,655	70,049
Federal - Grant Awards		115,383	115,383
<u>Total</u>	<u>\$ 133,826</u>	<u>\$ 123,038</u>	<u>\$ 256,864</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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	9,298,658
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, 2011, was as follows (beginning amounts restated to reflect GASB 34):

	<u>Primary Government - Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	
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	211,535			211,535
Heavy Equipment and Busses	337,178			337,178
Equipment	131,259			131,259
Subtotal	<u>4,020,136</u>	<u>0</u>	<u>0</u>	<u>4,020,136</u>
Less accumulated depreciation for:				
Buildings and Improvements	(794,043)	(74,340)		(868,383)
Library	(203,613)	(3,956)		(207,569)
Heavy Equipment and Busses	(301,784)	(11,798)		(313,582)
Equipment	(131,257)	(2)		(131,259)
Subtotal	<u>(1,430,697)</u>	<u>(90,096)</u>	<u>0</u>	<u>(1,520,793)</u>
Net Depreciated Assets	<u>2,589,439</u>	<u>(90,096)</u>	<u>0</u>	<u>2,499,343</u>
Net Capital Assets	<u>\$ 2,669,439</u>	<u>\$ (90,096)</u>	<u>\$ 0</u>	<u>\$ 2,579,343</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 72,286
Support	5,679
Student Transportation	12,129
Non-Instructional - Food Service	<u>2</u>
Total	<u>\$ 90,096</u>

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2011, are summarized below:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
Transfers:			
To cover past expenditures	Special Revenue	General Fund	\$ 1,529
To cover past expenditures	Capital Projects	General Fund	84,007
Due To/From:			
To cover current expenditures	General Fund	Debt Service	188,339
To cover current expenditures	General Fund	Capital Projects	15,396
To cover current expenditures	Special Revenue	Debt Service	53,515
To cover current expenditures	Food Service	General Fund	20,504

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, 2011, 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 53 - 54. 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, 2011

NOTE 9 - DEBT

The following is a summary of the District's long-term debt obligations and transactions for the year ended June 30, 2011:

	Amount Outstanding Beginning	Issued	Retired	Amount Outstanding Ending
Capital Lease	\$ 57,539	\$ 0	\$ 17,509	\$ 40,030
Bond Issue @ 1.69%	1,947,000			1,947,000
<u>Total</u>	<u>\$ 2,004,539</u>	<u>\$ 0</u>	<u>\$ 17,509</u>	<u>\$ 1,987,030</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, 2011, is as follows:

Year Ended June 30,	Bond Principal	Lease Principal	Interest	Total
2012		\$ 12,298	\$ 33,999	\$ 46,297
2013		12,943	33,354	46,297
2014		14,789	32,680	47,469
2015			32,235	32,235
2016				
2017	\$ 1,947,000			1,947,000
<u>Total</u>	<u>\$ 1,947,000</u>	<u>\$ 40,030</u>	<u>\$ 132,268</u>	<u>\$ 2,119,298</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, 2011

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, 2011, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% 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 \$119,299, \$120,784, and \$112,432 for the three years ended June 30, 2011, 2010, and 2009, respectively.

NOTE 11 - REQUIRED DISCLOSURE - DEFICIT FUND BALANCES

The following nonmajor funds had deficit fund balances at June 30, 2011:

Capital Construction	\$ (22)
Plant Facilities - Bus Depreciation	(3,787)
Title I-A Local Program	(16,918)
Title I-C Migrant	(4,326)
REAP	(5,225)
Title VI-B School Age	(6,719)
Title VI-B Preschool	(225)
Perkins III	(2,131)
State Basic Technology	(5,941)

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Dietrich School District No. 314 has not implemented *Governmental Accounting Standards Board (GASB) Statement 45*. *Statement 45* is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other postemployment benefits (OPEB) other than pensions. Reported OPEBs may include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Typically an actuary (or actuaries) with both pension and health experience must perform the calculations following generally accepted actuarial methods. *GASB 45* was instigated by the Governmental Accounting Standards Board (GASB) in July, 2004, because of the growing concern over the potential magnitude of government employer obligations for postemployment benefits.

Plan Description

The District participates in a postretirement health insurance program administered by Public Employee Retirement System of Idaho (PERSI). PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave.

Funding Policy

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Payment to the Fund is done monthly and is based on a percentage of salary. The percentage is determined by PERSI and reported and paid by the District on a monthly basis.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of *GASB 45* is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<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>	\$ 0	\$ 0	\$ 422,867	\$ 422,867
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	85,817	85,817	94,487	8,670
Property Tax Penalty and Interest	1,000	1,000	281	(719)
Investment Earnings	6,000	6,000	4,370	(1,630)
Other Local Revenue	24,500	24,500	42,465	17,965
<u>Total Local Revenue</u>	<u>117,317</u>	<u>117,317</u>	<u>141,603</u>	<u>24,286</u>
<u>State Revenue</u>				
Base Support Program	1,205,544	1,205,544	1,265,944	60,400
Transportation Support	65,000	65,000	44,632	(20,368)
Benefit Apportionment	153,541	153,541	146,843	(6,698)
Other State Support	48,859	48,859	9,983	(38,876)
Revenue in Lieu / Ag Replacement Tax	1,612	1,612	1,612	0
<u>Total State Revenue</u>	<u>1,474,556</u>	<u>1,474,556</u>	<u>1,469,014</u>	<u>(5,542)</u>
<u>Federal Revenue</u>				
Indirect Federal Revenue			66,644	66,644
<u>Total Federal Revenue</u>	<u>0</u>	<u>0</u>	<u>66,644</u>	<u>66,644</u>
<u>Other Sources</u>				
Interfund Transfers				0
<u>Total Other Sources</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Amounts Available for Appropriations</u>	<u>1,591,873</u>	<u>1,591,873</u>	<u>2,100,128</u>	<u>508,255</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	310,436	310,436	311,769	(1,333)
Benefits	88,527	88,527	80,444	8,083
Purchased Services	150	150	672	(522)
Supplies	9,000	9,000	5,545	3,455
<u>Total Elementary School Program</u>	<u>408,113</u>	<u>408,113</u>	<u>398,430</u>	<u>9,683</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<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	\$ 258,305	\$ 258,305	\$ 298,695	\$ (40,390)
Benefits	81,174	81,174	75,196	5,978
Purchased Services	150	150	6,959	(6,809)
Supplies	8,700	8,700	3,108	5,592
<u>Total Secondary School Program</u>	<u>348,329</u>	<u>348,329</u>	<u>383,958</u>	<u>(35,629)</u>
<u>Exceptional Child Program</u>				
Salaries	47,428	47,428	49,678	(2,250)
Benefits	12,624	12,624	11,840	784
<u>Total Exceptional Child Program</u>	<u>60,052</u>	<u>60,052</u>	<u>61,518</u>	<u>(1,466)</u>
<u>Preschool</u>				
Salaries	17,624	17,624	17,625	(1)
Benefits	4,790	4,790	4,888	(98)
Supplies	2,000	2,000	93	1,907
<u>Total Preschool</u>	<u>24,414</u>	<u>24,414</u>	<u>22,606</u>	<u>1,808</u>
<u>Vocational</u>				
Salaries	73,357	73,357	65,208	8,149
Benefits	21,121	21,121	16,701	4,420
Supplies	3,000	3,000	946	2,054
<u>Total Vocational</u>	<u>97,478</u>	<u>97,478</u>	<u>82,855</u>	<u>14,623</u>
<u>Interscholastic Program</u>				
Salaries	28,590	28,590	29,901	(1,311)
Benefits	7,255	7,255	6,730	525
Purchased Services	1,000	1,000	1,171	(171)
Supplies	1,000	1,000	2,347	(1,347)
<u>Total School Activity</u>	<u>37,845</u>	<u>37,845</u>	<u>40,149</u>	<u>(2,304)</u>
<u>Total Instructional</u>	<u>976,231</u>	<u>976,231</u>	<u>989,516</u>	<u>(13,285)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Support</u>				
<u>Guidance</u>				
Purchased Services	\$ 1,500	\$ 1,500	\$ 1,430	(1,330)
Supplies	100	100	3	97
<u>Total Guidance</u>	<u>1,600</u>	<u>1,600</u>	<u>1,433</u>	<u>(1,233)</u>
<u>Special Services</u>				
Purchased Services	38,500	38,500	10,125	28,375
<u>Total Special Services</u>	<u>38,500</u>	<u>38,500</u>	<u>10,125</u>	<u>28,375</u>
<u>Housing</u>				
Purchased Services			1,869	(1,869)
Supplies			3,132	(3,132)
<u>Total Housing</u>	<u>0</u>	<u>0</u>	<u>5,001</u>	<u>(5,001)</u>
<u>Educational Media</u>				
Salaries	6,000	6,000	6,484	(484)
Benefits	1,275	1,275	2,530	(1,255)
Supplies	2,500	2,500	2,478	22
<u>Total Educational Media</u>	<u>9,775</u>	<u>9,775</u>	<u>11,492</u>	<u>(1,717)</u>
<u>Technology Coordinator</u>				
Salaries	7,500	7,500	31,971	(24,471)
Benefits	1,608	1,608	6,335	(4,727)
Purchased Services	19,500	19,500	9,095	10,405
Supplies	7,500	7,500	1,095	6,405
<u>Total Technology Coordinator</u>	<u>36,108</u>	<u>36,108</u>	<u>48,496</u>	<u>(12,388)</u>
<u>Total Support</u>	<u>85,983</u>	<u>85,983</u>	<u>76,547</u>	<u>8,036</u>
<u>General Administrative</u>				
<u>Board of Education</u>				
Salaries	700	700	2,378	(1,678)
Benefits	759	759	597	162
Purchased Services	4,500	4,500	60	4,440
Supplies	1,000	1,000	136	864
<u>Total Board of Education</u>	<u>6,959</u>	<u>6,959</u>	<u>3,171</u>	<u>3,788</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<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>District Administration</u>				
Salaries	\$ 70,000	\$ 70,000	\$ 49,949	\$ 20,051
Benefits	28,110	28,110	19,811	8,299
Purchased Services	16,950	16,950	40,199	(23,249)
Supplies	4,000	4,000	2,990	1,010
Insurance	23,103	23,103	40,840	(17,737)
<u>Total District Administration</u>	<u>142,163</u>	<u>142,163</u>	<u>153,789</u>	<u>(11,626)</u>
<u>School Administration</u>				
Salaries	21,000	21,000	48,113	(27,113)
Benefits	12,175	12,175	14,070	(1,895)
Purchased Services	250	250	326	(76)
Supplies	500	500	3,454	(2,954)
<u>Total School Administration</u>	<u>33,925</u>	<u>33,925</u>	<u>65,963</u>	<u>(32,038)</u>
<u>Business Operations</u>				
Salaries	29,760	29,760	16,131	13,629
Benefits	9,143	9,143	4,644	4,499
Purchased Services	4,000	4,000		4,000
Supplies	1,000	1,000		1,000
<u>Total Business Operations</u>	<u>43,903</u>	<u>43,903</u>	<u>20,775</u>	<u>23,128</u>
<u>Administrative Technology</u>				
Salaries	8,000	8,000	5,850	2,150
Benefits	1,688	1,688	1,392	296
<u>Total Business Operations</u>	<u>9,688</u>	<u>9,688</u>	<u>7,242</u>	<u>2,446</u>
<u>Total General Administrative</u>	<u>236,638</u>	<u>236,638</u>	<u>250,940</u>	<u>(14,302)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<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>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	\$ 20,527	\$ 20,527	\$ 24,437	\$ (3,910)
Benefits	7,900	7,900	8,955	(1,055)
Purchased Services	300	300	312	(12)
Supplies	8,500	8,500	6,446	2,054
<u>Total Custodians</u>	<u>37,227</u>	<u>37,227</u>	<u>40,150</u>	<u>(2,923)</u>
<u>Maintenance - Buildings</u>				
Salaries	5,480	5,480	931	4,549
Benefits	1,108	1,108	258	850
Purchased Services	45,850	45,850	46,003	(153)
Supplies	1,000	1,000	338	662
<u>Total Maintenance - Buildings</u>	<u>53,438</u>	<u>53,438</u>	<u>47,530</u>	<u>5,908</u>
<u>Maintenance - Student Occupied</u>				
Salaries	21,160	21,160	29,336	(8,176)
Benefits	5,755	5,755	7,676	(1,921)
Purchased Services	11,000	11,000	7,547	3,453
Supplies	7,500	7,500	9,482	(1,982)
<u>Total Maintenance - Student Occ.</u>	<u>45,415</u>	<u>45,415</u>	<u>54,041</u>	<u>(8,626)</u>
<u>Maintenance - Grounds</u>				
Salaries	13,225	13,225	13,324	(99)
Benefits	4,383	4,383	3,661	722
Purchased Services	2,850	2,850	3,160	(310)
Supplies	750	750	1,753	(1,003)
<u>Total Maintenance - Grounds</u>	<u>21,208</u>	<u>21,208</u>	<u>21,898</u>	<u>(690)</u>
<u>Total Custodial / Maintenance</u>	<u>157,288</u>	<u>157,288</u>	<u>163,619</u>	<u>(6,331)</u>
<u>Security Program</u>				
Purchased Services	1,460	1,460	1,228	232
<u>Total Security Program</u>	<u>1,460</u>	<u>1,460</u>	<u>1,228</u>	<u>232</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<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>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	\$ 30,846	\$ 30,846	\$ 27,237	\$ 3,609
Benefits	9,110	9,110	7,270	1,840
Purchased Services	14,500	14,500	10,140	4,360
Supplies	16,450	16,450	14,594	1,856
Dept Payment	12,800	12,800		
Insurance	315	315		315
<u>Total School Transportation</u>	<u>84,021</u>	<u>84,021</u>	<u>59,241</u>	<u>11,980</u>
<u>General Transportation</u>				
Purchased Services	1,000	1,000	141	859
Supplies	3,750	3,750	6,124	(2,374)
<u>Total General Transportation</u>	<u>4,750</u>	<u>4,750</u>	<u>6,265</u>	<u>(1,515)</u>
<u>Total Transportation</u>	<u>88,771</u>	<u>88,771</u>	<u>65,506</u>	<u>10,465</u>
<u>Other Support Services</u>				
Purchased Services	8,000	8,000	9,563	(1,563)
Supplies	6,000	6,000		6,000
<u>Total Other Support Services</u>	<u>14,000</u>	<u>14,000</u>	<u>9,563</u>	<u>4,437</u>
<u>Non-Instructional</u>				
Benefits	5,000	5,000	1,564	3,436
Supplies	50	50	1,766	(1,716)
Capital Outlay			9,301	(9,301)
<u>Total Non-Instructional</u>	<u>5,050</u>	<u>5,050</u>	<u>12,631</u>	<u>(7,581)</u>
<u>Interfund Transfers</u>	<u>26,452</u>	<u>26,452</u>	<u>85,535</u>	<u>(59,083)</u>
<u>Total Charges to Appropriations</u>	<u>1,591,873</u>	<u>1,591,873</u>	<u>1,655,085</u>	<u>(63,212)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 445,043</u>	<u>\$ 445,043</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2011

	<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>	\$ 0	\$ 0	\$ 41,118	\$ 41,118
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	25,421	25,421	10,071	(15,350)
Adult Meal Sales	400	400	6,171	5,771
Other Local Revenue				0
<u>Total Local Revenue</u>	<u>25,821</u>	<u>25,821</u>	<u>16,242</u>	<u>(9,579)</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	95,000	95,000	95,568	568
<u>Total Federal Revenue</u>	<u>95,000</u>	<u>95,000</u>	<u>95,568</u>	<u>568</u>
<u>Amounts Available for Appropriations</u>	<u>120,821</u>	<u>120,821</u>	<u>152,928</u>	<u>32,107</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	38,676	38,676	32,580	6,096
Benefits	12,495	12,495	11,337	1,158
Purchased Services	500	500	1,149	(649)
Supplies	55,000	55,000	62,551	(7,551)
Capital Outlay	5,000	5,000		5,000
<u>Total Non-Instructional</u>	<u>111,671</u>	<u>111,671</u>	<u>107,617</u>	<u>4,054</u>
<u>Total Charges to Appropriations</u>	<u>111,671</u>	<u>111,671</u>	<u>107,617</u>	<u>4,054</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 9,150</u>	<u>\$ 9,150</u>	<u>\$ 45,311</u>	<u>\$ 36,161</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

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	\$ 2,100,128	\$ 152,928
<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	(422,867)	(41,118)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>0</u>	<u>0</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,677,261</u>	<u>\$ 111,810</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,655,085	\$ 107,617
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>(85,535)</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,569,550</u>	<u>\$ 107,617</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

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>
General Fund	\$ 1,591,873	\$ 1,655,085	\$ 63,212

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, 2011

	<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		\$ 2,644		\$ 437
Due From Other Governments		7,655	\$ 1,519	
	<u>0</u>	<u>10,299</u>	<u>1,519</u>	<u>437</u>
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 10,299</u>	<u>\$ 1,519</u>	<u>\$ 437</u>
<u>LIABILITIES</u>				
Accounts Payable		\$ 54		
Contracts and Benefits Payable		2,055	\$ 1,183	
Interfund Balances			6,277	
	<u>0</u>	<u>2,109</u>	<u>7,460</u>	<u>0</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>2,109</u>	<u>7,460</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>				
Unreserved	<u>0</u>	<u>8,190</u>	<u>(5,941)</u>	<u>437</u>
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>8,190</u>	<u>(5,941)</u>	<u>437</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 10,299</u>	<u>\$ 1,519</u>	<u>\$ 437</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

Continued

	<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				
Due From Other Governments	\$ 56,670	\$ 20,892	\$ 17,014	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 56,670</u>	<u>\$ 20,892</u>	<u>17,014</u>	<u>\$ 0</u>
 <u>LIABILITIES</u>				
Accounts Payable			\$ 260	
Contracts and Benefits Payable	\$ 12,642	\$ 4,421	7,589	\$ 225
Interfund Balances	<u>60,946</u>	<u>20,797</u>	<u>15,884</u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>73,588</u>	<u>25,218</u>	<u>23,733</u>	<u>225</u>
 <u>FUND BALANCES</u>				
Unreserved	<u>(16,918)</u>	<u>(4,326)</u>	<u>(6,719)</u>	<u>(225)</u>
<u>TOTAL FUND BALANCES</u>	<u>(16,918)</u>	<u>(4,326)</u>	<u>(6,719)</u>	<u>(225)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 56,670</u>	 <u>\$ 20,892</u>	 <u>\$ 17,014</u>	 <u>\$ 0</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

Continued

	<u>Perkins III - Vocational Technology</u>	<u>Title III ESEA Language Instruction</u>	<u>Title II-A Improving Teacher Quality</u>	<u>Title IV-A Drug Free Schools</u>
<u>ASSETS</u>				
Cash				
Interfund Balances				\$ 1,279
Due From Other Governments			\$ 6,526	
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,526</u>	<u>\$ 1,279</u>
 <u>LIABILITIES</u>				
Accounts Payable				
Contracts and Benefits Payable				
Interfund Balances	\$ 2,131		\$ 1,195	
<u>TOTAL LIABILITIES</u>	<u>2,131</u>	<u>\$ 0</u>	<u>1,195</u>	<u>\$ 0</u>
 <u>FUND BALANCES</u>				
Unreserved	(2,131)	0	5,331	1,279
<u>TOTAL FUND BALANCES</u>	<u>(2,131)</u>	<u>0</u>	<u>5,331</u>	<u>1,279</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,526</u>	<u>\$ 1,279</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

Continued

	<u>Rural Education Achievement Program</u>	<u>Total</u>
<u>ASSETS</u>		
Cash		\$ 0
Interfund Balances		4,360
Due From Other Governments		110,276
		110,276
<u>TOTAL ASSETS</u>	\$ 0	\$ 114,636
 <u>LIABILITIES</u>		
Accounts Payable	\$ 1,782	\$ 2,096
Contracts and Benefits Payable		28,115
Interfund Balances	3,443	110,673
		110,673
<u>TOTAL LIABILITIES</u>	5,225	140,884
 <u>FUND BALANCES</u>		
Unreserved	(5,225)	(26,248)
		(26,248)
<u>TOTAL FUND BALANCES</u>	(5,225)	(26,248)
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 \$ 0	 \$ 114,636

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, 2011

	<u>Driver's Education</u>	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>
<u>REVENUES</u>				
Local				
State		\$ 21,001		
Federal				
	<u>\$ 0</u>	<u>21,001</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>TOTAL REVENUES</u>				
	<u>\$ 0</u>	<u>21,001</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>				
Instructional		21,887		
Support			10,649	
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				
	<u>0</u>	<u>21,887</u>	<u>10,649</u>	<u>0</u>
<u>TOTAL EXPENDITURES</u>				
	<u>0</u>	<u>21,887</u>	<u>10,649</u>	<u>0</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUE OVER EXPENDITURES</u>				
	<u>0</u>	<u>(886)</u>	<u>(10,649)</u>	<u>0</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING</u>				
<u>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>(886)</u>	<u>(10,649)</u>	<u>0</u>
<u>FUND BALANCE - BEGINNING</u>				
	<u>0</u>	<u>9,076</u>	<u>4,708</u>	<u>437</u>
<u>FUND BALANCE - ENDING</u>				
	<u>\$ 0</u>	<u>\$ 8,190</u>	<u>\$ (5,941)</u>	<u>\$ 437</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, 2011

	<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			\$ 24,833	
Federal	\$ 62,776	\$ 29,123	73,248	\$ 1,699
<u>TOTAL REVENUES</u>	<u>62,776</u>	<u>29,123</u>	<u>98,081</u>	<u>1,699</u>
<u>EXPENDITURES</u>				
Instructional	60,664	27,425	95,788	355
Support				36
Administrative	2,112	1,698	2,293	
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>62,776</u>	<u>29,123</u>	<u>98,081</u>	<u>391</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,308</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>0</u>	<u>0</u>	<u>1,308</u>
<u>FUND BALANCE - BEGINNING</u>	<u>(16,918)</u>	<u>(4,326)</u>	<u>(6,719)</u>	<u>(1,533)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (16,918)</u>	<u>\$ (4,326)</u>	<u>\$ (6,719)</u>	<u>\$ (225)</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, 2011

	<u>Perkins III - Vocational Technology</u>	<u>Title III ESEA Language Instruction</u>	<u>Title II-A Improving Teacher Quality</u>	<u>Title IV-A Drug Free Schools</u>
<u>REVENUES</u>				
Local	\$ 3,387			
State				
Federal		\$ 197	\$ 15,792	\$ 53
<u>TOTAL REVENUES</u>	<u>3,387</u>	<u>197</u>	<u>15,792</u>	<u>53</u>
<u>EXPENDITURES</u>				
Instructional	3,172		14,122	
Support			1,475	359
Administrative			195	
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>3,172</u>	<u>0</u>	<u>15,792</u>	<u>359</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>215</u>	<u>197</u>	<u>0</u>	<u>(306)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				1,528
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,528</u>
<u>NET CHANGE IN FUND BALANCE</u>	215	197	0	1,222
<u>FUND BALANCE - BEGINNING</u>	<u>(2,346)</u>	<u>(197)</u>	<u>5,331</u>	<u>57</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (2,131)</u>	<u>\$ 0</u>	<u>\$ 5,331</u>	<u>\$ 1,279</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, 2011

	<u>Rural Education Achievement Program</u>	<u>Total</u>
<u>REVENUES</u>		
Local		\$ 3,387
State		45,834
Federal	\$ 37,900	220,788
<u>TOTAL REVENUES</u>	<u>37,900</u>	<u>270,009</u>
<u>EXPENDITURES</u>		
Instructional	17,128	240,541
Support		12,519
Administrative		6,298
Non-Instructional - Food Service		0
Capital Expenditures		0
<u>TOTAL EXPENDITURES</u>	<u>17,128</u>	<u>259,358</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>20,772</u>	<u>10,651</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund Transfers		1,528
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>1,528</u>
<u>NET CHANGE IN FUND BALANCE</u>	20,772	12,179
<u>FUND BALANCE - BEGINNING</u>	<u>(25,997)</u>	<u>(38,427)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (5,225)</u>	<u>\$ (26,248)</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>ASSETS</u>			
Cash		\$ 3,396	
Investments	\$ 4	15,355	
Interfund Balances			
<u>TOTAL ASSETS</u>	\$ 4	\$ 18,751	\$ 0
 <u>LIABILITIES</u>			
Accounts Payable			
Salaries and Benefits Payable	\$ 26		
Interfund Balances		\$ 5,304	\$ 3,787
<u>TOTAL LIABILITIES</u>	26	5,304	3,787
 <u>FUND BALANCES</u>			
Unreserved:			
Designated - Capital Projects	(22)	13,447	(3,787)
<u>TOTAL FUND BALANCES</u>	(22)	13,447	(3,787)
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 4	\$ 18,751	\$ 0

<u>P.F. - Lottery</u>	<u>Student Occupied</u>	<u>Total</u>
		\$ 3,396
		15,359
	\$ 26,299	26,299
<u>\$ 0</u>	<u>\$ 26,299</u>	<u>\$ 45,054</u>
		\$ 0
		26
		9,091
<u>\$ 0</u>	<u>\$ 0</u>	<u>9,117</u>
<u>0</u>	<u>26,299</u>	<u>35,937</u>
<u>0</u>	<u>26,299</u>	<u>35,937</u>
<u>\$ 0</u>	<u>\$ 26,299</u>	<u>\$ 45,054</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>REVENUES</u>			
State Revenue			
Other Local Revenue			
Investment Earnings		\$ 46	
<u>TOTAL REVENUE</u>	<u>\$ 0</u>	<u>46</u>	<u>\$ 0</u>
 <u>EXPENDITURES</u>			
Purchased Services			
Supplies			
Capital Outlay		10,258	
Debt Service - Principal			17,510
Debt Service - Interest			3,120
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>10,258</u>	<u>20,630</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	 <u>0</u>	 <u>(10,212)</u>	 <u>(20,630)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Interfund Transfers	53,724		73,949
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>53,724</u>	<u>0</u>	<u>73,949</u>
 <u>NET CHANGE IN FUND BALANCE</u>	 53,724	 (10,212)	 53,319
 <u>FUND BALANCE - BEGINNING</u>	 (53,746)	 23,659	 (57,106)
 <u>FUND BALANCE - ENDING</u>	 <u>\$ (22)</u>	 <u>\$ 13,447</u>	 <u>\$ (3,787)</u>

<u>P.F. - Lottery</u>	<u>Student Occupied</u>	<u>Total</u>
		\$ 0
		0
		46
<u>\$ 0</u>	<u>\$ 0</u>	<u>46</u>
		0
		0
		10,258
		17,510
		3,120
<u>0</u>	<u>0</u>	<u>30,888</u>
<u>0</u>	<u>0</u>	<u>(30,842)</u>
<u>(43,666)</u>		<u>84,007</u>
<u>(43,666)</u>	<u>0</u>	<u>84,007</u>
(43,666)	0	53,165
<u>43,666</u>	<u>26,299</u>	<u>(17,228)</u>
<u>\$ 0</u>	<u>\$ 26,299</u>	<u>\$ 35,937</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF CHANGE IN NET ASSETS - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
High School Association of Students	\$ (1,846.53)	\$ 30,237.95	\$ 22,344.66	\$ 6,046.76
District	33.00	0.75		33.75
Annual Club	4,162.74	3,875.00	3,806.49	4,231.25
Kindergarten	(124.26)	287.13	191.59	(28.72)
First Grade	0.00	159.90	95.94	63.96
Second Grade	0.00	233.26	174.00	59.26
Third Grade	0.00	169.52	169.52	0.00
Fourth Grade	0.00	148.73	148.73	0.00
Fifth Grade	0.00	4.26	4.26	0.00
Sixth Grade	200.00	90.00	268.79	21.21
Class of 2016	0.00	139.55	59.52	80.03
Class of 2015	297.86		168.16	129.70
Class of 2014	722.84		119.32	603.52
Class of 2013	843.91	104.11	129.68	818.34
Class of 2012	1,321.24	774.02	1,069.95	1,025.31
Class of 2011	2,274.34	391.42	1,904.15	761.61
Class of 2010	0.00	20.00	20.00	0.00
Future Farmers of America	(2,350.11)	5,810.41	7,025.06	(3,564.76)
IDFY	1,498.40	2,525.18	2,284.75	1,738.83
YEA	500.00	1,000.00	500.00	1,000.00
Tutor Program	64.39			64.39
Library	(7.97)	738.81	626.95	103.89
Drama	1,568.98	722.28	162.65	2,128.61
BPA	502.83	4,031.74	2,496.63	2,037.94
Athletics	2,514.23	20,473.05	24,735.77	(1,748.49)
Team Accounts	9,145.97	19,535.55	13,611.23	15,070.29
Tournament	500.00	4,332.11	4,600.86	231.25
Spanish Club	30.38			30.38
Rodeo	2,392.03	4,008.71	2,787.47	3,613.27
Read-a- thon	53.56			53.56
PSAT	0.00	52.00	85.00	(33.00)
In & Out - Other	17,524.12	3,972.54	20,549.33	947.33
Cookbook	465.28	30.00		495.28
Scholarships	12,711.83	1,682.50	1,000.00	13,394.33
Total	<u>\$ 54,999.06</u>	<u>\$ 105,550.48</u>	<u>\$ 111,140.46</u>	<u>\$ 49,409.08</u>

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

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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, 2011

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, 2011, which collectively comprise the Dietrich School District No. 314's basic financial statements and have issued our report thereon dated August 24, 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 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 a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, 2011-1.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. No items are considered a significant deficiency.

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, 2011.

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

FINDING 2011-1: 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

Lack of funding allows the District to only employ one clerk. We must rely on Board and administrative oversight

R. MICHAEL BURR

Certified Public Accountant

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

August 24, 2011

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, 2011, and have issued my report thereon dated August 24, 2011. 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, 2011, 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, 2011.

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, 2011.

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

R. Michael Burr
Certified Public Accountant

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, 2011

In planning and performing our audit of the financial statements of Dietrich School District No. 314, for the year ended June 30, 2011, 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, 2011, 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.
- 2) Grants with no future activity need to be closed into the General Fund to comply with the new definition of Special Revenue Funds.

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

R. Michael Burr
Certified Public Accountant