

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2014**

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Table of Contents

---

	<b><u>PAGE (S)</u></b>
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report .....	1-3
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	6-8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	9-11
Statement of Fiduciary Net Position.....	12
Notes to Financial Statements.....	13-22
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Budgetary Comparison Schedule – General and Major Special Revenue Funds.....	23-24
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	25-30
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	31-36
Schedule of Expenditures of Federal Awards.....	37
<b><u>OTHER REPORTS AND SCHEDULES</u></b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> ...	38-39

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Table of Contents

---

	<b><u>PAGE (S)</u></b>
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	40-41
Schedule of Findings and Questioned Costs.....	42

**FINANCIAL SECTION**

Audits  
Taxes  
Special Services



11501 Highway 95  
Payette, Idaho 83661  
www.qcpas.com  
info@qcpas.com  
P: 208-642-1417  
F: 208-642-1582

---

## Independent Auditor's Report

Board of Trustees  
Snake River School District No. 52

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Snake River School District No. 52 (the School) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and 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.

Management has omitted the management's discussion and analysis information 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, and historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards (as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Districts*) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2014, on our consideration of the School's 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* in considering the School's internal control over financial reporting and compliance.

***Quest CPAs, P.C.***

Payette, Idaho  
August 5, 2014

## **BASIC FINANCIAL STATEMENTS**



# SNAKE RIVER SCHOOL DISTRICT NO. 52

## Statement of Net Position

June 30, 2014

	<b><u>Governmental Activities</u></b>
<b>Assets</b>	
Current Assets	
Cash & Investments	\$3,001,637
Receivables:	
Local Sources	739,188
State Sources	292,893
Federal Sources	571,075
Inventory	24,828
Total Current Assets	<u>4,629,621</u>
Noncurrent Assets	
Nondepreciable Capital Assets	18,824
Depreciable Net Capital Assets	<u>17,202,388</u>
Total Noncurrent Assets	<u>17,221,212</u>
<b>Total Assets</b>	<b><u><u>\$21,850,833</u></u></b>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$142,583
Salaries & Benefits Payable	1,294,244
Unspent Grant Allocation	230,101
Accrued Interest	123,312
Long-Term Debt, Current	857,857
Total Current Liabilities	<u>2,648,097</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	<u>13,433,572</u>
Total Noncurrent Liabilities	<u>13,433,572</u>
<b>Total Liabilities</b>	<b><u><u>16,081,669</u></u></b>
<b>Net Position</b>	
Net Investment in Capital Assets	2,806,471
Restricted:	
Special Programs	880,618
Debt Service	721,839
Capital Projects	463,899
Unrestricted	<u>896,337</u>
<b>Total Net Position</b>	<b><u><u>5,769,164</u></u></b>
<b>Total Liabilities and Net Position</b>	<b><u><u>\$21,850,833</u></u></b>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Statement of Activities  
Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges For</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue And</u>
		<u>Services</u>	<u>Grants And</u>	<u>Grants And</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
<b>Governmental Activities</b>					
Instructional Programs					
Elementary School	\$2,595,968		\$317,747		(\$2,278,221)
Secondary School	2,724,822	\$13,405	283,300		(2,428,117)
Vocational-Technical	47,580		47,580		0
Special Education	815,738		416,781		(398,957)
Special Education Preschool	112,592		22,724		(89,868)
Interscholastic	137,738				(137,738)
Support Service Programs					
Attendance - Guidance - Health	347,469		16,454		(331,015)
Special Education Support Services	216,614		69,715		(146,899)
Instructional Improvement	389,988		302,088		(87,900)
Educational Media	265,420				(265,420)
Instruction-Related Technology	366,451		53,021		(313,430)
Board of Education	12,303				(12,303)
District Administration	271,946				(271,946)
School Administration	754,040				(754,040)
Business Operation	78,487				(78,487)
Buildings - Care	609,754	4,765			(604,989)
Maintenance - Non-Student Occupied	3,800				(3,800)
Maintenance - Student Occupied	446,447				(446,447)
Maintenance - Grounds	130,128				(130,128)
Security	26,425				(26,425)
Pupil-To-School Transportation	602,809				(602,809)
Pupil-Activity Transportation	36,289	9,537			(26,752)
General Transportation	12,470				(12,470)
Non-Instructional Programs					
Child Nutrition	449,318	119,859	309,448		(20,011)
Community Services	1,979		1,979		0
Capital Assets - Student Occupied	615,312				(615,312)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	371,612				(371,612)
<b>Total</b>	<u>\$12,443,499</u>	<u>\$147,566</u>	<u>\$1,840,837</u>	<u>\$0</u>	<u>(10,455,096)</u>
<b>General Revenues</b>					
Local Taxes					2,071,837
Other Local Revenues					228,375
State Revenues					8,285,089
Federal Revenues					6,992
<b>Total</b>					<u>10,592,293</u>
<b>Change in Net Position</b>					137,197
<b>Net Position - Beginning</b>					5,631,967
<b>Net Position - Ending</b>					<u>\$5,769,164</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Balance Sheet - Governmental Funds

June 30, 2014

	<u>General Fund</u>	<u>Child Nutrition Fund</u>	<u>Debt Service Fund</u>	<u>Capital Construction Fund</u>
<b>Assets</b>				
Cash & Investments	\$1,270,472	\$81,797	\$474,362	\$227,027
Receivables:				
Local Sources	319,131		247,477	
State Sources	281,094			
Federal Sources				
Due From Other Funds	227,161			
Inventory		24,828		
<b>Total Assets</b>	<u>\$2,097,858</u>	<u>\$106,625</u>	<u>\$721,839</u>	<u>\$227,027</u>
<b>Liabilities</b>				
Accounts Payable	\$108,589			
Due To Other Funds				
Salaries & Benefits Payable	1,092,932	\$32,484		
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>1,201,521</u>	<u>32,484</u>	<u>\$0</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues	43,416		40,812	
<b>Total Deferred Inflows of Resources</b>	<u>43,416</u>	<u>0</u>	<u>40,812</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs		49,313		
Debt Service			681,027	
Capital Projects				227,027
Nonspendable		24,828		
Unassigned	852,921			
<b>Total Fund Balances</b>	<u>852,921</u>	<u>74,141</u>	<u>681,027</u>	<u>227,027</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$2,097,858</u>	<u>\$106,625</u>	<u>\$721,839</u>	<u>\$227,027</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Balance Sheet - Governmental Funds

June 30, 2014

	<b>Plant Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash & Investments	\$15,146	\$932,833	\$3,001,637
Receivables:			
Local Sources	172,580	0	739,188
State Sources		11,799	292,893
Federal Sources		571,075	571,075
Due From Other Funds		0	227,161
Inventory		0	24,828
<b>Total Assets</b>	<u>\$187,726</u>	<u>\$1,515,707</u>	<u>\$4,856,782</u>
 <b>Liabilities</b>			
Accounts Payable	\$17,626	\$16,368	\$142,583
Due To Other Funds		227,161	227,161
Salaries & Benefits Payable		168,828	1,294,244
Unspent Grant Allocation		230,101	230,101
<b>Total Liabilities</b>	<u>17,626</u>	<u>642,458</u>	<u>1,894,089</u>
 <b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues	22,648	0	106,876
<b>Total Deferred Inflows of Resources</b>	<u>22,648</u>	<u>0</u>	<u>106,876</u>
 <b>Fund Balances</b>			
Restricted:			
Special Programs		806,477	855,790
Debt Service		0	681,027
Capital Projects	147,452	66,772	441,251
Nonspendable		0	24,828
Unassigned		0	852,921
<b>Total Fund Balances</b>	<u>147,452</u>	<u>873,249</u>	<u>2,855,817</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$187,726</u>	<u>\$1,515,707</u>	<u>\$4,856,782</u>

Balance Sheet - Governmental Funds

June 30, 2014

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities**

<b>Total Governmental Fund Balances</b>	\$2,855,817
---	-------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,221,212
---	------------

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	106,876
---	---------

Certain liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(14,414,741)
---	--------------

<b>Net Position of Governmental Activities</b>	<u><u>\$5,769,164</u></u>
--	---------------------------

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2014

	<u>General Fund</u>	<u>Child Nutrition Fund</u>	<u>Debt Service Fund</u>	<u>Capital Construction Fund</u>
<b>Revenues</b>				
Local Taxes	\$867,913		\$691,047	
Other Local Revenue	182,910	\$119,859	4,830	\$328
State Revenue	7,839,922		306,340	
Federal Revenue	6,992	309,448		
<b>Total Revenues</b>	<u>8,897,737</u>	<u>429,307</u>	<u>1,002,217</u>	<u>328</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	2,234,074			
Secondary School	2,415,327			
Vocational-Technical				
Special Education	376,894			
Special Education Preschool	89,868			
Interscholastic	137,738			
Support Service Programs				
Attendance - Guidance - Health	331,015			
Special Education Support Services	94,532			
Instructional Improvement	54,869			
Educational Media	265,420			
Instruction-Related Technology	116,340			77,011
Board of Education	12,303			
District Administration	269,633			
School Administration	754,040			
Business Operation	72,836		5,651	
Buildings - Care	609,754			
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied	177,169			
Maintenance - Grounds	5,563			41,767
Security	26,425			
Pupil-To-School Transportation	523,133			
Pupil-Activity Transportation	36,289			
General Transportation	12,470			
Non-Instructional Programs				
Child Nutrition	11,328	437,990		
Community Services				
Capital Assets - Student Occupied				30,965
Capital Assets - Non-Student Occupied				
Debt Service - Principal			847,857	
Debt Service - Interest			374,979	
<b>Total Expenditures</b>	<u>8,627,020</u>	<u>437,990</u>	<u>1,228,487</u>	<u>149,743</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	270,717	(8,683)	(226,270)	(149,415)
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out	(201,622)			
<b>Total Other Financing Sources (Uses)</b>	<u>(201,622)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	69,095	(8,683)	(226,270)	(149,415)
<b>Fund Balances - Beginning</b>	783,826	82,824	907,297	376,442
<b>Fund Balances - Ending</b>	<u>\$852,921</u>	<u>\$74,141</u>	<u>\$681,027</u>	<u>\$227,027</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2014

	<b>Plant Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Local Taxes	\$483,057	\$0	\$2,042,017
Other Local Revenue	52,408	76,928	437,263
State Revenue		475,022	8,621,284
Federal Revenue		1,133,872	1,450,312
<b>Total Revenues</b>	<u>535,465</u>	<u>1,685,822</u>	<u>12,550,876</u>
<b>Expenditures</b>			
Instructional Programs			
Elementary School	6,852	355,042	2,595,968
Secondary School	26,195	283,300	2,724,822
Vocational-Technical		47,580	47,580
Special Education		438,844	815,738
Special Education Preschool		22,724	112,592
Interscholastic		0	137,738
Support Service Programs			
Attendance - Guidance - Health		16,454	347,469
Special Education Support Services		122,082	216,614
Instructional Improvement		335,119	389,988
Educational Media		0	265,420
Instruction-Related Technology	40,049	133,051	366,451
Board of Education		0	12,303
District Administration	2,313	0	271,946
School Administration		0	754,040
Business Operation		0	78,487
Buildings - Care		0	609,754
Maintenance - Non-Student Occupied	3,800	0	3,800
Maintenance - Student Occupied	269,278	0	446,447
Maintenance - Grounds	82,798	0	130,128
Security		0	26,425
Pupil-To-School Transportation		0	523,133
Pupil-Activity Transportation		0	36,289
General Transportation		0	12,470
Non-Instructional Programs			
Child Nutrition		0	449,318
Community Services		1,979	1,979
Capital Assets - Student Occupied		0	30,965
Capital Assets - Non-Student Occupied		79,643	79,643
Debt Service - Principal		0	847,857
Debt Service - Interest		0	374,979
<b>Total Expenditures</b>	<u>431,285</u>	<u>1,835,818</u>	<u>12,710,343</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	104,180	(149,996)	(159,467)
<b>Other Financing Sources (Uses)</b>			
Transfers In		201,622	201,622
Transfers Out		0	(201,622)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>201,622</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	104,180	51,626	(159,467)
<b>Fund Balances - Beginning</b>	43,272	821,623	3,015,284
<b>Fund Balances - Ending</b>	<u>\$147,452</u>	<u>\$873,249</u>	<u>\$2,855,817</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2014

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds to the  
Statement of Activities**

**Net Change in Fund Balances - Total Governmental Funds** (\$159,467)

Amounts reported for governmental activities in the statement of activities are different because:

Government 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 excess of capital outlays over (under) depreciation expense in the current period. (584,380)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 29,820

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position. 847,857

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 3,367

**Change in Net Position of Governmental Activities** \$137,197



**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Statement of Fiduciary Net Position

June 30, 2014

	<b>Agency Funds - Student Activity</b>
<b>Assets</b>	
Cash & Investments	\$188,756
<b>Total Assets</b>	<u>\$188,756</u>
<b>Liabilities</b>	
Due to Student Groups	\$188,756
<b>Total Liabilities</b>	<u>188,756</u>
<b>Net Position</b>	
<b>Total Net Position</b>	<u>0</u>
<b>Total Liabilities and Net Position</b>	<u>\$188,756</u>

## SNAKE RIVER SCHOOL DISTRICT NO. 52

### Notes to Financial Statements

---

#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – Snake River School District No. 52 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Bingham County.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

**Basic Financial Statements - Government-Wide Statements** – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**Basic Financial Statements - Fund Financial Statements** – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred

## SNAKE RIVER SCHOOL DISTRICT NO. 52

### Notes to Financial Statements

---

outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds. Major governmental funds of the School include:

*General Fund* – The general fund is the School’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

*Debt Service Fund* – The debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt.

*Capital Projects Funds* – Capital projects funds are used to account for the acquisition of major capital assets. Major capital project funds include the plant facilities fund, used to account for the maintenance of facilities and other capital assets, and the capital construction fund, used to account for the facility construction and betterments.

Fiduciary funds of the School include:

*Agency Funds* – Agency funds are used to account for assets held by the School on behalf of students.

**Basis of Accounting** – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

## SNAKE RIVER SCHOOL DISTRICT NO. 52

### Notes to Financial Statements

---

**Cash and Investments** – Nearly all the cash and investment balances of the School’s funds are pooled for investment purposes. The individual funds’ portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds in proportion to each fund’s respective investment balance. Investments include monies invested in the local government investment pool and are stated at fair value using either quoted market prices or best available estimate. The reported value of the local government investment pool is materially the same as the fair value of its shares.

**Receivables** – Receivables are reported net of any estimated uncollectible amounts.

**Inventories** – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

**Capital Assets and Depreciation** – Significant capital asset acquisitions with an original cost of \$5,000 or more are recorded at cost if purchased or fair value if contributed. Minor repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method, except for certain transportation vehicles which use the declining balance method.

**Compensated Absences and Post-Retirement Benefits** – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Government accounting standards board statement 45 requires employers to accrue future estimated post-retirement benefits on the employer’s government-wide financial statements when such benefits are deemed material to the employer. The future estimated post-retirement benefits are deemed immaterial to the School, and accordingly, are not reflected on the government-wide financial statements.

**Deferred Inflows of Resources** – The School’s financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period. This situation occurs in instances where certain grant revenues or property tax revenues are not collected within thirty days after the end of the School’s fiscal year (thus not meeting the criteria for revenue recognition under the modified accrual basis of accounting). When such grant revenues or property tax revenues are later collected, they are recognized in the governmental fund financial statements by increasing revenue and decreasing the related deferred inflow of resources account.

**Net Position** – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are subject to constraints on their use by creditors, grantors, contributors, legislation, and other

## SNAKE RIVER SCHOOL DISTRICT NO. 52

### Notes to Financial Statements

---

parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

**Fund Balance Classifications** – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

**Property Taxes** – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

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

**Interfund Activity** – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

**Concentrations of Credit Risk** – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning concentrations of credit risk.

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

---

**Risk Management** – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

**Nonmonetary Transactions** – Items received via food commodities programs are recognized at their stated fair market value.

**Subsequent Events** – Subsequent events were evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

**B. CASH AND INVESTMENTS**

Cash and investments consist of the following at year end:

Cash - Deposits	\$943,437
Investments - Local Government Investment Pool	2,246,956
<b>Total</b>	<u><u>\$3,190,393</u></u>

**Deposits** – At year end, the carrying amounts of the School's deposits were \$943,437 and the bank balances were \$971,263. Of the bank balances, \$297,284 was insured, \$429,890 was collateralized, and the remainder was uninsured and uncollateralized.

**Investments** – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. Government accounting standards board statement 40 requires government entities to disclose credit quality ratings, concentration of credit risk, and interest rate risk on investment balances. Investments in the local government investment pool are, due to their nature, not required to be rated in terms of credit quality, and are excluded from the other disclosure requirements. These investments include insured or registered investments or investments for which the securities are held by the School or its agent in the School's name. Collateralized securities in the local government investment pool are held in trust by a safekeeping bank.

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

---

**C. RECEIVABLES**

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Local Sources				
Local Taxes	\$312,187		\$247,477	\$172,580
Other Local Sources	6,944			
<b>Total</b>	<u>\$319,131</u>		<u>\$247,477</u>	<u>\$172,580</u>
State Sources				
Foundation Program	\$241,827			
Special Programs	39,267	\$11,799		
<b>Total</b>	<u>\$281,094</u>	<u>\$11,799</u>		
Federal Sources				
Special Programs		\$571,075		
<b>Total</b>		<u>\$571,075</u>		

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

**D. CAPITAL ASSETS**

A summary of capital assets for the year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$20,074		\$1,250	\$18,824
<b>Total</b>	<u>20,074</u>	<u>\$0</u>	<u>1,250</u>	<u>18,824</u>
Depreciable Capital Assets				
Buildings	26,294,004		3,750	26,290,254
Equipment	634,925	6,890		641,815
Transportation	1,671,566	79,643		1,751,209
Subtotal	<u>28,600,495</u>	<u>86,533</u>	<u>3,750</u>	<u>28,683,278</u>
Accumulated Depreciation				
Buildings	9,023,755	525,805	3,750	9,545,810
Equipment	531,860	64,182		596,042
Transportation	1,259,362	79,676		1,339,038
Subtotal	<u>10,814,977</u>	<u>669,663</u>	<u>3,750</u>	<u>11,480,890</u>
<b>Total</b>	<u>17,785,518</u>	<u>(583,130)</u>	<u>0</u>	<u>17,202,388</u>
<b>Net Capital Assets</b>	<u>\$17,805,592</u>	<u>(\$583,130)</u>	<u>\$1,250</u>	<u>\$17,221,212</u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$589,987
Pupil-To-School Transportation	79,676
<b>Total</b>	<u>\$669,663</u>



**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

**E. LONG-TERM DEBT**

At year end, the School's bonded debt was as follows:

	<u><b>Outstanding</b></u>
2009 - \$5,000,000 - qualified school construction (QSC) bonds for capital improvements due in annual principal installments without interest (bondholders are compensated in the form of federal tax credits) through 2024/25, secured by future taxes, paid through the debt service fund	\$3,771,429
2009 - \$12,000,000 - general obligation bonds for capital improvements due in annual principal installments and semiannual interest payments with interest at 1.39% - 4.50% through 2028/29, secured by future taxes, paid through the debt service fund	10,520,000
<b>Total</b>	<u><u>\$14,291,429</u></u>

Maturities on the bonds are estimated as follows:

<u><b>Year Ended</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>
6/30/15	\$857,857	\$364,143
6/30/16	867,857	351,788
6/30/17	882,857	338,475
6/30/18	892,857	324,163
6/30/19	907,857	308,125
6/30/20-24	4,854,285	1,215,292
6/30/25-29	5,027,859	491,843
<b>Total</b>	<u><u>\$14,291,429</u></u>	<u><u>\$3,393,829</u></u>

Changes in long-term debt are as follows:

<u><b>Description</b></u>	<u><b>Beginning Balance</b></u>	<u><b>Increases</b></u>	<u><b>Decreases</b></u>	<u><b>Ending Balance</b></u>	<u><b>Due Within One Year</b></u>
2009 Q.S.C. Bonds	\$4,114,286		\$342,857	\$3,771,429	\$342,857
2009 G.O. Bonds	11,025,000		505,000	10,520,000	515,000
<b>Total</b>	<u><u>\$15,139,286</u></u>	<u><u>\$0</u></u>	<u><u>\$847,857</u></u>	<u><u>\$14,291,429</u></u>	<u><u>\$857,857</u></u>

Interest and related costs during the year amounted to \$371,612 and were charged to the debt service – interest program.

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

**F. 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.

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

The actuarially determined contribution requirements of the School and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2014, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.36% for police/firefighter members. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. Additionally, 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. State and school employers pre-fund this termination payment with contributions during active employment. The School's employer contributions required and paid were \$793,574, \$769,658, and \$717,808, for the three years ended June 30, 2014, 2013, and 2012 respectively.

**G. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at year end consist of the following:

	<u>Due From Fund</u>	
	<u>Nonmajor</u>	<u>Total</u>
	<u>Governmental</u>	
<u>Due To Fund</u>		
General	\$227,161	\$227,161
<b>Total</b>	<u>\$227,161</u>	<u>\$227,161</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Notes to Financial Statements

---

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$201,622	Support, Depreciation Allowance
Nonmajor Governmental	\$201,622		Support, Depreciation Allowance
<b>Total</b>	<u>\$201,622</u>	<u>\$201,622</u>	

**REQUIRED SUPPLEMENTARY INFORMATION**

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Budgetary Comparison Schedule -  
General and Major Special Revenue Funds  
Year Ended June 30, 2014

<b>General Fund</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Final Budget</b>
	<b>(GAAP Basis)</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>(Negative)</b>
<b>Revenues</b>				
Local Taxes	\$900,000	\$900,000	\$867,913	(\$32,087)
Other Local Revenue	145,980	145,980	182,910	36,930
State Revenue	7,766,412	7,766,412	7,839,922	73,510
Federal Revenue	8,000	8,000	6,992	(1,008)
<b>Total Revenues</b>	<b>8,820,392</b>	<b>8,820,392</b>	<b>8,897,737</b>	<b>77,345</b>
<b>Expenditures</b>				
<b>Instructional Programs</b>				
Elementary School	2,283,638	2,283,638	2,234,074	49,564
Secondary School	2,596,068	2,596,068	2,415,327	180,741
Special Education	439,683	439,683	376,894	62,789
Special Education Preschool	92,332	92,332	89,868	2,464
Interscholastic	147,683	147,683	137,738	9,945
<b>Support Service Programs</b>				
Attendance - Guidance - Health	323,963	323,963	331,015	(7,052)
Special Education Support Services	98,679	98,679	94,532	4,147
Instructional Improvement	34,650	34,650	54,869	(20,219)
Educational Media	279,086	279,086	265,420	13,666
Instruction-Related Technology	119,017	119,017	116,340	2,677
Board of Education	13,900	13,900	12,303	1,597
District Administration	227,004	227,004	269,633	(42,629)
School Administration	752,651	752,651	754,040	(1,389)
Business Operation	81,221	81,221	72,836	8,385
Buildings - Care	672,311	672,311	609,754	62,557
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	175,428	175,428	177,169	(1,741)
Maintenance - Grounds	6,914	6,914	5,563	1,351
Security	27,000	27,000	26,425	575
Pupil-To-School Transportation	612,536	612,536	523,133	89,403
Pupil-Activity Transportation	31,810	31,810	36,289	(4,479)
General Transportation	15,000	15,000	12,470	2,530
<b>Non-Instructional Programs</b>				
Child Nutrition	12,445	12,445	11,328	1,117
Community Services	0	0	0	0
Capital Assets - Student Occupied	334,208	334,208	0	334,208
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
<b>Total Expenditures</b>	<b>9,377,227</b>	<b>9,377,227</b>	<b>8,627,020</b>	<b>750,207 *</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(556,835)	(556,835)	270,717	827,552
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	(171,580)	(171,580)	(201,622)	(30,042) *
<b>Total Other Financing Sources (Uses)</b>	<b>(171,580)</b>	<b>(171,580)</b>	<b>(201,622)</b>	<b>(30,042)</b>
<b>Net Change in Fund Balances</b>	<b>(728,415)</b>	<b>(728,415)</b>	<b>69,095</b>	<b>797,510</b>
<b>Fund Balances - Beginning</b>	<b>728,415</b>	<b>728,415</b>	<b>783,826</b>	<b>55,411</b>
<b>Fund Balances - Ending</b>	<b>\$0</b>	<b>\$0</b>	<b>\$852,921</b>	<b>\$852,921</b>

\*Total expenditures (over) under appropriations are: \$720,165

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Budgetary Comparison Schedule -  
General and Major Special Revenue Funds  
Year Ended June 30, 2014

<b>Child Nutrition Fund</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Final Budget</b>
	<b>(GAAP Basis)</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Other Local Revenue	\$122,750	\$122,750	\$119,859	(\$2,891)
Federal Revenue	255,500	255,500	309,448	53,948
<b>Total Revenues</b>	<u>378,250</u>	<u>378,250</u>	<u>429,307</u>	<u>51,057</u>
<b>Expenditures</b>				
Non-Instructional Programs				
Child Nutrition	455,027	455,027	437,990	17,037
<b>Total Expenditures</b>	<u>455,027</u>	<u>455,027</u>	<u>437,990</u>	<u>17,037</u> *
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(76,777)	(76,777)	(8,683)	68,094
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(76,777)	(76,777)	(8,683)	68,094
<b>Fund Balances - Beginning</b>	76,777	76,777	82,824	6,047
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$74,141</u>	<u>\$74,141</u>
				<u>\$17,037</u>

*\*Total expenditures (over) under appropriations are:*

**SUPPLEMENTARY INFORMATION**

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Pay for Performance</b>	<b>Limited English Proficiency</b>	<b>Idaho Reading Indicator</b>	<b>SREF Grants</b>
<b>Assets</b>				
Cash & Investments	\$5,963	\$14,751	\$14,395	\$16,160
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$5,963</u>	<u>\$14,751</u>	<u>\$14,395</u>	<u>\$16,160</u>
<b>Liabilities</b>				
Accounts Payable			\$250	\$389
Due To Other Funds				
Salaries & Benefits Payable		\$14,751	14,145	
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>\$0</u>	<u>14,751</u>	<u>14,395</u>	<u>389</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs	5,963			15,771
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>5,963</u>	<u>0</u>	<u>0</u>	<u>15,771</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$5,963</u>	<u>\$14,751</u>	<u>\$14,395</u>	<u>\$16,160</u>



**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>ISAT Remediation</b>	<b>Driver Education</b>	<b>Medicaid Support</b>	<b>State School Improvement</b>
<b>Assets</b>				
Cash & Investments	\$14,002	\$17,102	\$671,780	\$100,000
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$14,002</u>	<u>\$17,102</u>	<u>\$671,780</u>	<u>\$100,000</u>
<b>Liabilities</b>				
Accounts Payable		\$613		
Due To Other Funds				
Salaries & Benefits Payable	\$7,323		\$19,003	
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>7,323</u>	<u>613</u>	<u>19,003</u>	<u>\$0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs	6,679	16,489	652,777	100,000
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>6,679</u>	<u>16,489</u>	<u>652,777</u>	<u>100,000</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$14,002</u>	<u>\$17,102</u>	<u>\$671,780</u>	<u>\$100,000</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Professional Technical</b>	<b>Technology</b>	<b>Title I-A ESEA IBP</b>	<b>Title I-C ESEA EMC</b>
<b>Assets</b>				
Cash & Investments		\$11,908		
Receivables:				
Local Sources				
State Sources	\$11,799			
Federal Sources			\$139,384	\$21,395
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$11,799</u>	<u>\$11,908</u>	<u>\$139,384</u>	<u>\$21,395</u>
<b>Liabilities</b>				
Accounts Payable	\$10,699	\$3,110		
Due To Other Funds	1,100		\$74,829	\$6,433
Salaries & Benefits Payable			33,519	2,722
Unspent Grant Allocation			31,036	12,240
<b>Total Liabilities</b>	<u>11,799</u>	<u>3,110</u>	<u>139,384</u>	<u>21,395</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs		8,798		
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>8,798</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$11,799</u>	<u>\$11,908</u>	<u>\$139,384</u>	<u>\$21,395</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Special Educ. IDEA Part B School-Age</b>	<b>Special Educ. IDEA Preschool</b>	<b>Perkins III Professional Technical Act</b>	<b>Title III ESEA LILEP&amp;I</b>
<b>Assets</b>				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$325,748	\$19,007	\$20,658	\$20,040
Due From Other Funds				
Inventory				
<b>Total Assets</b>	<u>\$325,748</u>	<u>\$19,007</u>	<u>\$20,658</u>	<u>\$20,040</u>
<b>Liabilities</b>				
Accounts Payable			\$1,307	
Due To Other Funds	\$93,071	\$10,742	19,351	\$11,396
Salaries & Benefits Payable	56,720	3,461		4,113
Unspent Grant Allocation	175,957	4,804		4,531
<b>Total Liabilities</b>	<u>325,748</u>	<u>19,007</u>	<u>20,658</u>	<u>20,040</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Nonspendable				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$325,748</u>	<u>\$19,007</u>	<u>\$20,658</u>	<u>\$20,040</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Special Revenue Funds</b>	
	<b>Title II-A Improving Teacher Quality</b>	<b>Title I School Improvement</b>
<b>Assets</b>		
Cash & Investments		
Receivables:		
Local Sources		
State Sources		
Federal Sources	\$24,843	
Due From Other Funds		
Inventory		
<b>Total Assets</b>	<b>\$24,843</b>	<b>\$0</b>
<b>Liabilities</b>		
Accounts Payable		
Due To Other Funds	\$10,239	
Salaries & Benefits Payable	13,071	
Unspent Grant Allocation	1,533	
<b>Total Liabilities</b>	<b>24,843</b>	<b>\$0</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenues		
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>		
Restricted:		
Special Programs		
Debt Service		
Capital Projects		
Nonspendable		
Unassigned		
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$24,843</b>	<b>\$0</b>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2014

	<b>Capital Projects Funds</b>		
	<b>Bus Depreciation</b>	<b>Lottery</b>	<b>Total</b>
<b>Assets</b>			
Cash & Investments	\$6,304	\$60,468	\$932,833
Receivables:			
Local Sources			0
State Sources			11,799
Federal Sources			571,075
Due From Other Funds			0
Inventory			0
<b>Total Assets</b>	<b>\$6,304</b>	<b>\$60,468</b>	<b>\$1,515,707</b>
<b>Liabilities</b>			
Accounts Payable			\$16,368
Due To Other Funds			227,161
Salaries & Benefits Payable			168,828
Unspent Grant Allocation			230,101
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>642,458</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Restricted:			
Special Programs			806,477
Debt Service			0
Capital Projects	6,304	60,468	66,772
Nonspendable			0
Unassigned			0
<b>Total Fund Balances</b>	<b>6,304</b>	<b>60,468</b>	<b>873,249</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$6,304</b>	<b>\$60,468</b>	<b>\$1,515,707</b>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Pay for Performance</b>	<b>Limited English Proficiency</b>	<b>Idaho Reading Indicator</b>	<b>SREF Grants</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				\$12,925
State Revenue	\$124,471	\$40,740	\$11,414	
Federal Revenue				
<b>Total Revenues</b>	<u>124,471</u>	<u>40,740</u>	<u>11,414</u>	<u>12,925</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	60,414	78,035		7,100
Secondary School	58,094			3,624
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instructional Improvement			44,445	
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>118,508</u>	<u>78,035</u>	<u>44,445</u>	<u>10,724</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	5,963	(37,295)	(33,031)	2,201
<b>Other Financing Sources (Uses)</b>				
Transfers In		30,776	33,031	
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>30,776</u>	<u>33,031</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	5,963	(6,519)	0	2,201
<b>Fund Balances - Beginning</b>	0	6,519	0	13,570
<b>Fund Balances - Ending</b>	<u>\$5,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,771</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	<u>Special Revenue Funds</u>			
	<u>ISAT Remediation</u>	<u>Driver Education</u>	<u>Medicaid Support</u>	<u>State School Improvement</u>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue		\$13,405	\$50,598	
State Revenue	\$25,981	14,938		\$100,000
Federal Revenue				
<b>Total Revenues</b>	<u>25,981</u>	<u>28,343</u>	<u>50,598</u>	<u>100,000</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School		23,549		
Vocational-Technical				
Special Education			72,661	
Special Education Preschool				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services			52,367	
Instructional Improvement	44,974			
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>44,974</u>	<u>23,549</u>	<u>125,028</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(18,993)	4,794	(74,430)	100,000
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(18,993)	4,794	(74,430)	100,000
<b>Fund Balances - Beginning</b>	25,672	11,695	727,207	0
<b>Fund Balances - Ending</b>	<u>\$6,679</u>	<u>\$16,489</u>	<u>\$652,777</u>	<u>\$100,000</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Professional Technical</b>	<b>Technology</b>	<b>Title I-A ESEA IBP</b>	<b>Title I-C ESEA EMC</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue	\$39,330	\$57,680		
Federal Revenue			\$284,373	\$20,714
<b>Total Revenues</b>	<u>39,330</u>	<u>57,680</u>	<u>284,373</u>	<u>20,714</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School			191,138	
Secondary School				
Vocational-Technical	39,330			
Special Education				
Special Education Preschool				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				16,454
Special Education Support Services				
Instructional Improvement		4,659	91,282	4,234
Educational Media				
Instruction-Related Technology		133,051		
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services			1,953	26
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>39,330</u>	<u>137,710</u>	<u>284,373</u>	<u>20,714</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	(80,030)	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In		54,000		
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>54,000</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	(26,030)	0	0
<b>Fund Balances - Beginning</b>	0	34,828	0	0
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$8,798</u>	<u>\$0</u>	<u>\$0</u>



**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Special Educ. IDEA Part B School-Age</b>	<b>Special Educ. IDEA Preschool</b>	<b>Perkins III Professional Technical Act</b>	<b>Title III ESEA LILEP&amp;I</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$427,983	\$30,639	\$20,658	\$47,188
<b>Total Revenues</b>	<u>427,983</u>	<u>30,639</u>	<u>20,658</u>	<u>47,188</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				18,355
Secondary School				28,833
Vocational-Technical			8,250	
Special Education	366,183			
Special Education Preschool		22,724		
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services	61,800	7,915		
Instructional Improvement			12,408	
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>427,983</u>	<u>30,639</u>	<u>20,658</u>	<u>47,188</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	0	0	0	0
<b>Fund Balances - Beginning</b>	0	0	0	0
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2014

	<b>Special Revenue Funds</b>	
	<b>Title II-A</b>	<b>Title I</b>
	<b>Improving</b>	<b>School</b>
	<b>Teacher Quality</b>	<b>Improvement</b>
<b>Revenues</b>		
Local Taxes		
Other Local Revenue		
State Revenue		
Federal Revenue	\$58,732	\$243,585
<b>Total Revenues</b>	58,732	243,585
<b>Expenditures</b>		
Instructional Programs		
Elementary School		
Secondary School		169,200
Vocational-Technical		
Special Education		
Special Education Preschool		
Interscholastic		
Support Service Programs		
Attendance - Guidance - Health		
Special Education Support Services		
Instructional Improvement	58,732	74,385
Educational Media		
Instruction-Related Technology		
Board of Education		
District Administration		
School Administration		
Business Operation		
Buildings - Care		
Maintenance - Non-Student Occupied		
Maintenance - Student Occupied		
Maintenance - Grounds		
Security		
Pupil-To-School Transportation		
Pupil-Activity Transportation		
General Transportation		
Non-Instructional Programs		
Child Nutrition		
Community Services		
Capital Assets - Student Occupied		
Capital Assets - Non-Student Occupied		
Debt Service - Principal		
Debt Service - Interest		
<b>Total Expenditures</b>	58,732	243,585
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	0	0
<b>Other Financing Sources (Uses)</b>		
Transfers In		
Transfers Out		
<b>Total Other Financing Sources (Uses)</b>	0	0
<b>Net Change in Fund Balances</b>	0	0
<b>Fund Balances - Beginning</b>	0	0
<b>Fund Balances - Ending</b>	\$0	\$0

**SNAKE RIVER SCHOOL DISTRICT NO. 52**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	<b>Capital Projects Funds</b>		
	<b>Bus</b>		
	<b>Depreciation</b>	<b>Lottery</b>	<b>Total</b>
<b>Revenues</b>			
Local Taxes			\$0
Other Local Revenue			76,928
State Revenue		\$60,468	475,022
Federal Revenue			1,133,872
<b>Total Revenues</b>	0	60,468	1,685,822
<b>Expenditures</b>			
Instructional Programs			
Elementary School			355,042
Secondary School			283,300
Vocational-Technical			47,580
Special Education			438,844
Special Education Preschool			22,724
Interscholastic			0
Support Service Programs			0
Attendance - Guidance - Health			16,454
Special Education Support Services			122,082
Instructional Improvement			335,119
Educational Media			0
Instruction-Related Technology			133,051
Board of Education			0
District Administration			0
School Administration			0
Business Operation			0
Buildings - Care			0
Maintenance - Non-Student Occupied			0
Maintenance - Student Occupied			0
Maintenance - Grounds			0
Security			0
Pupil-To-School Transportation			0
Pupil-Activity Transportation			0
General Transportation			0
Non-Instructional Programs			0
Child Nutrition			0
Community Services			1,979
Capital Assets - Student Occupied			0
Capital Assets - Non-Student Occupied	79,643		79,643
Debt Service - Principal			0
Debt Service - Interest			0
<b>Total Expenditures</b>	79,643	0	1,835,818
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(79,643)	60,468	(149,996)
<b>Other Financing Sources (Uses)</b>			
Transfers In	83,815		201,622
Transfers Out			0
<b>Total Other Financing Sources (Uses)</b>	83,815	0	201,622
<b>Net Change in Fund Balances</b>	4,172	60,468	51,626
<b>Fund Balances - Beginning</b>	2,132	0	821,623
<b>Fund Balances - Ending</b>	\$6,304	\$60,468	\$873,249

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>US Dept of Agriculture</b>			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	10.553	\$40,632
National School Lunch Program	10.555	10.555	268,816
Total Child Nutrition Cluster			<u>309,448</u>
<b>Total US Dept of Agriculture</b>			<u>309,448</u>
<b>US Dept of Education</b>			
<i>Direct Program:</i>			
Impact Aid Cluster:			
Impact Aid	84.041	84.041	6,992
Total Impact Aid Cluster			<u>6,992</u>
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	84.027	427,983
Special Education - Preschool Grants	84.173	84.173	30,639
Total Special Education Cluster			<u>458,622</u>
School Improvement Grants Cluster:			
School Improvement Grants	84.377	84.377	2,837
ARRA - School Improvement Grants	84.388	84.388	243,585
Total School Improvement Grants Cluster			<u>246,422</u>
Title I Grants to Local Educational Agencies	84.010	84.010	281,536
Migrant Education - State Grant Program	84.011	84.011	20,714
Career & Technical Education - Basic Grants to States	84.048	84.048	20,658
English Language Acquisition State Grants	84.365	84.365	47,188
Improving Teacher Quality State Grants	84.367	84.367	58,732
<b>Total US Dept of Education</b>			<u>1,140,864</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$1,450,312</u>

**NOTES:**

**A. Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the School under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

**B. Summary of Significant Accounting Policies** - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$40,679.

**OTHER REPORTS AND SCHEDULES**

Audits  
Taxes  
Special Services



11501 Highway 95  
Payette, Idaho 83661  
www.qcpas.com  
info@qcpas.com  
P: 208-642-1417  
F: 208-642-1582

---

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

Board of Trustees  
Snake River School District No. 52

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Snake River School District No. 52 (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 5, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

***Quest CPAs, P.C.***

Payette, Idaho  
August 5, 2014

Audits  
Taxes  
Special Services



11501 Highway 95  
Payette, Idaho 83661  
www.qcpas.com  
info@qcpas.com  
P: 208-642-1417  
F: 208-642-1582

---

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Board of Trustees  
Snake River School District No. 52

### Report on Compliance for Each Major Federal Program

We have audited Snake River School District No. 52 (the School's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2014. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.



## **Opinion on Each Major Federal Program**

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

***Quest CPAs, P.C.***

Payette, Idaho  
August 5, 2014

**SNAKE RIVER SCHOOL DISTRICT NO. 52**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2014

---

**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report being issued:	Unmodified
<i>Internal control over financial reporting:</i>	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

**FEDERAL AWARDS**

<i>Internal control over major programs:</i>	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Major program identification:	
a. Child Nutrition Cluster – CFDA #10.553, 10.555	
b. Title I Grants to Local Educational Agencies – CFDA #84.010	
Dollar threshold used to distinguish between type A and B programs:	\$300,000
Auditee qualified as a low-risk auditee?	Yes