



# **Audited Financial Statements**

**For the Fiscal Year Ended June 30, 2011**

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

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No. 1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We were unable to obtain audited financial statements of Lewiston Independent Foundation for Education, Inc., a component unit of the Independent School District No. 1, and were therefore unable to satisfy ourselves about the assets, equity and earnings of that organization.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the assets, equity and earnings of Lewiston Independent Foundation for Education, Inc., 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 Independent School District No. 1, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2011, on our consideration of the Independent School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance

and the results of 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 assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 35 through 52 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 the 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 an opinion on the financial statements that collectively comprise the Independent School District No. 1's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, the supplemental schedule – other special revenue funds, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and the schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual non-major fund financial statements, the supplemental schedule – other special revenue funds, and the schedule of findings and questioned costs 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. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

Our discussion and analysis of the financial performance of Independent School District No. 1 provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. Please read this analysis in conjunction with the financial statements which immediately follow this section.

**Strategic Plan**

The District's Board of Directors adopted a strategic plan in FY 2002 establishing our mission to "Strive...Achieve...Succeed...Go Beyond! The plan outlined seven strategies to reach three key results:

- Rich and rigorous learning experiences for each student
- Adaptive organizational structures that support student learning
- A culture of high performance

This optimistic plan has been renewed with new emphasis on student performance that has been the cornerstone of the Federal "No Child Left Behind" requirements. During the 2008-2009 school year, seven strategies were further developed to provide clear direction for optimal implementation of results-based practices that lead to the continuous improvement of student learning. The recently updated strategic plan, with goals articulated through 2013-2014 using a data driven, continuous improvement model, may be viewed on the district website at [www.lewistonschools.net/SuperintendentBoard](http://www.lewistonschools.net/SuperintendentBoard).

**Enrollments**

Student enrollment over the past ten years has been relatively stable ranging from 5,104 students in February, 2000 to 4,842 in October of 2010.

**Financial Highlights**

- Property tax revenue received in FY2011 increased 0.33%, or \$40,270 over FY2010
- State apportionment revenue (including \$3,062,701 in federal economic stimulus funds) totaled \$24,087,808 in FY2010, and declined 4.02% to \$23,120,137 in FY2011
- Funding made available by Congress through the American Recovery and Reinvestment Act of 2009 (ARRA) was exhausted in 2011
- Total expenses in government funds decreased 4.36% from the previous year
- The general fund received a one-time distribution from the State Department of Education in the amount of \$1,018,539 on July 12, 2011. This distribution was made to satisfy a federal maintenance of effort requirement in connection with the ARRA funds received by the state in 2009.

**Overview of the Financial Statements**

The annual financial report consists of three parts: 1) Management's Discussion and Analysis; 2) basic financial statements, including notes to financial statements; and 3) other required supplementary information.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

The statement of net assets and statement of activities provide information on a district-wide basis. The statements present a total view of the District's finances. District-wide statements contain useful long-term information, as well as information for the just-completed fiscal year.

The remaining statements are fund financial statements that focus on individual parts of District operations. Fund statements generally report operations in greater detail than the district-wide statements.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

The notes to the financial statements provide further detailed explanations of selected areas addressed in the statements. In addition, they provide disclosures that provide users with a complete picture of the financial position and financial activities of the organization.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

**District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District's net assets and how they have changed. Net assets (the difference between assets and liabilities) are one way to measure the District's overall financial position.

To assess the overall financial condition of the District, non-financial factors, such as changes in the property tax base and the condition of school buildings and other facilities should also be considered.

In the district-wide financial statements, all district activities are classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho. Internal service activities, specifically those of the Medical Insurance Risk Fund and the Print Shop, are reported on a separate statement.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on the most significant or "major" funds and not on the entire District as a whole. Funds are accounting devices primarily used by government entities to track sources and uses of funding on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law or administrative rule.

The District has established other funds to control and manage funds designated only for specific purposes such as capital project funds.

**Three types of District Funds**

**Governmental funds.** Most of the District's basic services and operations are included in governmental funds which focus on how money flows into and out of those funds and the balances remaining at year-end available for use in future periods. These funds are reported on the "modified accrual" basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and basic services provided to constituents.

**Proprietary funds.** Also called internal service funds, these funds record transactions for print shop services and the medical insurance risk pool. Proprietary funds use the accrual basis of accounting, as business-type activities, and are consolidated with the governmental activities in the district-wide statements.

**Fiduciary funds.** Also called agency funds, the District serves as a trustee (or fiduciary) for student clubs and organizations. The District is responsible for ensuring that the assets reported in these funds are used only for the intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because fiduciary assets are not available to the district for use in general operational activities. Expendable and endowed private purpose trust funds also reside in the fiduciary fund classification. These funds include contributions restricted by donors and interest earnings.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

**Financial Analysis of the District as a Whole.** (from statements on pages 9 and 10)

**Table 1** provides a summary of the School District's net assets for 2011 compared to 2010.

**Net Assets**  
**(In millions)**

<b>Table 1</b>	<b>All Governmental Activities</b>		<b>Total Percentage Change</b>
	<b>2011</b>	<b>2010</b>	
Current Assets	12.9	14.0	-7.86%
Capital Assets	8.5	8.7	-2.30%
Total Assets	21.4	22.7	-5.73%
Total Liabilities	5.5	6.0	-8.33%
<b>Net Assets</b>			
Invested in Capital Assets	8.5	8.7	-4.40%
Restricted	2.2	2.2	
Unrestricted	5.2	5.8	-10.34%
Total Net Assets	15.9	16.7	-4.79%

**Table 2** shows the changes in net assets for fiscal year 2011.

**Changes in Net Assets from Operating Results**  
**(in millions)**

	All Governmental Activities		Total Percentage Change
	2011	2010	
Revenues			
Program Revenues			
Charges for Services	1.6	1.7	-2.61%
Grants	5.0	5.4	-7.27%
General Revenues			
Property Taxes	12.1	12.0	.85%
Government Funding	22.2	23.5	-5.24%
Other	0.8	0.4	45.96%
Total Revenues	41.7	43.0	-3.25%
Expenses			
Instructional	26.6	26.9	-1.49%
Other	16.0	16.7	-3.59%
Total Expenses	42.6	43.6	-2.29%
Net Assets			
Increase (Decrease) in Net Assets	-0.9	-0.6	-44.90%
Transfer-in from Medical Trust	0.1		
Total Change in Net Assets	-0.8	-0.6	-21.13%

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

**Governmental Activities**

The statement of activities (page 10) reflects the cost of programs and services, and the fees, sales, grants, and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The net cost of services is the cost to the District from general revenue sources for each program. Specific revenue sources, such as fees for services or designated grants have been subtracted from the total cost to obtain the net cost. Table 3 identifies the cost of those services supported by tax revenues and unrestricted State entitlements.

Table 3	Governmental Activities (In millions)					
	Total cost of services		Percentage change	Net cost of services		Percentage change
	2011	2010		2011	2010	
Instruction	26.6	26.9	-1.12%	22.9	23.1	-0.87%
Pupil, staff support	3.3	3.6	-8.33%	3.2	3.3	-3.03%
Administration, business	4.1	4.2	-2.38%	4.1	4.2	-2.38%
Maintenance, custodial	4.7	4.7		4.6	4.6	
Transportation	1.4	1.5	-6.67%	0.5	0.4	+25.00%
Food Service	1.9	2.0	-5.00%		.01	
Other	0.6	0.7	-14.29%	0.7	0.7	
Total	42.6	43.6	-2.29%	36.0	36.3	-0.83%

**Proprietary Funds**

The District has proprietary (or internal service) funds which account for the activities of the print shop and the medical risk fund. In fiscal year 2002, the Board established a medical risk fund to account for insurance premiums collected by the various funds of the District to recover the cost of claims paid. In previous years, the risk fund was used to manage the costs of a "mini-max" partial self-insurance plan. This plan was discontinued in fiscal year 2011, and final claims of \$845,380 were paid in February 2011. The District intends to use the remaining funds to mitigate the effects of increasing health insurance premiums, and to continue funding the cost of one full-time benefits coordinator position. A fund transfer in the amount of \$150,000 was made from the medical risk fund to the general fund to subsidize insurance premiums.

**Component Units**

The basic financial statements include a statement of net assets and statement of changes in net assets for the Lewiston Independent Foundation for Education, Inc. (L.I.F.E.), a component unit of the District. These statements are included to meet requirements of GASB Statement 39. The Foundation is a separate organization whose resources are held for the direct benefit of the District and our students. The statements as presented are unaudited and are prepared by the Foundation's Treasurer, Doug Baune. He can be reached at 1132 Idaho Street, Lewiston, ID 83501 for more information.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

**General Fund Budgeting Highlights.**

The School District's budget is prepared according to Idaho law and is developed on the same accounting basis as the fund statements. The most significant budgeted fund is the General Fund. The District amended its General Fund Budget in June of 2011 to more accurately reflect actual financial circumstances encountered during the course of the year.

**Capital Assets**

At the end of fiscal year 2011, the School District had \$8.5 million invested in net capital assets in governmental activities. Table 4 reflects fiscal year 2011 balances compared to fiscal year 2010.

**Table 4**  
**Capital Assets at June 30**  
**(Net of depreciation, in thousands)**

	<b>All Governmental Activities</b>		<b>Total Dollar Change</b>
	<b>2011</b>	<b>2010</b>	
Land and Site Improvements	2,468	2,529	(61)
Buildings	4,983	5,161	(178)
Equipment	323	271	52
Vehicles and Buses	730	695	35
Total Net Capital Assets	8,504	8,656	(152)

**Current Issues**

During fiscal year 2011, the overall economy of the United States made modest progress toward recovery from recession. Federal American Recovery and Reinvestment Act of 2009 (ARRA) funds used to replace shortfalls during the previous year were exhausted in 2011.

In order to budget for a \$2 million shortfall in state funding from the previous year, the District reduced contracts by four "furlough" days for most employees. Federal Education Jobs and Medicaid Assistance Act funds were utilized to replace two instructional days in fiscal years 2011 and 2012. The Jobs Bill funding will not be available after September 2012. After year-end, the state of Idaho did distribute approximately \$60 million to public schools as a result of higher than expected tax revenues. This distribution was unbudgeted at both the state and local level, and was a one-time disbursement mandated by maintenance of effort provisions in the federal ARRA funds legislation. The District's portion of this distribution was \$1,018,539, which is recorded as 2011 Other State Revenue receivable at June 30.

The District continues to exercise caution and diligence in choosing investment options for idle funds. All funds are currently divided between four approved local depositories to maximize protection of assets up to the new FDIC limit of \$250,000 per account holder, per institution. All remaining funds are in fully collateralized public funds accounts and the state investment pools. Rates of return on investments remained well below 1% during the entire fiscal year of 2011.

At the county level, the overall market value of property in the District rose by approximately 1.6% from 2010 to 2011. Most residential real estate values remained flat, and there was some slight upward trend in commercial property values. The value of new construction added to rolls in 2011 increased approximately 21% over a very slow construction phase in 2010.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Management's Discussion and Analysis  
For the Year Ended June 30, 2011

Enrollments and attendance have declined slightly over the past few years. A new statewide longitudinal data system to track attendance, as well as student assessment data and employee records is now the major determinant of State appropriations. The District has identified and implemented particular strategies to monitor this data closely for accuracy and address errors promptly.

Old facilities continue to require a significant investment of resources to keep them safe and useable for today's students. Replacing the high school facility was identified as the number one priority for the Board of Directors in recent years. A bond levy election was held on October 14, 2010 requesting approval of a \$52 million bond issuance to finance the construction of a modern 9-12 high school on land owned by the District in the Lewiston Orchards. That election, as well as a subsequent one held in March 2011, was unsuccessful, and no decision has been made to place a bond levy on the ballot in the coming year. The District has no bonded indebtedness as of June 30, 2011. The last bond election to pass was in 1960, and that bond was repaid in 1980. A school plant facility levy was passed in 1971 which provided facility funds until 1981, and provided the basis for the current balances in the capital projects fund. Interest from investments, and the capital projects fund balance supports major capital improvements within the District.

Fiscal year 2012 is the third year of a five-year supplemental levy which was passed by voters in May, 2008. This levy provides a significant funding source for District programs. Patrons of the Lewiston School District passed the supplemental levy with an 83% yes vote. Due to recent legislation, the supplemental levy will no longer be subjected to collections for three Urban Renewal Areas.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Katharine McPherson, CPA, Director of Business Services, Independent School District No.1, 3317 - 12<sup>th</sup> Street, Lewiston, ID 83501, or telephone number 208-748-3040.



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 79,452
Investments	4,431,861
Interest receivable	3,139
Taxes receivable (net)	5,441,625
Due from other governmental units	2,615,081
Inventory and Prepaid expenses	307,447
Total current assets	<u>12,878,605</u>

Noncurrent Assets

Non depreciated capital assets	1,839,830
Depreciated capital assets	21,252,316
Less: Accumulated depreciation	<u>(14,587,513)</u>
Total noncurrent Assets	<u>8,504,633</u>

Total Assets	<u>21,383,238</u>
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**LIABILITIES**

Current Liabilities

Accounts payable and other current Liabilities	4,552,968
Insurance claims payable	-
Deferred revenue	42,545
Due to Fiduciary Funds	149,791
Total current liabilities	<u>4,745,304</u>

Noncurrent liabilities

Noncurrent portion of long-term obligations	<u>771,302</u>
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Total Liabilities	<u>5,516,606</u>
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**NET ASSETS**

Invested in capital assets, net of related debt	8,504,633
Restricted for capital projects	2,165,738
Unrestricted	<u>5,196,261</u>
Total Net Assets	<u><u>\$ 15,866,632</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**Statement of Activities**  
**For the Year Ended June 30, 2011**

			Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental	Activities
FUNCTIONS/PROGRAMS	Expenses						
Governmental activities:							
Preschool - 12 Instruction	\$ 26,573,666	\$ 844,424	\$ 2,858,081			\$	(22,871,161)
Support Services:							
Pupil support	1,884,076		101,521				(1,782,555)
Staff Support	1,393,930						(1,393,930)
General Administration	919,748						(919,748)
School Administration	2,332,439						(2,332,439)
Business Services	393,299						(393,299)
Technology	463,191						(463,191)
Maintenance/Custodial	4,647,400	9,315					(4,638,085)
Transportation	1,447,608		884,792				(562,816)
Food Services	1,946,761	760,260	1,205,003				18,502
Capital Outlay	168,935						(168,935)
Depreciation, unallocated	495,773						(495,773)
Total School District	<u>\$ 42,666,826</u>	<u>\$ 1,613,999</u>	<u>\$ 5,049,397</u>			<u>\$</u>	<u>(36,003,430)</u>
General Revenues							
Taxes							
Property taxes levied for general purposes							12,082,572
Property taxes levied for liability insurance							33,747
Federal and State Aid not restricted to specific purposes							22,235,345
Other							669,785
Interest and investment earnings							68,834
Total General Revenues							<u>35,090,283</u>
Transfer-in from Medical Trust							150,000
Change in net assets							<u>(763,147)</u>
Net assets - beginning							<u>16,629,779</u>
Net assets - ending							<u>\$ 15,866,632</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 15,150	\$ 14,036	\$	\$ 29,186
Accounts receivable	1,666,617		947,401	2,614,018
Taxes receivable (net)	5,441,625			5,441,625
Interest receivable		3,139		3,139
Due from other funds		232,167	751,324	983,491
Investments	1,726,680	1,977,479		3,704,159
Prepaid supplies	220,730		74,518	295,248
Total assets	<u>9,070,802</u>	<u>2,226,821</u>	<u>1,773,243</u>	<u>13,070,866</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	622,448	41,578	94,380	758,406
Payroll and taxes payable	3,305,949		484,181	3,790,130
Deferred revenue	537,752		42,545	580,297
Due to other funds	808,171		475,112	1,283,283
Total liabilities	<u>5,274,320</u>	<u>41,578</u>	<u>1,096,218</u>	<u>6,412,116</u>
<b>Fund Balances</b>				
Nonspendable	220,730		74,518	295,248
Restricted	655,312	2,185,243	602,507	3,443,062
Unassigned	2,920,440			2,920,440
Total fund balances	<u>3,796,482</u>	<u>2,185,243</u>	<u>677,025</u>	<u>6,658,750</u>
<b>Total liabilities and fund balance</b>	<u>\$ 9,070,802</u>	<u>\$ 2,226,821</u>	<u>\$ 1,773,243</u>	<u>\$ 13,070,866</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2011**

<b>Total fund balance - Governmental funds</b>		<b>\$ 6,658,750</b>
Differences between Statement of Net Assets and Fund Statements		
Capital assets used in governmental activities are not reported as assets in governmental funds		
Cost of Capital Assets:	22,989,903	
Accumulated Depreciation	<u>(14,531,178)</u>	8,458,725
Property taxes receivable, not expected to be paid within sixty days are deferred in the funds		537,752
Net assets of internal service funds included in district-wide Statement of Net Assets		982,707
Long term liabilities not recorded in funds		
Compensated Absences		(292,553)
Other Post Employment Benefits		<u>(478,749)</u>
<b>Total net assets - governmental activities</b>		<b><u>\$ 15,866,632</u></b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LEWISTON INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2011

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property tax	\$ 12,116,319	\$	\$	\$ 12,116,319
State apportionment	23,120,137			23,120,137
Intergovernmental	432,310		4,088,169	4,520,479
Charges for services	30,858	9,315	760,260	800,433
Earnings on investments	21,924	44,373	2,537	68,834
Other	184,196	37,104	906,496	1,127,796
Total revenue	<u>35,905,744</u>	<u>90,792</u>	<u>5,757,462</u>	<u>41,753,998</u>
<b>EXPENDITURES</b>				
Instruction	22,376,514		3,702,505	26,079,019
Support:				
Pupil	1,755,725		101,521	1,857,246
Staff	1,374,226			1,374,226
General administration	955,147			955,147
School administration	2,292,540			2,292,540
Business service	387,390			387,390
Technology administration	458,678			458,678
Maintenance and operations	4,610,264			4,610,264
Transportation	1,436,833			1,436,833
Food service			1,987,213	1,987,213
Capital outlay		333,974		333,974
Total expenditures	<u>35,647,317</u>	<u>333,974</u>	<u>5,791,239</u>	<u>41,772,530</u>
Excess (deficiency) of revenues over/under expenditures	<u>258,427</u>	<u>(243,182)</u>	<u>(33,777)</u>	<u>(18,532)</u>
Other financing sources (uses);				
Operating transfers in	200,592	149,331	51,874	401,797
Operating transfers out	(201,205)		(50,592)	(251,797)
Total other financing sources (uses)	<u>(613)</u>	<u>149,331</u>	<u>1,282</u>	<u>150,000</u>
Net change in fund balances	257,814	(93,851)	(32,495)	131,468
Fund balance- Beginning of year	<u>3,538,668</u>	<u>2,279,094</u>	<u>709,520</u>	<u>6,527,282</u>
Fund balance- End of year	<u>\$ 3,796,482</u>	<u>\$ 2,185,243</u>	<u>\$ 677,025</u>	<u>\$ 6,658,750</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

**For the Year Ended June 30, 2011**

Net change in fund balances - total governmental funds			\$	131,468
Differences between Statement of Activities and Fund Statements				
Capital outlays recorded in funds as expenditures				
Capital Outlays:	470,304			
Depreciation expense	<u>(646,142)</u>			(175,838)
Expense for Other Post Employment Benefits not recorded in funds				(172,573)
Adjustment for change in deferred revenue				(319)
Change in compensated absences, not recorded in funds				(5,236)
Net income (loss) of internal service funds not reflected in governmental funds are included in Statement of Activities				<u>(540,649)</u>
<b>Change in net assets of governmental activities</b>			<b>\$</b>	<b><u>(763,147)</u></b>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Net Assets**  
**All Proprietary Funds**  
**June 30, 2011**

	<b>Internal Service Funds</b>		
	<b>Medical Insurance Risk Fund</b>	<b>Print shop</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$	\$ 50,266	\$ 50,266
Accounts receivable	1,025	38	1,063
Investments	727,702		727,702
Prepaid supplies		12,200	12,200
Due from other funds	150,000		150,000
Total current assets	<u>878,727</u>	<u>62,504</u>	<u>941,231</u>
<b>Noncurrent Assets</b>			
Furniture and equipment (net)		45,908	45,908
<b>TOTAL ASSETS</b>	<u><u>878,727</u></u>	<u><u>108,412</u></u>	<u><u>987,139</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$	\$ 3,942	\$ 3,942
Payroll and taxes payable		490	490
<b>TOTAL LIABILITIES</b>		<u>4,432</u>	<u>4,432</u>
<b>NET ASSETS</b>			
Reserved for benefit payments	878,727		878,727
Invested in capital assets		45,908	45,908
Unrestricted		58,072	58,072
<b>TOTAL NET ASSETS</b>	<u><u>\$ 878,727</u></u>	<u><u>\$ 103,980</u></u>	<u><u>\$ 982,707</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Revenues, Expenses and Changes in Net Assets**  
**All Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<b>Internal Service Funds</b>		
	<b>Medical Insurance</b>		
	<b>Risk Fund</b>	<b>Print shop</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 8,496	\$	\$ 8,496
Other local revenue	77,291	106,275	183,566
Total Operating Revenues	85,787	106,275	192,062
 <b>OPERATING EXPENSES</b>			
Support services	496,459	105,381	601,840
Total Operating Expenses	496,459	105,381	601,840
Operating Income (Loss)	(410,672)	894	(409,778)
 <b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	19,129	0	19,129
Other financing sources (uses)			
Transfers out	(150,000)	0	(150,000)
Change in net assets	(541,543)	894	(540,649)
Total net assets - beginning	1,420,270	103,086	1,523,356
Total net assets - ending	\$ 878,727	\$ 103,980	\$ 982,707

The accompanying Notes to Financial Statements are an integral part of this statement.



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Cash Flows - All Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<b>Internal Service Funds</b>		
	<b>Medical Insurance Risk Fund</b>	<b>Print shop</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Cash received from user charges	\$	\$ 106,237	\$ 106,237
Cash received from services to other funds	85,787		85,787
Cash payments to suppliers for goods and services	(3)	(44,336)	(44,339)
Cash payment to employees for services	(49,784)	(50,152)	(99,936)
Cash payments for insurance related expenses	(912,650)		(912,650)
Net cash provided by (used in) operating activities	<u>(876,650)</u>	<u>11,749</u>	<u>(864,901)</u>
<b>Cash Flows From Investing Activities</b>			
Interest on investments	18,224		18,224
Purchase of fixed assets		(31,387)	(31,387)
Net cash provided by (used in) investing activities	<u>18,224</u>	<u>(31,387)</u>	<u>(13,163)</u>
<b>Cash Flows from Financing Activities</b>			
Transfer to general fund	(300,000)		(300,000)
Net cash provided by (used in) financing activities	<u>(300,000)</u>		<u>(300,000)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,158,426)</u>	<u>(19,638)</u>	<u>(1,178,064)</u>
Cash-beginning of year	1,886,128	69,904	1,956,032
Cash-end of year	<u>\$ 727,702</u>	<u>\$ 50,266</u>	<u>\$ 777,968</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>			
Operating Income (Loss)	\$ (541,543)	\$ 894	\$ (540,649)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense		7,509	7,509
Interest income	(19,129)		(19,129)
Changes in assets and liabilities			
Due from other funds	150,000	(38)	149,962
Accounts payable	(465,978)	1,593	(464,385)
Inventory		2,685	2,685
Salary and benefits payable		(894)	(894)
Net Cash Provided by (used in) operating activities	<u>\$ (876,650)</u>	<u>\$ 11,749</u>	<u>\$ (864,901)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Fiduciary Net Assets-Fiduciary Funds and Component Units**  
**June 30, 2011**

	<b>Private Purpose Trusts</b>	<b>Agency Funds</b>	<b>Component Unit Lewiston Independent Foundation for Education, Inc.</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 153,732	\$ 572,965	\$ 15,478
Short Term Investments			24,816
Accounts receivable			220
Due from other funds	149,791		
Total Current Assets	<u>303,523</u>	<u>572,965</u>	<u>40,514</u>
Long-Term Investments			497,326
Total Assets	<u><u>\$ 303,523</u></u>	<u><u>\$ 572,965</u></u>	<u><u>\$ 537,840</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$		\$ 12,601
Due to student groups		\$ 572,965	
Total Liabilities		<u><u>\$ 572,965</u></u>	<u><u>12,601</u></u>
<b>NET ASSETS</b>			
Unrestricted			143,654
Restricted			381,585
Reserved for endowments	303,523		
Total Net Assets	<u><u>\$ 303,523</u></u>		<u><u>\$ 525,239</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Changes in Fiduciary Net Assets -**  
**Fiduciary Funds and Component Units**  
**For the Year Ended June 30, 2011**

	<b>Private Purpose Trusts</b>	<b>Component Unit Lewiston Independent Foundation for Education, Inc.</b>
<b>ADDITIONS</b>		
Unrestricted donations	\$ -	\$ 31,049
Restricted donations		15,742
Fund raising revenues (net)		3,613
Net investment income		49,658
		<hr/>
Total additions		100,062
		<hr/>
<b>DEDUCTIONS</b>		
Secretary wages and benefits		12,601
Impact Grant Program		6,260
Insurance		1,229
Program supplies		26,312
Scholarships		12,850
Office supplies		2,357
Teacher of the Year		1,000
Restricted program expenses		3,953
		<hr/>
		66,562
		<hr/>
Change in Net Assets		33,500
Net Assets-beginning	303,523	491,739
	<hr/>	<hr/>
Net Assets-ending	\$ 303,523	\$ 525,239
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Independent School District No. 1 is organized under a charter granted by the Eleventh Territorial Legislature and adopted in 1880. The charter was last amended in 1971.

The financial statements of Independent School District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

**A. REPORTING ENTITY**

Independent School District No. 1 is the basic level of government which has financial accountability and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of those entities. The District is not included in any other governmental "reporting entity" as defined by GASB pronouncements. Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and have primary financial accountability for fiscal matters. The unaudited financial statements of the Lewiston Independent Foundation for Education, a component unit, are presented discretely on the Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets.

**B. BASIS OF PRESENTATION**

Government-wide Statements: The statement of net assets and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations of all activity in the internal service funds have been made to minimize the double counting of internal activities. Only governmental-type activities are shown, since there are no "business-type activities" within the school district. Fiduciary fund types are omitted from the government-wide statements.

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) fees paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. BASIS OF PRESENTATION (continued)**

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and internal service funds, each displayed in a separate column. All remaining governmental and internal service funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources, except those which are accounted for in another fund.
- Capital Projects Fund. This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property. It is commonly called the School Plant Facility Reserve (SPFR).

The District reports the following fund types:

- Proprietary funds (Internal service funds). The District has two internal service funds which are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. A Print Shop fund accounts for printing and binding services provided to all departments of the District. A Medical Insurance Risk fund was originally established to account the activities related to partial self insurance of medical benefits. The district has elected to minimize risk by offering employees a more traditional form of health insurance benefits, and the residual balances in the medical risk fund are used to subsidize premiums and pay plan expenses.
- Fiduciary funds. The District has two fiduciary funds:
  - Private-purpose trust fund. This fund reports a trust arrangement under which contributions to endowments are maintained to support programs identified specifically by the donors.
  - Agency funds. These funds account for assets held by the District as an agent for various student groups and clubs. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Component Unit:

- The District reports the net assets and changes in net assets of one component unit, the Lewiston Independent Foundation for Education (L.I.F.E.). The component unit financial statements are presented pursuant to GASB Statement 39 because the economic resources received by the Foundation are held for the direct benefit of the District and its students.
- The unaudited statements of L.I.F.E. are fiduciary in nature and are not included in the activity of the governmental wide financial statements.
- Separately issued financial statements are available from L.I.F.E. Treasurer, Doug Baune, 1132 Idaho St. Lewiston, ID 83501.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**Government-Wide and Fiduciary Fund Statements** – The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements**—Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available when program expenses have been incurred and if collection is expected in the upcoming fiscal year. Property taxes, state foundation payments and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred except for compensated absences which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary Funds utilize the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenditures.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. RESTRICTED RESOURCES**

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

**E. BUDGETARY DATA**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for general, special revenue, and capital projects funds, within which expenditures may not exceed budget at the fund level.

The Board of Directors follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayer comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Directors. The 2011-2012 budget was adopted at a special board meeting held June 27, 2011.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. In June 2011, the District revised its annual budget to reflect more accurate revenue and expenditure projections. These amendments reflected updated market value information which was not available when the initial budget was set.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded, reserving that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of the Governmental Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances in the funds statements since they do not constitute expenditures or liabilities.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. CASH AND INVESTMENTS**

The District's cash and investments consist of savings accounts and money market accounts held in local depositories, as well as deposits in the Idaho State Treasurer's local government investment pool and diversified bond fund. All investments are invested in FDIC and SLIC insured accounts or are securities held by the pool or its agent in the pool name. Deposits in the State pools are not insured or otherwise guaranteed by the State. Those investments held in local depositories which exceed the FDIC insured limits of \$250,000 are in fully collateralized public funds accounts. Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. Diversified bond fund investments are stated at market value. The State Treasurer combines deposits from all governmental entities in the state participating in the pool, and purchases the following types of investments:

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

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

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

A portion of the District's capital project fund and proprietary fund are invested in the State of Idaho Diversified Bond Fund, an external investment pool sponsored by the Idaho State Treasurer's Office. The State Treasurer must operate and invest the funds for the benefit of the participants, in accordance with Idaho Code Sections 67-1201 through 67-1222. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. A copy of the external investment pool's financial statements is available from: Office of State Controller, Bureau of Reporting and Review, PO Box 83720, Boise, Idaho 83720-0011, 208-334-3150 or at [www.sco.idaho.gov/](http://www.sco.idaho.gov/)

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



INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term inter-fund loans are classified as "inter-fund receivables/payables."

**I. PREPAID SUPPLIES**

Supplies are valued at the weighted average cost method of accounting. Expendable supplies are accounted for by the consumption method, which records the expenditure at the time the items are used. The reserve for prepaid supplies is equal to the amount of supplies to indicate that a portion of the fund balance is not available for future expenditure.

**J. PROPERTY TAXES**

The District's property tax is levied in September and is payable to Nez Perce County, Idaho, on December 20 and June 20 following the levy date. Taxes are remitted to the District by the County in the month following. Taxes are delinquent the day following the due dates.

Property taxes levied for the year ended June 30 are recorded as revenue of the period. Delinquent property taxes are reflected as "taxes receivable". An allowance of \$12,285 has been provided as of June 30, 2011. Current tax collections for the year were 97.41% of the tax levy as of August 31, 2011.

**K. CAPITAL ASSETS**

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

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities which are not considered repairs are capitalized and depreciated using the straight line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 20 – 50 years. Estimated useful lives for site improvements range from 9 – 25 years. Lives for equipment range from 5 - 10 years. Infrastructure consisting of the fiber optic network has a 20 year life.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. 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.

**M. CASH EQUIVALENTS ON THE STATEMENT OF CASH FLOWS**

The District considers all cash and investments with a maturity of less than 30 days to be cash or cash equivalents on the statement of cash flows.

**N. ECONOMIC DEPENDENCE**

The District's major single source of tax revenue is generated from Clearwater Paper Corporation which comprises 14.82% of the District's net market value in 2011 (12.98% in 2010). The net market value is the District's total assessed market value less any exemptions.

**O. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 11, 2011, the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY TAX**

The market value for the District as of September, 2010, upon which the Fiscal Year 2011 levy was based, was \$2,321,479,598.

The District's actual levy was .0052974 of market valuation for general education services and .000023435 for tort liability insurance and claims. The combined tax rate to finance educational services consisted of a permanent supplemental levy of .000884, and a five year supplemental levy (2008) of .00439. The total tax levy for the year ended June 30, 2011, was \$12,020,608 and a total of \$12,007,382 in payments was received for taxes, penalties, and interest owed from tax years 2006 through 2010.

In the Governmental Funds Statements, property taxes levied but not yet collected for fiscal year 2011 are recorded as receivables, and a deferred revenue amount is recorded to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

	<b>General Fund</b>
Total taxes receivable at June 30, 2011	\$5,453,909
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2011	<u>4,916,157</u>
Deferred revenue	<u>\$537,752</u>

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 3 - ACCOUNTS RECEIVABLE**

Details of accounts receivable in the Funds Statements for all governmental funds at June 30, 2011, are as follows:

State apportionment funds	\$1,577,020
Grant reimbursements	947,401
Interest receivable	3,139
Other	<u>89,597</u>
Total	<u>\$2,617,157</u>

**NOTE 4 - CASH AND INVESTMENTS**

**Cash**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned. The District currently does not have a formal policy regarding custodial risk for deposits. At June 30, 2011, the carrying amount of the District's deposits (including student activity funds) was \$652,417. The bank balance total of \$600,462 is in local depository accounts insured by the FDIC up to the limit of \$250,000 per institution. Total deposits fully insured equal \$600,462.

**Investments**

The District's investment policy was adopted by the Board of Directors and provides the Director of Business Services with the authority to invest in any of the securities identified as eligible investments as defined by State statute with primary emphasis on safety of principal and liquidity. The total carrying amount of investments at year end is \$4,431,861.

Investments are classified into the following three categories of credit risk:

- (1) Insured or registered, or securities held by the District or its agent in the District's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- (3) Uninsured and unregistered, with securities held by the counterparty or by the counterparty's trust department or agent, but not in the District's name.

The District's investment statement balances at June 30, 2011, are as follows:

	Category	General	Med Trust	SPFR	Total
Zions	1	\$1,208,651		\$709,779	\$1,918,430
Syringa	1	253,281			253,281
LGIP pool	1	264,748	343,344	9,323	617,415
DBF pool	1		410,979	1,258,377	1,669,356
Total		\$1,726,680	\$754,323	\$1,977,479	\$4,458,482

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Lewiston, Idaho

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June 30, 2011

The District participates in the Idaho State Treasurer's Local Governmental Investment Pool (LGIP), and the State of Idaho Diversified Bond Fund (DBF) both of which are under the administrative control of the Idaho State Treasurer's Office. All LGIP investments meet the requirements of Idaho Code as allowable investments for government agencies. As of June 30, 2011, LGIP investments consisted of 73.84% AAA rated, 5.61% AA rated and 14% Treasuries. The DBF is recommended for funds with a 3.5 year (or longer) time horizon, rather than funds needed for current cash flow. At June 30, 2011, investments in the Diversified Bond Fund are converted to fair value through a quoted market price. The District's portion of the DBF had unrealized gain of 6,904 as of June 30, 2011.

The following schedule represents the District's portion of investments in the external investment pools and a distribution of the pool's maturities at June 30, 2011:

External Investment Pool	Book Value	<u>Investment Maturities</u>		
		<u>Market Value</u>	<u>Less than 1 year</u>	<u>1-8 Years</u>
LGIP fund	\$617,415	\$617,415	\$617,415	
Diversified Bond Fund	\$1,669,056	\$1,669,056	\$267,049	\$1,402,007

**NOTE 5 - NON-CURRENT LIABILITIES**

**Compensated Absences**

At June 30, 2011, the District is obligated to employees, other than instructors, for vacation time earned but not yet used in the amount of \$292,553 which will be paid from General Governmental Fund types when used. Compensated absences are generally liquidated by the General Fund. The current portion is estimated to be paid out of expendable available financial resources and is included as payroll and taxes payable in the Funds Statements.

During the year ended June 30, 2011, the following changes occurred to noncurrent liabilities:

<b>Non Current Liability</b>	<b>7/1/2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>6/30/2011</b>
Compensated absences	\$288,315	\$277,616	\$273,378	\$292,553

**Other Post-Employment Benefits**

Fiscal year 2011 is the third year of recognition of a non-current liability for Other Post-Employment Benefits (OPEB) pursuant to the requirements of GASB Statement 45.

The Lewiston Independent School District #1 Employee Group Benefits Plan is a single-employer plan that provides health insurance benefits to eligible retirees and their dependents from the time of retirement until the retiree reaches age 65, and becomes eligible for Medicare benefits. Retirees pay 100% of the premium cost for themselves and their dependents.

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June 30, 2011

The annual required contribution (ARC) for the plan has been determined under the projected unit credit cost method as of June 30, 2011. Several assumptions were made by the consulting actuaries in determining the ARC, including use of a 45 percent participation rate, and a 4.25 percent discount rate for this valuation, which is considered reasonable for school districts. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year, and amortize any unfunded actuarial liabilities (or funding excess) over a period of twenty-five years. The District funds the benefits on a pay-as-you-go basis from the general assets.

The following table shows the components of the District's net OPEB obligation to provide access to district healthcare benefits for those retirees who have not yet reached age 65 and become eligible for benefits under Medicare. The Annual required contribution is recorded as a non-current liability.

<b>Annual Required Contribution (ARC)</b>	
Normal Cost as of July 1, 2011	\$85,668
Actuarial Accrued Liability (AAL)	\$1,996,734
Actuarial Value of Assets	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$1,996,734
Amortization factor	25.0
Amortization of the UAAL	\$79,869
Annual Required Contribution for FY2009	\$153,088
Annual Required Contribution for FY2010	\$153,088
Annual Required Contribution for FY2011	\$172,573

**NOTE 6 - CONTINGENT LIABILITIES**

**Grant programs**

The District participates in a number of state and federally assisted grant programs, mainly Title I, VI-B IDEA grants, and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in OMB Circular No. A-133 during the course of the annual audit of the District's records, and are subject to additional audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time; although the District expects such amounts, if any, to be immaterial.

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NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 7 - CAPITAL ASSETS**

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

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2011</u>
<b>Capital Assets not being depreciated</b>				
Land	1,839,830			1,839,830
<b>Capital Assets being depreciated</b>				
Site improvements	1,669,972	3,419		1,673,391
Buildings	13,186,763	165,039		13,351,802
Infrastructure	453,827			453,827
Equipment	2,314,367	115,770	(53,571)	2,376,566
School buses	2,274,351	156,239	(42,030)	2,388,560
Vehicles	885,590	29,837	(9,500)	905,927
Printshop equipment	81,881	31,387	(11,025)	102,243
Total depreciated assets	20,866,751	501,691	(116,126)	21,252,316
<b>Less: Accumulated Depreciation</b>				
Site improvements	(980,305)	(65,181)		(1,045,486)
Buildings	(8,232,944)	(319,517)		(8,552,461)
Infrastructure	(246,751)	(23,008)		(269,759)
Equipment	(2,064,887)	(88,067)	53,571	(2,099,383)
School buses	(1,719,813)	(111,636)	42,030	(1,789,419)
Vehicles	(745,437)	(38,733)	9,500	(774,670)
Printshop equipment	(59,851)	(7,509)	11,025	(56,335)
Total accumulated depreciation	(14,049,988)	(653,651)	116,126	(14,587,513)
Governmental Activities Net Assets	8,656,593	(151,960)		8,504,633

Depreciation expense of \$646,142 in governmental functions was charged as follows:

Transportation Services	\$ 150,369
Unallocated	\$ 495,773

**NOTE 8 - DEFINED BENEFIT PENSION PLAN**

The 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

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June 30, 2011

vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand-alone financial reports that include audited financial statements and required supplementary information. Financial reports for the plan are available on the PERSI web site [www.persi.idaho.gov](http://www.persi.idaho.gov) or in print upon request to PERSI at PO Box 83720, Boise, ID 83720-0078.

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 rate as a percentage of covered payroll for general members was 6.23%. The employer rate as a percentage of covered payroll was 10.39% for general members, plus 1.26% for the unused sick leave benefit (as described in Section 33-1228 Idaho Code), for a total employer contribution of 11.65%. The Independent School District No. 1 employer and employee contributions required and paid were \$4,355,297, \$4,523,689, and \$4,808,627 for the three years ended June 30, 2011, 2010, and 2009, respectively.

**NOTE 9- OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

**RESTRICTED ASSETS**

In accordance with Idaho Code, payments distributed to School Districts by the State of Idaho as reimbursement for bus depreciation is deposited into the School Plant Facility Reserve (SPFR) Fund to be used for the purchase of school buses. Other deposits into the SPFR Fund are restricted by Idaho Code 33-1019(3) to be used exclusively for the maintenance and repair of school buildings, or any serious or imminent safety hazard on the property of said school buildings. Further, the statute requires unexpended moneys in a school district's school building maintenance allocation to be carried over from year to year, and to remain allocated for the purposes specified. At June 30, 2011, such restricted assets totaled \$2,165,738.

INDEPENDENT SCHOOL DISTRICT NO. 1  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 9- OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)**

**INTERFUND RECEIVABLES AND PAYABLES**

Loans between funds represent temporary cash advances from various funds to finance operating cash deficits of other funds. Individual fund interfund receivable and payable balances at June 30, 2011, were:

Title	Interfund Receivable	Interfund Payable
General fund cash	\$	\$ 506,334
General fund interfund payable		301,836
Misc local projects	30,403	
Medicaid	129,754	
LIFE Combined expendable trust		8,127
State mini grants	1,282	
Carl Perkins		52,908
Title I		143,977
IDEA Part B		192,667
IDEA Part B Preschool		12,932
Indian education grant		8,584
Johnson O'Malley Indian Education	9,161	
Title II-A - Teacher quality		42,055
State drug-free		600
Misc federal projects		54,148
Teaching American History grant		21,389
Child Nutrition	642,999	
Capital Projects fund	232,167	
Medical Insurance Risk	150,000	
Private Purpose Trust Funds	149,791	
	<u>\$ 1,345,557</u>	<u>\$ 1,345,557</u>

**INTERFUND TRANSFERS**

Transfers to support the operations of other funds are recorded as "Operating Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects (SPFR) Fund of the school bus depreciation reimbursement, and transfers into the Child Nutrition fund from the General Fund pursuant to Idaho Code 33-1015 for the payment of federal social security payroll taxes. In FY 2011, transfers were also made from the School Lunch program, the TESLA Science program, and the Teaching American History Grant (special funds) to the General Fund to reimburse indirect costs, at the approved restricted indirect cost rate of 3.5% for FY2011.



INDEPENDENT SCHOOL DISTRICT NO. 1  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 9- OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)**

**Schedule of Interfund Transfers**

To Capital Projects from General Fund	\$80,331
To General Fund from Special Funds	50,592
To General Fund from Medical Risk Fund	150,000
To Child Nutrition Fund from General Fund	52,412

**EXPENDITURES OVER BUDGET**

The excess of actual expenditures over budget occurred in the following funds:

IDEA Part B Preschool	\$2,585
Indian Education Fund	1,107
Title II Teacher Quality	61,083
Title IV-A Drug Free Schools	2,075
Child Nutrition	353,263
Other Special Funds	320,380

In Federal Grant Funds, the over-expenditures arose due to the availability of carry-over funds from prior years that were not quantifiable at budget time. To meet educational needs of our students, the Board of Directors approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect additional revenue and expenditures.

**TERMINATION BENEFITS**

The District sponsors an Early Retirement Incentive Program. Under this program, long-term employees who elect for the program agree to retire prior to reaching age 65 in exchange for a lump sum payment made following retirement. At June 30, 2011, the District was obligated to make payments totaling \$168,849 on behalf of retiring employees. One payment will be made in September 2011. The State of Idaho's Early Retirement Incentive Program was discontinued by the legislature.

**NOTE 10 - RISK MANAGEMENT**

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

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 11 - LOSS CONTINGENCY**

The District has evaluated its exposure to potential losses that could arise as a result of pending legal matters as of August 11, 2011 (the date the financial statements were available to be issued), and found none. On June 17, 2011, Mr. David M. Estes filed suit in the District Court, Nez Perce County, Idaho, against Lewiston Independent School District No. 1, et al. This complaint seeks "Declaratory Judgment and Writ of Mandate" as to the correct date on which a properly elected member of the school district Board of Directors should take the oath of office. The complainant does not seek monetary damages in this matter, and the resources that will be expended in staff time and legal fees are not expected to be material to the financial statements.

**NOTE 12 - GASB Statement No. 54 – FUND BALANCE DEFINITIONS**

The GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to address issues related to how fund balance was being reported. The resulting standards are intended to promote consistent reporting and make financial statements easier for users to understand. GASB Statement No. 54, implemented by the District in fiscal year 2010, defines the different types of fund balance that a governmental entity must use for financial reporting purposes as follows:

1. Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the school district Board of Directors,
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

**NOTE 13 - SUBSEQUENT EVENTS**

The subsequent events note in the June 30, 2010 financial statements advised readers of a Special Bond Election to be held on October 14, 2010 as to the question of the issuance of general obligation school bonds to build a modern 9-12 high school. The principal amount of the bonds was to be \$52,000,000. The required two-thirds (2/3) majority of the qualified electors of the District did not vote to approve the issuance of bonds. As of the date of these financial statements, the Board of Directors has indicated that they will not bring the matter to the voters again in fiscal year 2012.

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**NOTE 13 - SUBSEQUENT EVENTS (continued)**

On June 12, 2011 the State of Idaho distributed approximately \$60 million in one-time discretionary funds to public school districts. The distribution was made pro rata, based upon the standard support unit funding formula, but was not a part the budgeted appropriation. The 2011 Legislature provided the criteria upon which this payment was to be paid in Senate Bill 1207, in order to meet federal maintenance of effort requirements under the American Recovery and Reinvestment Act and the Federal Jobs Act. Independent School District No. 1 received \$1,018,539, which is recorded as an Intergovernmental Receivable in fiscal year 2011, in accordance with guidance from the State Department of Education.

## REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual -- General Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances--	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
<b>REVENUES</b>					
Property tax	\$ 11,966,670	\$ 12,100,000	\$ 12,116,319	\$ 149,649	\$ 16,319
State apportionment	22,292,957	21,995,757	23,120,137	827,180	1,124,380
Intergovernmental		435,666	432,310	432,310	(3,356)
Charges for services	30,000	30,000	30,858	858	858
Earnings on investments	50,000	34,675	21,924	(28,076)	(12,751)
Other	223,967	160,575	184,196	(39,771)	23,621
Total revenue	<u>34,563,594</u>	<u>34,756,673</u>	<u>35,905,744</u>	<u>1,342,150</u>	<u>1,149,071</u>
<b>EXPENDITURES</b>					
Instruction	22,485,462	22,762,781	22,376,514	108,948	386,267
Support:					
Pupil	1,828,447	1,851,273	1,755,725	72,722	95,548
Staff	1,314,694	1,332,062	1,374,226	(59,532)	(42,164)
General administration	978,609	958,909	955,147	23,462	3,762
School administration	2,294,976	2,303,779	2,292,540	2,436	11,239
Business services	429,729	406,954	387,390	42,339	19,564
Technology administration	453,111	453,111	458,678	(5,567)	(5,567)
Maintenance and operations	4,450,625	4,364,064	4,610,264	(159,639)	(246,200)
Transportation	1,408,696	1,419,042	1,436,833	(28,137)	(17,791)
Total expenditures	<u>35,644,349</u>	<u>35,851,975</u>	<u>35,647,317</u>	<u>(2,968)</u>	<u>204,658</u>
Contingency	<u>1,264,877</u>	<u>1,261,166</u>		<u>1,264,877</u>	<u>1,261,166</u>
Excess (deficiency) of revenues over/under expenditures	<u>(2,107,189)</u>	<u>(1,729,961)</u>	<u>258,427</u>	<u>2,061,108</u>	<u>1,683,880</u>
Other financing sources (uses):					
Operating transfers in	455,000	405,000	200,592	254,408	204,408
Operating transfers out	(131,331)	(200,331)	(201,205)	69,874	874
Total other financing sources (uses)	<u>323,669</u>	<u>204,669</u>	<u>(613)</u>	<u>324,282</u>	<u>205,282</u>
Net change in fund balance	<u>\$ (2,272,766)</u>	<u>\$ (1,895,538)</u>	<u>257,814</u>	<u>\$ (2,530,580)</u>	<u>\$ (2,153,352)</u>
Fund balance- Beginning of year			<u>3,538,668</u>		
Fund balance- End of year			<u>\$ 3,796,482</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific funding sources or to finance specific activities as required by law or administrative regulations.

Title I-A Basic. Restricted federal revenue to be spent on programs to provide special instruction to economically disadvantaged students.

IDEA Part B. Restricted federal revenue to be spent on programs to provide for testing, physical therapy, certificated teachers, teaching assistants, equipment, materials and supplies for special education students.

IDEA Part B Preschool. Restricted federal funding to be spent on programs for preschool students with disabilities.

Carl D. Perkins VoEd Grant. Restricted federal funding to be spent to recruit and retain male student participation in vocational health occupations education, as well as an Advanced Learning Partnership with Lewis-Clark State College vocational programs.

Indian Education Grant. Restricted federal funding supporting efforts to strengthen elementary and secondary school programs serving American Indian students.

Johnson O'Malley Indian Education. Restricted federal funds to be spent on efforts to assure that American Indian students are functioning at grade level.

Title II- Teacher Quality. Restricted federal funding to be spent to provide professional development for instructional staff to improve quality of teaching and student achievement.

Drug Free Schools. Restricted federal funding to be spent on drug education, in-service training for teachers and parents, and participation in Idaho Drug Free Youth activities.

Teaching American History. Restricted federal funding to provide professional development to increase proficiency of instruction in the subject area and improve student learning.

Child Nutrition. School nutrition programs, including breakfast, lunch and healthy snacks during the academic year, as well as a Summer Food Program. Funding is provided by the U. S. Department of Agriculture and by sales of meals. Program is reported as a special revenue fund due to the large amount of federal financial assistance.

## SPECIAL REVENUE FUNDS (continued)

Medicaid Fund. Revenues generated through billings to Medicaid for services provided to eligible special-needs students.

State Technology Grant. Designated state funding to provide technology upgrades throughout the District.

State Mini Grants. Small competitive grants awarded at the state level for specific programs.

Other Federal Projects. Small specific-purpose federal grants awarded on a competitive basis.

Expendable Trust Funds. Interest earnings from endowments and contributions from the Lewiston Independent Foundation for Education (L.I.F.E.) to be spent on programs approved by the L.I.F.E. Board of Directors.

Other Local Grants. Small grants awarded by local organizations to fund specific projects.

## PRIVATE PURPOSE TRUST FUNDS

The District has established three funds to account for restricted and non-expendable contributions made by donors:

- Academic Endowment Fund
- Activities Endowment Fund
- Restricted Endowment Fund

## AGENCY FUNDS

Funds held in individual school accounts for assets held by the District as an agent for various student groups and clubs. These funds are restricted to use by the student organizations and are not available for general District operations.



INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Combining Balance Sheet  
All Special Revenue Funds  
June 30, 2011

	Title I-A Basic	IDEA Part B	IDEA Part B Preschool	Carl D. Perkins Voed	Indian Education	Johnson O'Malley Indian Education	Title II-A Teacher Quality	Drug Free Schools	Teaching American History	Child Nutrition	Other Special Revenue Funds	Totals
<b>ASSETS</b>												
Cash	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	246,838	348,650	19,752	60,096	10,801		73,649	2,675	46,180	31,495	107,265	947,401
Prepaid expenses										74,518	0	74,518
Due from other funds						9,161	-			642,999	99,164	751,324
Total assets	<u>246,838</u>	<u>348,650</u>	<u>19,752</u>	<u>60,096</u>	<u>10,801</u>	<u>9,161</u>	<u>73,649</u>	<u>2,675</u>	<u>46,180</u>	<u>749,012</u>	<u>206,429</u>	<u>1,773,243</u>
<b>LIABILITIES AND FUND EQUITY</b>												
Liabilities												
Accounts payable	4,073	729	1,042		-			2,075	13,696	19,548	53,217	94,380
Payroll & taxes payable	98,788	155,254	5,778	7,188	2,217	845	31,594		11,095	111,503	59,919	484,181
Due to other funds	143,977	192,667	12,932	52,908	8,584	-	42,055	600	21,389			475,112
Deferred revenue						8,316					34,229	42,545
Total liabilities	<u>246,838</u>	<u>348,650</u>	<u>19,752</u>	<u>60,096</u>	<u>10,801</u>	<u>9,161</u>	<u>73,649</u>	<u>2,675</u>	<u>46,180</u>	<u>131,051</u>	<u>147,365</u>	<u>1,096,218</u>
Fund Balance												
Restricted										617,961	59,064	677,025
Total fund balance										<u>617,961</u>	<u>59,064</u>	<u>677,025</u>
Total liabilities and fund balance	<u>\$ 246,838</u>	<u>\$ 348,650</u>	<u>\$ 19,752</u>	<u>\$ 60,096</u>	<u>\$ 10,801</u>	<u>\$ 9,161</u>	<u>\$ 73,649</u>	<u>\$ 2,675</u>	<u>\$ 46,180</u>	<u>\$ 749,012</u>	<u>\$ 206,429</u>	<u>\$ 1,773,243</u>

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
All Special Revenue Funds  
For the Year Ended June 30, 2011

	Title I-A Basic	IDEA Part B	IDEA Part B Preschool	Carl D. Perkins Voed	Indian Education	Johnson O'Malley Indian Education	Title II-A Teacher Quality	Drug Free Schools	Teaching American History	Child Nutrition	Other Special Revenue Funds	Total
<b>REVENUE</b>												
Intergovernmental	\$ 954,036	\$ 1,137,709	\$ 64,324	\$ 60,097	\$ 18,213	\$ 1,975	\$ 239,480	\$ 10,978	\$ 131,622	\$ 1,205,003	\$ 264,732	\$ 4,088,169
Earnings on investments										1,662	875	2,537
Charges for services										760,260		760,260
Other local											906,496	906,496
Total revenue	<u>954,036</u>	<u>1,137,709</u>	<u>64,324</u>	<u>60,097</u>	<u>18,213</u>	<u>1,975</u>	<u>239,480</u>	<u>10,978</u>	<u>131,622</u>	<u>1,966,925</u>	<u>1,172,103</u>	<u>5,757,462</u>
<b>EXPENDITURES</b>												
Instruction	954,036	1,036,188	64,324	60,097	18,213	1,975	239,480	10,978	127,171		1,190,043	3,702,505
Support		101,521									-	101,521
Food service										1,987,213		1,987,213
Total expenditures	<u>954,036</u>	<u>1,137,709</u>	<u>64,324</u>	<u>60,097</u>	<u>18,213</u>	<u>1,975</u>	<u>239,480</u>	<u>10,978</u>	<u>127,171</u>	<u>1,987,213</u>	<u>1,190,043</u>	<u>5,791,239</u>
Excess (deficiency) of revenues over/under expenditures	-	-	-	-	-	-	-	-	4,451	(20,288)	(17,940)	(33,777)
Other financing sources (uses):												
Operating transfers in	-	-	-	-	-	-	-	-	(4,451)	51,874	-	51,874
Operating transfers out	-	-	-	-	-	-	-	-	(4,451)	(38,865)	(7,276)	(50,592)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,451)</u>	<u>13,009</u>	<u>(7,276)</u>	<u>1,282</u>
Net change in fund balances	-	-	-	-	-	-	-	-		(7,279)	(25,216)	(32,495)
Fund balance- Beginning of year	-	-	-	-	-	-	-	-		625,240	84,280	709,520
Fund balance- End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617,961</u>	<u>\$ 59,064</u>	<u>\$ 677,025</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**TITLE I-A Basic**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances-- Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ 1,057,290	\$ 1,057,290	\$ 954,036	\$ (103,254)	\$ (103,254)
Total revenue	1,057,290	1,057,290	954,036	(103,254)	(103,254)
<b>EXPENDITURES</b>					
Instruction	1,022,290	1,022,290	954,036	68,254	68,254
Excess (deficiency) of revenues over/under expenditures	35,000	35,000		(35,000)	(35,000)
Other financing sources (uses):					
Operating transfers out	(35,000)	(35,000)		35,000	35,000
Total other financing sources (uses)	(35,000)	(35,000)		35,000	35,000
Net change in fund balance	\$ -	\$ -		\$ -	\$ -
Fund balance- Beginning of year					
Fund balance- End of year			\$		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**IDEA Part B**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variances-- Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>					
Intergovernmental	<u>\$ 1,265,834</u>	<u>\$ 1,265,834</u>	<u>\$ 1,137,709</u>	<u>\$ (128,125)</u>	<u>\$ (128,125)</u>
Total revenue	<u>1,265,834</u>	<u>1,265,834</u>	<u>1,137,709</u>	<u>(128,125)</u>	<u>(128,125)</u>
 <b>EXPENDITURES</b>					
Instruction	<u>1,126,561</u>	<u>1,126,561</u>	<u>1,036,188</u>	<u>90,373</u>	<u>90,373</u>
Support	<u>104,273</u>	<u>104,273</u>	<u>101,521</u>	<u>2,752</u>	<u>2,752</u>
Total expenditures	<u>1,230,834</u>	<u>1,230,834</u>	<u>1,137,709</u>	<u>93,125</u>	<u>93,125</u>
Excess (deficiency) of revenues over/under expenditures	<u>35,000</u>	<u>35,000</u>		<u>(35,000)</u>	<u>(35,000)</u>
Other financing sources (uses):					
Operating transfers out	<u>(35,000)</u>	<u>(35,000)</u>		<u>35,000</u>	<u>35,000</u>
Total other financing sources (uses)	<u>(35,000)</u>	<u>(35,000)</u>		<u>35,000</u>	<u>35,000</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>	<u>\$</u>
 Fund balance- Beginning of year					
Fund balance- End of year			<u>\$</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**IDEA Part B Preschool**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances-- Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ 61,739	\$ 61,739	\$ 64,324	\$ 2,585	\$ 2,585
Total revenue	61,739	61,739	64,324	2,585	2,585
<b>EXPENDITURES</b>					
Instruction	61,739	61,739	64,324	(2,585)	(2,585)
Total expenditures	61,739	61,739	64,324	(2,585)	(2,585)
Excess (deficiency) of revenues over/under expenditures	\$ -	\$ -		\$ -	\$ -
Fund balance- Beginning of year					
Fund balance- End of year			\$		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**CARL D. PERKINS**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<b>Variances--</b> <b>Favorable (Unfavorable)</b>				
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Original to Actual</b>	<b>Amended to Actual</b>
<b>REVENUES</b>					
Intergovernmental	\$ 68,694	\$ 68,694	\$ 60,097	\$ (8,597)	\$ (8,597)
Total revenue	68,694	68,694	60,097	(8,597)	(8,597)
<b>EXPENDITURES</b>					
Instruction	68,694	68,694	60,097	8,597	8,597
Excess (deficiency) of revenues over/under expenditures	\$	\$		\$	\$
Fund balance- Beginning of year					
Fund balance- End of year			\$		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**INDIAN EDUCATION FUND**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances-- Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ 17,106	\$ 17,106	\$ 18,213	\$ 1,107	\$ 1,107
Total revenue	17,106	17,106	18,213	1,107	1,107
<b>EXPENDITURES</b>					
Instruction	17,106	17,106	18,213	(1,107)	(1,107)
Excess (deficiency) of revenues over/under expenditures	<u>\$</u>	<u>\$</u>		<u>\$</u>	<u>\$</u>
Fund balance- Beginning of year					
Fund balance- End of year			<u>\$</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**JOHNSON O'MALLEY**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances-- Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ 6,580	\$ 6,580	\$ 1,975	\$ (4,605)	\$ (4,605)
Total revenue	<u>6,580</u>	<u>6,580</u>	<u>1,975</u>	<u>(4,605)</u>	<u>(4,605)</u>
<b>EXPENDITURES</b>					
Instruction	<u>6,580</u>	<u>6,580</u>	<u>1,975</u>	<u>4,605</u>	<u>4,605</u>
Excess (deficiency) of revenues over/under expenditures	<u>\$</u>	<u>\$</u>		<u>\$</u>	<u>\$</u>
Fund balance- Beginning of year					
Fund balance- End of year			<u>\$</u>		



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**TITLE II-A - Teacher Quality**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<b>Variances--</b>	
				<u>Favorable (Unfavorable) Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>					
Intergovernmental	<u>\$ 178,397</u>	<u>\$ 178,397</u>	<u>\$ 239,480</u>	<u>\$ 61,083</u>	<u>\$ 61,083</u>
Total revenue	<u>178,397</u>	<u>178,397</u>	<u>239,480</u>	<u>61,083</u>	<u>61,083</u>
<b>EXPENDITURES</b>					
Instruction	<u>178,397</u>	<u>178,397</u>	<u>239,480</u>	<u>(61,083)</u>	<u>(61,083)</u>
Excess (deficiency) of revenues over/under expenditures	<u>\$</u>	<u>\$</u>		<u>\$</u>	<u>\$</u>
Fund balance- Beginning of year					
Fund balance- End of year			<u>\$</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**TITLE IV-A DRUG FREE SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances--	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 8,903	\$ 10,978	\$ 10,978	\$ 2,075
Total revenue	-	8,903	10,978	10,978	2,075
<b>EXPENDITURES</b>					
Instruction	-	8,903	10,978	(10,978)	(2,075)
Excess (deficiency) of revenues over/under expenditures	\$	\$		\$	\$
Fund balance- Beginning of year					
Fund balance- End of year			\$		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Teaching American History**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<b>Variances--</b> <b>Favorable (Unfavorable)</b>				
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Original to Actual</b>	<b>Amended to Actual</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 142,918	\$ 131,622	\$ 131,622	\$ (11,296)
Total revenue		142,918	131,622	131,622	(11,296)
<b>EXPENDITURES</b>					
Instruction		142,918	127,171	(127,171)	15,747
Excess (deficiency) of revenues over/under expenditures			4,451	4,451	4,451
Other financing sources (uses):					
Operating transfers out			(4,451)	4,451	4,451
Total other financing sources (uses)			(4,451)	4,451	4,451
Net change in fund balance	\$	\$		\$	\$
Fund balance- Beginning of year					
Fund balance- End of year			\$		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**CHILD NUTRITION**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variances--</u> <u>Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>					
Intergovernmental	\$ 900,000	\$ 900,000	\$ 1,205,003	\$ 305,003	\$ 305,003
Earnings on investments	0	0	1,662	1,662	1,662
Charges for services	<u>820,050</u>	<u>820,050</u>	<u>760,260</u>	<u>(59,790)</u>	<u>(59,790)</u>
Total revenue	<u>1,720,050</u>	<u>1,720,050</u>	<u>1,966,925</u>	<u>246,875</u>	<u>246,875</u>
<b>EXPENDITURES</b>					
Food services	<u>1,633,950</u>	<u>1,633,950</u>	<u>1,987,213</u>	<u>(353,263)</u>	<u>(353,263)</u>
Excess (deficiency) of revenues over/under expenditures	86,100	86,100	(20,288)	(106,388)	(106,388)
Other financing sources (uses):					
Operating transfers in	51,000	51,000	51,874	874	874
Operating transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(38,865)</u>	<u>(3,865)</u>	<u>(3,865)</u>
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>13,009</u>	<u>(2,991)</u>	<u>(2,991)</u>
Net change in fund balance	<u>\$ 102,100</u>	<u>\$ 102,100</u>	<u>(7,279)</u>	<u>\$ (109,379)</u>	<u>\$ (109,379)</u>
Fund balance- Beginning of year			<u>625,240</u>		
Fund balance- End of year			<u>\$ 617,961</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**OTHER SPECIAL REVENUE FUNDS**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	Original Budget	Amended Budget	Actual	Variances-- Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Intergovernmental	\$ 15,773	\$ 238,710	\$ 264,732	\$ 248,959	\$ 26,022
Earnings on Investments	13,550	13,550	875	(12,675)	(12,675)
Other local	625,464	665,364	906,496	281,032	241,132
Total revenues	<u>654,787</u>	<u>917,624</u>	<u>1,172,103</u>	<u>517,316</u>	<u>254,479</u>
<b>EXPENDITURES</b>					
Instruction	782,081	767,454	1,190,043	(407,962)	(422,589)
Support	87,582	102,209		87,582	102,209
Total expenditures	<u>869,663</u>	<u>869,663</u>	<u>1,190,043</u>	<u>(320,380)</u>	<u>(320,380)</u>
Excess (deficiency) of revenues over/under expenditures	<u>(214,876)</u>	<u>47,961</u>	<u>(17,940)</u>	<u>196,936</u>	<u>(65,901)</u>
Other financing sources (uses):					
Operating transfers out			(7,276)	(7,276)	(7,276)
Total other financing sources (uses)			<u>(7,276)</u>	<u>(7,276)</u>	<u>(7,276)</u>
Net change in fund balance	<u>\$ (214,876)</u>	<u>\$ 47,961</u>	<u>(25,216)</u>	<u>\$ 189,660</u>	<u>\$ (73,177)</u>
Fund balance- Beginning of year			<u>84,280</u>		
Fund balance- End of year			<u>\$ 59,064</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Supplemental Schedule - Other Special Revenue Funds**  
**Budget and Actual**  
**For the Year Ended June 30, 2011**

		<b>Amended Budgeted Revenue</b>	<b>Actual Revenue</b>	<b>Amended Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Operating Transfers In (Out)</b>	<b>Beginning Fund Balance</b>	<b>Ending Fund Balance</b>
	<b>Fund</b>							
Other Local Grants	232	\$ 73,098	\$ 49,076	\$ 73,098	\$ 49,076	\$	\$ 1,273	\$ 1,273
Medicaid Fund	233	583,266	844,424	583,266	868,685		78,287	54,026
Expendable Trust Funds	236	22,550	13,297	22,550	14,252		4,720	3,765
State Mini Grants	241	0	574	0	574		0	0
Technology Grant (State)	245	0	31,052	0	31,052		0	0
Other Federal Projects	274	222,937	223,326	222,937	216,050	(7,276)	0	0
EETT Technology	282	15,773	10,354	15,773	10,354			
		<u>\$ 917,624</u>	<u>\$ 1,172,103</u>	<u>\$ 917,624</u>	<u>\$ 1,190,043</u>	<u>\$ (7,276)</u>	<u>\$ 84,280</u>	<u>\$ 59,064</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**BALANCE SHEET**  
**CAPITAL PROJECTS FUND**  
**June 30, 2011**

**ASSETS**

Cash	\$ 14,036
Investments	1,977,479
Interest receivable	3,139
Due from other funds	232,167
Total Assets	<u>\$ 2,226,821</u>

**LIABILITIES AND FUND BALANCE**

Accounts payable	41,578
<b>Fund Balance</b>	
Restricted	<u>2,185,243</u>
Total fund balance	<u>2,185,243</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,226,821</u>

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

**CAPITAL PROJECTS FUND**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance -Budget and Actual**  
**For the Year Ended June 30, 2011**

			Variances--					
			Original Budget	Amended Budget	Actual	Favorable (Unfavorable)	Original to Actual	Amended to Actual
REVENUES								
	Earnings on investments		\$ 25,500	\$ 25,500	\$ 44,373	\$ 18,873		\$ 18,873
	Other							
	Rentals		20,000	20,000	9,315	(10,685)		(10,685)
	Other local		20,000	20,000	37,104	17,104		17,104
	Total other revenue		40,000	40,000	46,419	6,419		6,419
	Total revenue		65,500	65,500	90,792	25,292		25,292
EXPENDITURES								
	Capital outlay		861,700	471,831	333,974	527,726		137,857
	Excess (deficiency) of revenues over/under expenditures		(796,200)	(406,331)	(243,182)	553,018		163,149
	Other financing sources (uses):							
	Operating transfers in		68,281	149,331	149,331	81,050		0
	Net change in fund balance		\$ (727,919)	\$ (257,000)	(93,851)	\$ 634,068		\$ 163,149
	Fund balance- Beginning of year				2,279,094			
	Fund balance- End of year				\$ 2,185,243			



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Combining Statement of Net Assets**  
**Private Purpose Trust Funds**  
**June 30, 2011**

	<b>Academic Endowment Fund</b>	<b>Activities Endowment Fund</b>	<b>Restricted Endowment Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash	\$ 31,398	\$ 76,884	\$ 45,450	\$ 153,732
Due from Other Funds	<u>149,791</u>	<u></u>	<u></u>	<u>\$ 149,791</u>
Total Assets	<u><u>181,189</u></u>	<u><u>76,884</u></u>	<u><u>45,450</u></u>	<u><u>303,523</u></u>
<b>LIABILITIES</b>				
Total Liabilities	<u></u>	<u></u>	<u></u>	<u></u>
<b>NET ASSETS</b>				
Reserved for endowments	<u>181,189</u>	<u>76,884</u>	<u>45,450</u>	<u>303,523</u>
Total Net Assets	<u><u>\$ 181,189</u></u>	<u><u>\$ 76,884</u></u>	<u><u>\$ 45,450</u></u>	<u><u>\$ 303,523</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2011**

	<b>Lewiston High School</b>	<b>Jenifer Junior High School</b>	<b>Sacajawea Junior High School</b>	<b>Elementary Schools</b>	<b>Tammany Alternative Center</b>	<b>Total</b>
<b>ASSETS</b>						
Cash	\$ 179,146	\$ 157,022	\$ 133,677	\$ 97,969	\$ 5,151	\$ 572,965
Total assets	<u>179,146</u>	<u>157,022</u>	<u>133,677</u>	<u>97,969</u>	<u>5,151</u>	<u>572,965</u>
<b>LIABILITIES</b>						
Liabilities:						
Due to student groups	179,146	157,022	133,677	97,969	5,151	572,965
Total liabilities	<u>\$ 179,146</u>	<u>\$ 157,022</u>	<u>\$ 133,677</u>	<u>\$ 97,969</u>	<u>\$ 5,151</u>	<u>\$ 572,965</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**Combining Statement of Changes in Fiduciary Net Assets**  
**All Private Purpose Trust Funds**  
**For the Year Ended June 30, 2011**

	<u>Academic Endowment Fund</u>	<u>Extra- curricular Activities Fund</u>	<u>Restricted Endowment Fund</u>	<u>Total</u>
<b>REVENUES</b>				
Private Donations	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
Excess of revenues over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets- Beginning of year	181,189	76,884	45,450	303,523
Net Assets- End of year	<u><u>\$ 181,189</u></u>	<u><u>\$ 76,884</u></u>	<u><u>\$ 45,450</u></u>	<u><u>\$ 303,523</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**SCHOOL DISTRICT ACTIVITY FUNDS**  
**Supplemental Schedule**  
**Statement of Receipts, Disbursements, and Transfers - Agency Funds**  
**For the Year Ended June 30, 2011**

	<u>Balance</u> <u>7/1/2010</u>	<u>Cash</u> <u>Receipts &amp;</u> <u>Transfers In</u>	<u>Cash</u> <u>Disbursements &amp;</u> <u>Transfers Out</u>	<u>Balance</u> <u>6/30/2011</u>
SCHOOL DISTRICT ACTIVITY FUNDS				
Lewiston High School	\$ 189,860	\$ 669,275	\$ 679,989	\$ 179,146
Jenifer Jr. High School	150,838	130,953	124,769	157,022
Sacajawea Jr. High School	106,915	121,642	94,880	133,677
Camelot Elementary School	10,105	27,907	21,950	16,062
Centennial Elementary School	23,842	33,412	26,009	31,245
McGhee Elementary School	9,454	13,009	13,696	8,767
McSorley Elementary School	10,252	25,492	22,394	13,350
Orchards Elementary School	3,283	12,568	11,067	4,784
Webster Elementary School	10,206	20,195	16,515	13,886
Whitman Elementary School	10,722	17,709	18,556	9,875
Tammany Alternative Center	7,213	8,546	10,608	5,151
	<u>532,690</u>	<u>1,080,708</u>	<u>1,040,433</u>	<u>572,965</u>
Total Activity Funds	<u>\$ 532,690</u>	<u>\$ 1,080,708</u>	<u>\$ 1,040,433</u>	<u>\$ 572,965</u>

## **SINGLE AUDIT SECTION**

**Independent School District No. 1  
Lewiston, Idaho**

**Schedule of Expenditures of Federal Awards  
For The Year Ended June 30, 2011**

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>Department of Agriculture</b>		
Pass-through program from State Superintendent of Public Instruction		
School lunch program	10.555	\$ 753,736
Food Distribution (non-cash)	10.555	150,342
School Breakfast	10.553	153,117
Special Milk	10.556	8,268
Summer Food	10.559	124,394
Child Nutrition Discretionary Grant	10.582	15,276
Total Department of Agriculture		<u>1,205,133</u>
<b>Department of Education</b>		
Pass-through program from State Superintendent of Public Instruction:		
Education Job Bill	84.410A	413,310
Title I-A Basic	84.010	790,046
Title I-A Basic (ARRA)	84.389	163,990
IDEA Part B	84.027	1,025,852
IDEA Part B (ARRA)	84.391	111,857
Carl Perkins Vocational Education	84.048	60,097
IDEA Part B Preschool	84.173	57,202
IDEA Part B Preschool (ARRA)	84.392	7,122
Drug Free Schools	84.186	10,978
Title II-D EETT	84.367	10,354
Title II-A Teacher Quality	84.367	239,480
Title II-B Science	84.366	215,155
Statewide Data Systems	84.372	1,080
Education of Homeless Children	84.196	7,091
Subtotal		<u>3,113,614</u>
Direct programs:		
Indian Education: Grants to LEAs	84.060A	18,213
Teaching American History	84.215X	131,622
Total Department of Education		<u>149,835</u>
<b>Health and Welfare</b>		
Temporary Assistance to Needy Families	93.558	<u>68,864</u>
<b>Department of the Interior</b>		
Pass-through program from State Superintendent of Public Instruction:		
Indian Education Assistance to Schools (Johnson O'Malley)	15.130	<u>1,975</u>
<b>Department of Environmental Quality</b>		
State Clean Diesel Grant (ARRA)	66.040	<u>19,000</u>
Total expenditures of federal awards		<u><u>\$ 4,558,421</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Independent School District No. 1 under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Independent School District No. 1, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Independent School District No. 1.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) 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.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C – SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule, Independent School District No. 1 provided federal awards to one (1) sub recipient as follows:

<u><b>CFDA Number</b></u>	<u><b>Program Name</b></u>	<u><b>Amount Provided to Sub Recipient</b></u>
84.196	YWCA	\$7,091

**NOTE D – FOOD DISTRIBUTION**

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

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

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

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

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To the Board of Trustees  
Independent School District No. 1  
Lewiston, Idaho 83501

#### **Compliance**

We have audited Independent School District No. 1'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 Independent School District No. 1's major federal programs for the year ended June 30, 2011. Independent School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on the Independent School District No. 1's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Independent School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Independent School District No. 1's compliance with those requirements.

In our opinion, the Independent School District No. 1 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.



## **Internal Control over Compliance**

Management of Independent School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Independent School District No. 1's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 1's internal control over compliance.

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

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

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

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

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

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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To the Board of Trustees  
Independent School District No. 1  
Lewiston, Idaho 83501

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Independent School District No. 1 as of and for the year ended June 30, 2011, which collectively comprise the Independent School District No. 1's basic financial statements and have issued our report thereon dated August 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Independent School District No. 1'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 Independent School District No. 1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Independent School District No. 1's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Independent School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

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*Financial Statements*

Type of auditor's report issued – unqualified

Internal control over financial reporting:

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

Noncompliance material to financial

statements noted?                             yes                        X   no

*Federal Awards*

Internal control over major programs:

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

Type of auditor's report issued – unqualified

on compliance for major programs

Any audit finding disclosed that are required

to be reported in accordance with Section

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

Identification of major program:

**Reporting Requirements and Communication Considerations**

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster
Dollar threshold used to distinguish between Type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>  X  </u> yes <u>      </u> no

## **STUDENT ACTIVITY ACCOUNTS SECTION**

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 1 taken as a whole. The financial information of the activity and agency funds of the Lewiston High School are presented for purposes of additional analysis and are not a required part of those financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and, in our opinion, is fairly presented in all material respects in relation to those financial statements taken as a whole.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**LEWISTON HIGH SCHOOL**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

**ASSETS**

Cash and cash equivalents	<u>\$ 179,146</u>
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Total assets	<u><u>179,146</u></u>
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**LIABILITIES**

Due to student groups	<u>179,146</u>
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Total liabilities	<u><u>\$ 179,146</u></u>
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INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID

LEWISTON HIGH SCHOOL  
Statement of Receipts, Disbursements, and Transfers  
For the Year Ended June 30, 2011

Activity Fund	Balance 7/1/2010	Cash Receipts	Cash Disbursements	Transfers In	Transfers Out	Balance 6/30/2011
Annual	\$ 6,506	\$ 44,666	\$ 41,323	\$ -	\$ -	\$ 9,848
Art Honor Society	90	-	-	-	-	90
Athletic Director/Century Club	-	18,883	1,717	-	17,166	-
Athletics	-	50,691	74,930	5,262	-	(18,976)
Athletic/Special	-	40	35	-	5	-
Auto Mechanics	2,508	6,572	5,708	-	-	3,372
Band	-	9,389	7,776	-	1,024	589
Baseball	-	2,944	7,967	5,024	-	0
Basketball Boys	-	8,373	6,500	-	1,437	436
Basketball Girls	73	12,381	13,229	774	-	(0)
Bengal Lair	713	-	-	-	-	713
Bengal's Purr	685	7,792	7,235	-	539	704
BPA	103	1,317	1,440	45	-	25
Cheerleaders	-	30,070	28,800	1,000	-	2,270
Class of 2007	-	-	-	-	-	-
Class of 2008	-	-	-	-	-	-
Class of 2009	-	-	-	-	-	-
Class of 2010	598	219	-	-	817	-
Class of 2011	1,991	5,025	7,818	817	-	15
Class of 2012	650	4,428	2,185	-	-	2,893
Class of 2013	-	703	-	-	-	703
Concessions	2,669	27,769	18,873	-	9,200	2,366
Crochet Club	-	1,908	2,057	149	-	(0)
Cross Country	-	1,841	5,170	3,329	-	-
Debate Club	425	-	-	-	-	425
DECA Store	1,597	26,038	24,994	107	-	2,748
DECA A	2,241	42,196	42,123	-	599	1,716
DECA B	840	4,274	5,086	492	-	520
District II Music	5,021	8,582	7,252	355	-	6,706
Drama	6,023	6,502	7,998	500	-	5,027
Drill Team	-	-	-	-	-	-
Due to Student Body	-	-	-	-	-	-
Faculty Fund	943	2,452	3,476	82	-	0
FCCLA	170	8,950	5,264	-	-	3,855
Football	-	17,078	17,863	785	-	(0)
French Club	50	-	-	-	-	50
Fundraising-Baseball	-	-	-	-	-	-
Fundraising B-Basketball	1,219	8,290	10,946	1,437	-	(0)
Fundraising G-Basketball	950	14,262	15,119	-	-	93
Fundraising Football	10,903	19,298	17,724	-	-	12,477
Fundraising B-Golf	811	7,611	6,710	-	-	1,712
Fundraising G-Golf	1,200	2,592	4,092	300	-	-
Fundraising B-Soccer	4,117	1,790	4,444	-	-	1,463
Fundraising G-Soccer	5,637	793	5,482	-	-	947
Fundraising Softball	536	2,266	-	-	-	2,802
Fundraising Tennis	603	2,391	-	-	2,994	-
Fundraising Track	-	2,644	2,644	-	-	-
Fundraising Volleyball	4,287	660	2,267	2,064	-	4,744
Fundraising Wrestling	955	200	-	-	955	200
German Club	143	686	797	-	-	32
Gold Voices	1,958	1,557	3,156	1,000	-	1,358
Golden Guard	-	-	-	-	-	-
Golf	-	400	5,605	5,205	-	-
Homecoming	2,759	3,676	929	-	550	4,956
HOSA	272	469	1,194	453	-	0
ICA	518	6,312	5,791	-	693	347



**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID**

**LEWISTON HIGH SCHOOL  
Statement of Receipts, Disbursements, and Transfers  
For the Year Ended June 30, 2011**

<b>Activity Fund</b>	<b>Balance 7/1/2010</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Balance 6/30/2011</b>
Industrial Club	437	297	175	-	-	559
Interest Earned/CD	-	-	-	-	-	-
Investment Holding	66,867	422	-	-	-	67,289
Jazz Band	3,689	1,380	1,168	27	-	3,928
Junior Achievement	2,896	142	-	-	-	3,037
Junior Statesman	-	-	-	-	-	-
KLHS	-	-	-	-	-	-
L Club	-	-	-	-	-	-
LHS Indian Club	61	-	-	-	-	61
Library	236	835	928	34	-	177
Literary Club	65	-	-	-	-	65
Locks	-	-	-	-	-	-
Lost Books	2,442	4,750	237	-	5,000	1,956
Loyalty/Guardian Angels	83	-	-	-	-	83
Machinists Club	4,614	4,367	2,041	-	-	6,940
National Honor Society	441	156	26	-	-	571
Natural Helpers	200	-	-	-	-	200
Other Activities	3,210	34,185	32,939	-	1,523	2,933
Other Income	3,880	-	-	-	-	3,880
Photography	2,511	2,634	2,657	-	-	2,488
Pictures	12,170	-	-	-	6,000	6,170
Press Club	35	-	574	539	-	-
Purple & Gold	4,847	-	110	-	-	4,737
Sales Tax	271	13,864	13,406	-	-	728
S.A.V.E.	142	-	-	-	-	142
Scholarships	1,550	1,200	1,075	-	-	1,675
Science Club	299	-	-	-	-	299
Senior Girls Club	231	-	-	-	-	231
Skills USA	-	10,359	9,620	60	-	800
Smart Club	367	310	425	-	-	253
Soccer Boys	-	1,762	4,738	2,975	-	-
Soccer Girls	-	5,101	6,013	912	-	(0)
Softball	-	30	2,702	2,672	-	-
Spanish Club	218	-	-	-	-	218
Special Accounts	1,945	3,315	4,599	6,115	-	6,775
Student Activities	2,317	39,027	15,537	-	24,350	1,457
Student Insurance	-	-	-	-	-	-
Tennis	-	3,386	10,420	7,034	-	(0)
Track	-	9,636	23,180	13,545	-	(0)
Unclaimed Property	524	-	-	-	-	524
Video Production	1,123	1,156	528	-	-	1,752
Vocal Music	1,425	6,405	8,476	2,637	-	1,992
Volleyball	-	7,448	10,471	3,022	-	0
Wrestling	-	17,276	21,375	4,099	-	-
<b>TOTALS</b>	<b>\$ 189,860</b>	<b>\$ 596,423</b>	<b>\$ 607,137</b>	<b>\$ 72,852</b>	<b>\$ 72,852</b>	<b>\$ 179,146</b>

**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho**

**LEWISTON HIGH SCHOOL**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1 – REPORTING ENTITY**

The Fiduciary Funds of Lewiston High School (the Fund) are agency funds of Independent School District No. 1 (the District). These funds account for assets held by the District in a trustee capacity or as an agency for the student body.

**NOTE 2 – BASIS OF PRESENTATION**

The Agency Fund is used to account for assets held at the Lewiston High School as an agency for the student body. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The receipts raised by each student group are used to support the specific activities of the group and are not available for general use by the District.

**NOTE 3 – BASIS OF ACCOUNTING**

The Fund follows the cash basis of accounting which approximates the modified accrual basis of accounting in all material respects.

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 1 taken as a whole. The financial information of the activity and agency funds of the Jenifer Junior High School are presented for purposes of additional analysis and are not a required part of those financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and, in our opinion, is fairly presented in all material respects in relation to those financial statements taken as a whole.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**JENIFER JUNIOR HIGH SCHOOL**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

**ASSETS**

Cash and cash equivalents	<u>\$ 157,022</u>
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Total assets	<u><u>157,022</u></u>
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**LIABILITIES**

Due to student groups	<u>157,022</u>
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Total liabilities	<u><u>\$ 157,022</u></u>
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INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID

**JENIFER JUNIOR HIGH SCHOOL**  
**Statement of Cash Receipts, Disbursements and Transfers**  
**For The Year Ending June 30, 2011**

Activity Fund	Balance 7/1/2010	Cash Receipts	Cash Disbursements	Transfers In	Transfers Out	Balance 6/30/2011
Activities	\$ 62,867	\$ 15,233	\$ 10,968	\$ 827	\$ 10,267	\$ 57,693
Annual	-	7,961	9,108	1,147	-	-
Art Club	243	-	-	-	-	243
Band Fundraiser	4,176	7,103	8,436	-	-	2,842
Books, Equipment Damage	-	982	982	-	-	-
Box Tops-Schulz	187	-	-	-	-	187
Boys BB	12,483	3,232	639	-	-	15,076
Brick Fund	1,019	-	-	-	-	1,019
Cheer Fundraiser	1,614	954	1,569	-	-	999
Cheerleaders	-	4,296	4,773	477	-	-
Chorus	-	-	-	-	-	-
Chorus Fundraiser	166	-	-	-	-	166
Class Accounts						
2016	-	356	312	-	-	44
2017	1,999	563	938	-	1,625	-
2015	334	400	48	1,375	-	2,061
Concessions	-	8,948	8,121	-	827	-
Cybersurfari Team	-	-	-	-	-	-
Drama	-	486	878	392	-	-
Drill Team	-	-	-	-	-	-
E Team Account	-	-	378	378	-	-
Eighth Adv	-	-	180	180	-	-
Explor-Elect Act	-	-	-	-	-	-
Extend. Learning	45	494	468	-	-	71
Faculty	622	2,530	2,875	-	-	277
Football	924	5,609	4,988	-	-	1,545
Fundraiser	16,194	16,832	11,553	-	-	21,473
Girls BB	14,186	3,663	439	-	-	17,409
FCCLA	13	-	-	-	-	13
Honor Flight	-	6,043	6,043	-	-	-
Idaho Sales Tax	-	4,073	4,073	-	-	-
Interest CD	11,667	235	-	-	-	11,902
Jazz Band	683	270	479	-	-	474
Jazz Choir	34	-	-	-	-	34
JEDA (Jen Educ Drug Free)	184	-	-	-	-	184
K Mart Program	-	-	-	-	-	-
Library	162	257	170	-	-	249
Locks	-	18	18	-	-	-
Music	-	-	-	-	-	-
N Team Activity	701	1,179	924	-	-	955
Ninth Team Account	-	-	249	249	-	-
Noon Activity	-	-	-	-	-	-
North Team Store	786	368	400	-	-	754
NSF Checks	-	870	910	40	-	-
Over & Short	-	-	-	-	-	-
Pep Club	-	-	-	-	-	-
Burro Pride	3,106	-	1,155	-	-	1,950
Positive Peer Influence	-	-	-	-	-	-
Recycle	-	-	-	-	-	-
Red Wave	-	-	-	-	-	-
S Team Account	605	1,182	1,289	-	-	497
Sales	-	8	8	-	-	-
Schweitzer Donation	-	200	500	300	-	-
Science Dept.	449	957	719	-	-	687
Seventh Advisory	-	-	27	27	-	-
Smart Lab	164	113	277	-	-	-
Special Fund	-	-	96	96	-	-
Sports	-	14,372	20,966	6,594	-	-
Student Council	-	1,838	1,874	36	-	-
Student Recognition	-	-	192	192	-	-
Teacher of the Year-Burr	31	-	-	-	-	31
Teacher of the Year-Caldwell	6	-	-	-	-	6
Teacher of the Year-Falkenstein	-	250	-	-	-	250

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID

JENIFER JUNIOR HIGH SCHOOL  
Statement of Cash Receipts, Disbursements and Transfers  
For The Year Ending June 30, 2011

Activity Fund	Balance 7/1/2010	Cash Receipts	Cash Disbursements	Transfers In	Tranfers Out	Balance 6/30/2011
Teacher of the Year-Gratz	-	-	-	-	-	-
Teacher of the Year-Renzelman	1	-	-	-	-	1
Track	-	-	-	-	-	-
Vending Machines	3,013	-	-	-	-	3,013
Volleyball	9,396	4,241	1,295	-	-	12,342
West Team Account	49	-	161	112	-	-
West Team Recognition	1,144	1,305	1,920	296	-	826
Wrestling	1,586	811	650	-	-	1,748
	<u>\$ 150,838</u>	<u>\$ 118,234</u>	<u>\$ 112,050</u>	<u>\$ 12,719</u>	<u>\$ 12,719</u>	<u>\$ 157,022</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho**

**JENIFER JUNIOR HIGH SCHOOL**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1 – REPORTING ENTITY**

The Fiduciary Funds of Jenifer Junior High School (the Fund) are agency funds of Independent School District No. 1 (the District). These funds account for assets held by the District in a trustee capacity or as an agency for the student body.

**NOTE 2 – BASIS OF PRESENTATION**

The Agency Fund is used to account for assets held at the Jenifer Junior High School as an agency for the student body. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The receipts raised by each student group are used to support the specific activities of the group and are not available for general use by the District.

**NOTE 3 – BASIS OF ACCOUNTING**

The Fund follows the cash basis of accounting which approximates the modified accrual basis of accounting in all material respects.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**SACAJAWEA JUNIOR HIGH SCHOOL**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

**ASSETS**

Cash and cash equivalents	<u>\$ 133,677</u>
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Total assets	<u><u>133,677</u></u>
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**LIABILITIES**

Due to student groups	<u>133,677</u>
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Total liabilities	<u><u>\$ 133,677</u></u>
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**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, ID

**SACAJAWEA JUNIOR HIGH SCHOOL**  
**Statement of Cash Receipts, Disbursements and Transfers**  
**For The Year Ending June 30, 2011**

<b>Activity Fund</b>	<b>Balance 7/1/2010</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers In</b>	<b>Tranfers Out</b>	<b>Balance 6/30/2011</b>
Activities	\$ 97,332	\$ 13,377	\$ 10,038	\$ 14,905	\$ 1,755	\$ 113,822
Annual	1,302	10,276	10,131	-	-	1,447
Art	-	-	-	-	-	-
Assignment Book	-	4,135	3,265	-	870	-
Basketball-Boys	-	3,285	430	-	2,855	-
Basketball-Girls	-	3,618	360	-	3,258	-
Cheerleading	(1,783)	17,037	8,593	-	-	6,661
Choir	-	-	-	-	-	-
Class Accounts						
2014	732	756	924	-	564	-
2015	394	460	-	-	-	854
2016	-	378	-	-	-	378
Concessions	-	8,895	5,160	-	3,735	-
Damage Deposits	-	951	951	-	-	-
Dance Team	-	-	-	-	-	-
Drama	2,851	431	306	-	-	2,976
Faculty	336	1,426	1,376	-	-	386
Football	-	5,618	3,292	-	2,325	-
Interest-CD	-	424	-	-	424	-
Interest	-	141	-	-	141	-
Jazz Band	1,096	-	-	-	-	1,096
Library	672	1,411	1,621	-	-	462
Locks (Sac)	-	-	-	-	-	-
Music	-	360	-	-	-	360
NSF Checks	-	256	432	176	-	-
Other Activity	129	-	210	-	-	(80)
Over and Short	-	4	-	-	4	-
Pay to Participate	-	12,130	11,210	-	-	920
Pep	-	-	-	-	-	-
Pictures	-	-	-	-	-	-
Principal's Fund	41	-	-	-	-	41
PTSA	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Sales	-	-	-	-	-	-
School Store	1,018	1,435	1,038	-	-	1,415
Science-Brandt	2,279	-	231	-	-	2,049
Season Passes	-	676	-	-	676	-
Student Council	452	461	450	-	-	463
Student Recognition	-	-	-	-	-	-
Tax-Idaho Sales	-	4,463	4,463	-	-	-
Teacher of the Year-Ferr	59	-	-	-	-	59
Teen and Young Living	4	5,066	4,701	-	-	369
Track	-	-	604	604	-	-
Volleyball	-	7,105	8,080	975	-	0
Wrestling	-	408	355	-	53	-
	<u>\$ 106,915</u>	<u>\$ 104,982</u>	<u>\$ 78,220</u>	<u>\$ 16,660</u>	<u>\$ 16,660</u>	<u>\$ 133,677</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho**

**SACAJAWEA JUNIOR HIGH SCHOOL**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1 – REPORTING ENTITY**

The Fiduciary Funds of Sacajawea Junior High School (the Fund) are agency funds of Independent School District No. 1 (the District). These funds account for assets held by the District in a trustee capacity or as an agency for the student body.

**NOTE 2 – BASIS OF PRESENTATION**

The Agency Fund is used to account for assets held at the Sacajawea Junior High School as an agency for the student body. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The receipts raised by each student group are used to support the specific activities of the group and are not available for general use by the District.

**NOTE 3 – BASIS OF ACCOUNTING**

The Fund follows the cash basis of accounting which approximates the modified accrual basis of accounting in all material respects.

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 1 taken as a whole. The financial information of the activity and agency funds of the Elementary Schools are presented for purposes of additional analysis and are not a required part of those financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and, in our opinion, is fairly presented in all material respects in relation to those financial statements taken as a whole.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**ELEMENTARY SCHOOLS**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

**ASSETS**

Cash and cash equivalents	
Camelot Elementary School	\$ 16,062
Centennial Elementary School	31,245
McGhee Elementary School	8,767
McSorley Elementary School	13,350
Orchards Elementary School	4,784
Webster Elementary School	13,886
Whitman Elementary School	9,875
	<hr/>

Total assets	<hr/> <hr/> 97,969
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**LIABILITIES**

Due to student groups	
Camelot Elementary School	\$ 16,062
Centennial Elementary School	31,245
McGhee Elementary School	8,767
McSorley Elementary School	13,350
Orchards Elementary School	4,784
Webster Elementary School	13,886
Whitman Elementary School	9,875
	<hr/>

Total liabilities	<hr/> <hr/> \$ 97,969
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INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID

ELEMENTARY SCHOOLS  
Statement of Cash Receipts, Disbursements and Transfers  
For the Year Ended June 30, 2011

<b>SCHOOL</b>	<b>Balance 7/1/2010</b>	<b>Cash Receipts &amp; Transfers In</b>	<b>Cash Disbursements &amp; Transfers Out</b>	<b>Balance 6/30/2011</b>
<b>CAMELOT</b>				
Activity Account	\$ 7,392	\$ 5,932	\$ 4,334	\$ 8,990
Library Account	179	8,575	8,508	246
Pop Account	-	1,316	250	1,066
Knowledge Bowl	47	-	47	-
Grade 4	1,127	9,738	8,208	2,658
Grade 6	631	-	-	631
Student Council	729	2,345	603	2,471
<b>TOTAL</b>	<b>\$ 10,105</b>	<b>\$ 27,907</b>	<b>\$ 21,950</b>	<b>\$ 16,062</b>
<b>CENTENNIAL</b>				
Activity Account	\$ 18,824	\$ 10,865	\$ 7,794	\$ 21,895
Library Account	642	3,019	2,774	887
Hell's Canyon	1,465	12,803	11,418	2,849
6th Grade	1,359	3,933	1,177	4,115
Camp Whitman	456	-	-	456
Pop Account	46	-	-	46
Yearbook	1,051	2,792	2,846	997
<b>TOTAL</b>	<b>\$ 23,842</b>	<b>\$ 33,412</b>	<b>\$ 26,009</b>	<b>\$ 31,245</b>
<b>MCGHEE</b>				
Activity Account	\$ 4,726	\$ 7,363	\$ 7,253	\$ 4,835
Pop Account	640	115	43	711
Library Account	787	580	392	976
4th Grade	1,998	3,970	4,884	1,084
Water Account	-	-	-	-
6th Grade	897	600	649	847
Choir	63	250	274	39
Fong - T-Shirts	344	131	200	275
<b>TOTAL</b>	<b>\$ 9,454</b>	<b>\$ 13,009</b>	<b>\$ 13,696</b>	<b>\$ 8,767</b>
<b>MCSORLEY</b>				
Activity	\$ 1,690	\$ 1,595	\$ 2,501	\$ 784
Classroom	8,467	23,868	19,893	12,442
Pop Account	95	29	-	124
ISD	-	-	-	-
<b>TOTAL</b>	<b>\$ 10,252</b>	<b>\$ 25,493</b>	<b>\$ 22,394</b>	<b>\$ 13,350</b>

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, ID

ELEMENTARY SCHOOLS  
Statement of Cash Receipts, Disbursements and Transfers  
For the Year Ended June 30, 2011

<b>SCHOOL</b>	<b>Balance 7/1/2010</b>	<b>Cash Receipts &amp; Transfers In</b>	<b>Cash Disbursements &amp; Transfers Out</b>	<b>Balance 6/30/2011</b>
<b>ORCHARDS</b>				
Activity Account	\$ 1,570	\$ 6,654	\$ 5,189	\$ 3,035
Pop Account	226	37	-	263
Taxes	256	188	372	72
Library Account	645	812	829	628
Camp Wittman	194	2,329	2,397	127
Student Council	24	-	14	10
4th River Trip	367	2,548	2,267	648
Curriculum	-	-	-	-
<b>TOTAL</b>	<b>\$ 3,283</b>	<b>\$ 12,568</b>	<b>\$ 11,067</b>	<b>\$ 4,784</b>
<b>WEBSTER</b>				
Activity Account	\$ 6,403	\$ 3,560	\$ 3,328	\$ 6,635
Camp	409	4,155	3,699	865
Computer Account	1,698	3,107	1,162	3,643
Library Account	-	-	-	-
Camp Martin/KR	-	463	-	463
River Trip	1,696	8,910	8,326	2,280
<b>TOTAL</b>	<b>\$ 10,206</b>	<b>\$ 20,195</b>	<b>\$ 16,515</b>	<b>\$ 13,886</b>
<b>WHITMAN</b>				
Activity Account	\$ 3,936	\$ 6,710	\$ 5,641	\$ 5,005
Pop Account	167	178	208	137
Library Account	17	-	17	-
Hell's Canyon	2,632	5,569	4,878	3,324
Rendezvous	1,151	5,121	6,272	-
Student Council	2,820	129	1,540	1,409
<b>TOTAL</b>	<b>\$ 10,722</b>	<b>\$ 17,708</b>	<b>\$ 18,556</b>	<b>\$ 9,875</b>
<b>GRAND TOTAL</b>	<b>\$ 77,865</b>	<b>\$ 150,291</b>	<b>\$ 130,187</b>	<b>\$ 97,969</b>

**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho**

**ACTIVITY FUNDS  
ELEMENTARY SCHOOLS**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1 – REPORTING ENTITY**

The Activity Funds (the Funds) of the Elementary Schools are agency funds of Independent School District No. 1 (the District). These funds account for assets held by the District in a trustee capacity.

**NOTE 2 – BASIS OF PRESENTATION**

The Agency Fund is used to account for assets held at each elementary school as an agency for the student body. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The receipts raised by each group are used to support the specific activities of the group and are not available for general use by the District.

**NOTE 3 – BASIS OF ACCOUNTING**

The Fund follows the cash basis of accounting which approximates the modified accrual basis of accounting in all material respects.

# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 1 taken as a whole. The financial information of the activity and agency funds of the Tammany Alternative Center are presented for purposes of additional analysis and are not a required part of those financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and, in our opinion, is fairly presented in all material respects in relation to those financial statements taken as a whole.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011



# HAYDEN & ROSS, P.A.

## CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1938

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

### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Independent School District No. 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 1 taken as a whole. The financial information of the activity and agency funds of the Sacajawea Junior High School are presented for purposes of additional analysis and are not a required part of those financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and, in our opinion, is fairly presented in all material respects in relation to those financial statements taken as a whole.

*Hayden & Ross, P.A.*

Moscow, Idaho  
August 11, 2011

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**TAMMANY ALTERNATIVE CENTER**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

**ASSETS**

Cash and cash equivalents	<u>\$ 5,151</u>
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Total assets	<u><u>5,151</u></u>
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**LIABILITIES**

Due to student groups	<u>5,151</u>
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Total liabilities	<u><u>\$ 5,151</u></u>
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**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, ID

**TAMMANY ALTERNATIVE CENTER**

**Statement of Cash Receipts, Disbursements and Transfers  
For the Year Ended June 30, 2011**

<u>Activity Fund</u>	<u>Balance 7/1/2010</u>	<u>Cash Receipts &amp; Transfers In</u>	<u>Cash Disbursements &amp; Transfers Out</u>	<u>Balance 6/30/2011</u>
Activity Account	\$ 6,192	\$ 4,233	\$ 5,893	\$ 4,532
FCCLA	121	4,013	3,981	153
Construction	900	300	734	466
	<u>\$ 7,213</u>	<u>\$ 8,546</u>	<u>\$ 10,608</u>	<u>\$ 5,151</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho**

**TAMMANY ALTERNATIVE CENTER**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

**NOTE 1 – REPORTING ENTITY**

The Fiduciary Funds of Tammany Alternative Center (the Fund) are agency funds of Independent School District No. 1 (the District). These funds account for assets held by the District in a trustee capacity or as an agency for the student body.

**NOTE 2 – BASIS OF PRESENTATION**

The Agency Fund is used to account for assets held at the Tammany Alternative Center as an agency for the student body. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The receipts raised by each student group are used to support the specific activities of the group and are not available for general use by the District.

**NOTE 3 – BASIS OF ACCOUNTING**

The Fund follows the cash basis of accounting which approximates the modified accrual basis of accounting in all material respects.