



**RUDD & COMPANY** PLLC  
*certified public accountants | business consultants*

## **SODA SPRINGS SCHOOL DISTRICT NO. 150**

### **SODA SPRINGS, IDAHO**

**Basic Financial Statements  
and  
Supplementary Information  
with  
Independent Auditors' Report**

**June 30, 2012**

*giving direction to your future*

**SODA SPRINGS SCHOOL DISTRICT NO. 150**

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**June 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Soda Springs School District No. 150  
Soda Springs, Idaho

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Soda Springs School District No. 150 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Soda Springs School District No. 150 management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

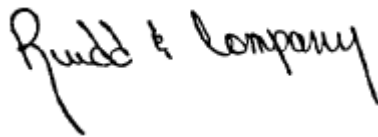
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Soda Springs School District No. 150 at June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2012 on our consideration of Soda Springs School District No. 150 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 important for 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 9 and 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Soda Springs School District No. 150's financial statements as a whole. The combining and individual nonmajor fund financial statements and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is not a required part of the financial statements. The combining and individual nonmajor fund financial statements, other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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.



October 9, 2012

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis**  
**June 30, 2012**

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As management of the Soda Springs School District No. 150, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2012.

**Financial Highlights**

- The assets of the District exceeded its liabilities at June 30, 2012 by \$6,173,816. Of this amount, \$1,648,965 of unrestricted net assets may be used to meet the District's ongoing obligations.
- The District's net assets decreased by \$(258,252) as a result of this year's operations.
- The Board of Trustees committed \$466,148 of the general fund balance to be used in the 2013 budget year leaving no unassigned fund balance at year end.

**Overview of the Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* present information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows.

The government-wide financial statements can be found on pages 11-12 of this report.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the federal forest fund, the child nutrition fund and the capital projects fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund and all special revenue funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-14 and 16-17 of this report.

**Fiduciary fund.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 19 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-31 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining fund statements and schedules can be found on pages 38-42 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,173,816 at the close of the most recent fiscal year.

<b>Net Assets</b>	<b>Governmental Assets</b>	
	<b>2012</b>	<b>2011</b>
Current and Other Assets	\$ 2,256,915	\$ 2,569,093
Capital Assets	4,514,515	4,593,614
<b>Total Assets</b>	<b>6,771,430</b>	<b>7,162,707</b>
Current Liabilities	597,614	730,639
<b>Total Liabilities</b>	<b>597,614</b>	<b>730,639</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	4,514,515	4,593,614
Restricted	10,336	834,314
Unrestricted	1,648,965	1,004,140
<b>Total Net Assets</b>	<b>\$ 6,173,816</b>	<b>\$ 6,432,068</b>



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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A portion of the District's net assets (73.12%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (.17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$1,648,965, may be used to meet the District's ongoing obligations to students, employees, and creditors.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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<b>Changes in Net Assets</b>	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Revenues		
Program revenues		
Charges for services	\$ 84,857	\$ 81,902
Operating grants and contributions	617,197	592,239
General revenues		
Property tax	1,285,041	1,194,911
State support	4,423,056	4,799,757
Other	152,853	104,572
<b>Total Revenues</b>	<b>6,563,004</b>	<b>6,773,381</b>
Expenses		
Instructional	3,979,025	3,993,705
Pupil support	277,789	206,359
Staff support	71,250	69,982
General administration	190,994	182,797
School administration	358,865	438,549
Business services	98,774	-
Operations	1,064,888	963,157
Transportation	330,440	348,055
Depreciation	195,568	203,809
Child nutrition services	253,663	257,326
<b>Total Expenses</b>	<b>6,821,256</b>	<b>6,663,739</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (258,252)</b>	<b>\$ 109,642</b>

**Financial Analysis of the District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance may serve as a useful indicator of the District's net resources available for spending at the end of the year. The District has designated portions of the unassigned fund balance to earmark resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. Unassigned balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

**General fund.** The general fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance was \$466,148. The fund balance decreased by \$(239,251) during the current fiscal year. All of the fund balance has been committed to the 2013 budget.

Expenditures for general District purposes totaled \$5,563,023 an increase of .47% during the current fiscal year.

The federal forest fund has a total fund balance of \$306,696 which is restricted for capital and facility needs of the District as necessary and then may be used as needed based upon Board discretion.

The capital projects fund has a total fund balance of \$818,141, all of which is restricted for construction of facilities, purchase of equipment and related expenditures. The fund balance decreased by \$(6,075) during the current year.

The child nutrition fund had a fund balance of \$11,576 which is restricted for child nutrition services.

**General Fund Budgetary Highlights**

During the current fiscal year, the \$4,035 positive budget to actual variance in total general fund revenues, and the \$235,048 positive budget to actual variance in total general fund expenditures, are largely a result of state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Program revenues are budgeted to spend all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenues received but not spent are restricted and deferred to the subsequent year.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Management Discussion and Analysis (continued)**  
**June 30, 2012**

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**Capital Asset and Debt Administration**

**Capital Assets**

The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

Capital assets at June 30, 2012 are outlined below:

<b>Capital Assets (Net of Depreciation)</b>	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Land	\$ 481,785	\$ 481,785
Buildings and improvements	6,941,684	6,928,332
Furniture and equipment	2,137,432	2,039,840
	9,560,901	9,449,957
Accumulated depreciation	(5,046,386)	(4,856,343)
Total Capital Assets, Net of Depreciation	<u>\$ 4,514,515</u>	<u>\$ 4,593,614</u>

**Outstanding Debt**

The District had no outstanding debt at June 30, 2012.

**Requests for Information**

This financial report is designed to provide a general overview of the Soda Springs School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Office, Soda Springs School District, 250 East Second South, Soda Springs, ID 83276.

## **Basic Financial Statements**

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Net Statements**  
**June 30, 2012**

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<b>Assets</b>	<b>Governmental Activities</b>
Cash and Investments	\$ 1,551,085
Receivables	
Property taxes	532,098
State of Idaho	50,407
Other	123,325
Capital Assets	
Land	481,785
Buildings and equipment , net of depreciation	4,032,730
Total Assets	<u>\$ 6,771,430</u>
 <b>Liabilities</b>	
Accounts payable	\$ 16,863
Salary contracts payable	573,499
Deferred revenue	7,252
Total Liabilities	<u>\$ 597,614</u>
 <b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 4,514,515
Restricted for:	
Capital projects	10,336
Unrestricted	1,648,965
Total Net Assets	<u>\$ 6,173,816</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Activities**  
**Year Ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instructional	\$ 3,979,025	\$ -	\$ 443,982	\$ (3,535,043)
Pupil support	277,789	-	-	(277,789)
Staff support	71,250	-	-	(71,250)
General administration	190,994	-	-	(190,994)
School administration	358,865	-	-	(358,865)
Business services	98,774	-	-	(98,774)
Operation	586,296	-	-	(586,296)
Transportation	330,440	-	-	(330,440)
Non-instructional	478,592	-	-	(478,592)
Depreciation - unallocated*	195,568	-	-	(195,568)
Child nutrition services	253,663	84,857	173,215	4,409
Total Governmental Activities	\$ 6,821,256	\$ 84,857	\$ 617,197	(6,119,202)
General Revenues:				
Taxes:				
				790,184
				494,857
				144,683
				4,423,056
				8,170
				5,860,950
				(258,252)
				6,432,068
				\$ 6,173,816

\* This amount excludes the depreciation that is included in direct expenses of various programs.

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Balance Sheet – Governmental Funds**  
**June 30, 2012**

<b>Assets</b>	<b>General Fund</b>	<b>Federal Forest Fund</b>
Cash and Investments	\$ 560,966	\$ 306,696
Due from Other Funds	79,979	-
Receivables		
Property taxes	326,725	-
State of Idaho	50,407	-
Other	1,494	-
Total Assets	<u>\$ 1,019,571</u>	<u>\$ 306,696</u>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Due to other funds	-	-
Accounts payable	7,793	-
Salary contracts payable	530,088	-
Deferred revenues	15,542	-
Total Liabilities	<u>553,423</u>	<u>-</u>
 <b>Fund Balances</b>		
Restricted	-	306,696
Committed	466,148	-
Assigned	-	-
Unassigned	-	-
Total Fund Balances	<u>466,148</u>	<u>306,696</u>
Total Liabilities and Fund Balances	<u>\$ 1,019,571</u>	<u>\$ 306,696</u>

The Accompanying Notes are an Integral Part of the Financial Statements



<b>Child Nutrition Fund</b>	<b>Capital Project Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 16,378	\$ 623,104	\$ 43,941	\$ 1,551,085
-	-	-	79,979
-	205,373	-	532,098
-	-	-	50,407
9,569	-	112,262	123,325
<b>\$ 25,947</b>	<b>\$ 828,477</b>	<b>\$ 156,203</b>	<b>\$ 2,336,894</b>
-	-	79,979	79,979
-	-	9,070	16,863
14,371	-	29,040	573,499
-	10,336	7,252	33,130
<b>14,371</b>	<b>10,336</b>	<b>125,341</b>	<b>703,471</b>
11,576	818,141	-	1,136,413
-	-	-	466,148
-	-	30,862	30,862
-	-	-	-
<b>11,576</b>	<b>818,141</b>	<b>30,862</b>	<b>1,633,423</b>
<b>\$ 25,947</b>	<b>\$ 828,477</b>	<b>\$ 156,203</b>	<b>\$ 2,336,894</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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

Total Fund Balance - Governmental Funds	\$	1,633,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$9,560,901 and the accumulated depreciation is \$(5,046,386).		4,514,515
Property tax revenue is recognized when earned rather than when available.		<u>25,878</u>
Net Assets - Governmental Activities	\$	<u>6,173,816</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2012**

	<b>General Fund</b>	<b>Federal Forest Fund</b>
Revenues		
Local sources		
Property taxes	\$ 788,362	\$ -
Earnings on investments	7,428	-
Lunch sales	-	-
Other	101,392	-
State sources		
State apportionment	3,876,896	-
Other	546,160	-
Federal sources		
Educational programs and other	49,997	66,417
Total Revenues	<u>5,370,235</u>	<u>66,417</u>
Expenditures		
Current		
Instructional	3,637,815	-
Pupil support	277,789	-
Staff support	71,250	-
General administration	190,994	-
School administration	358,865	-
Business services	98,774	-
Operation	586,296	-
Transportation	330,440	-
Non-instructional	10,800	-
Capital outlay	-	-
Total Expenditures	<u>5,563,023</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(192,788)	66,417
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers out	(46,463)	(26,614)
Net Change in Fund Balances	(239,251)	39,803
Fund Balance Beginning of Year	<u>705,399</u>	<u>266,893</u>
Fund Balance End of Year	<u>\$ 466,148</u>	<u>\$ 306,696</u>

The Accompanying Notes are an Integral Part of the Financial Statements

<b>Child Nutrition Fund</b>	<b>Capital Project Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 494,857	\$ -	\$ 1,283,219
101	641	-	8,170
84,857	-	-	84,857
-	43,291	-	144,683
-	-	-	3,876,896
-	-	-	546,160
173,215	-	327,568	617,197
258,173	538,789	327,568	6,561,182
-	-	341,210	3,979,025
-	-	-	277,789
-	-	-	71,250
-	-	-	190,994
-	-	-	358,865
-	-	-	98,774
-	-	-	586,296
-	-	-	330,440
253,663	467,792	-	732,255
-	116,469	-	116,469
253,663	584,261	341,210	6,742,157
4,510	(45,472)	(13,642)	(180,975)
7,066	39,397	26,614	73,077
-	-	-	(73,077)
11,576	(6,075)	12,972	(180,975)
-	824,216	17,890	1,814,398
\$ 11,576	\$ 818,141	\$ 30,862	\$ 1,633,423

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2012**

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (180,975)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(79,099)
Property tax revenues received prior to the year for which they are levied are reported as deferred revenue in the governmental funds. The change however is recorded as revenues in the statement of activities.	<u>1,822</u>
Change in Net Assets of Governmental Activities	<u>\$ (258,252)</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Fiduciary Net Assets – Agency Funds**  
**June 30, 2012**

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<b>Assets</b>	<b>Agency Funds</b>
Cash and Investments	\$ 187,943
Total Assets	<u>\$ 187,943</u>
 <b>Liabilities</b>	
Due to Student Groups	<u>\$ 187,943</u>
Total Liabilities	<u>\$ 187,943</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements**  
**June 30, 2012**

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**1. Summary of Significant Accounting Policies**

The financial statements of the Soda Springs School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Board of School Trustees, a five-member group, has responsibilities for all activities relating to public elementary and secondary school education within the jurisdiction of Soda Springs School District No. 150. The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District has a revenue spending policy that provides for programs with multiple revenue sources. The District will use restricted balances first followed in order by committed, assigned and finally unassigned. The District currently applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct *expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**1. Summary of Significant Accounting Policies (continued)**

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *federal forest fund* accounts for revenues received in lieu of property tax for federal forest within the District boundaries.
- The *child nutrition fund* accounts for the revenues and expenses associated with the operation of the District's food services.



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**1. Summary of Significant Accounting Policies (continued)**

- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- The student activities agency fund (a fiduciary fund) accounts for assets held on behalf student groups.

**Budgetary Policy**

The District prepares budgets for all the governmental fund types. Such budgets are adopted on a basis generally consistent with generally accepted accounting principles.

The following is a reconciliation of revenues and expenditures as reported under generally accepted accounting standards and the amounts reported in comparison with budget reported on page 35:

	<u>Reported</u> <u>Amounts</u>	<u>Commodities</u> <u>Received</u>	<u>Amounts</u> <u>Reported in</u> <u>Comparison</u> <u>with Budget</u>
Child Nutrition Fund			
Total revenues	\$ 258,173	\$ (15,913)	\$ 242,260
Total expenditures	\$ 253,663	\$ (15,913)	\$ 237,750

Under Idaho law, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Under certain unusual circumstances, the District is allowed to reopen and amend its budget. Expenditures are not to exceed the budgeted amounts, except as allowed by law for certain events. There were no amendments to the original budget.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**1. Summary of Significant Accounting Policies (continued)**

**Inventories**

The governmental funds of the District use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the balance sheet of the general fund because the amounts on hand at year-end are immaterial.

**Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Buildings.....	20-40 yrs
Busses.....	10 yrs
Furniture.....	3-15 yrs
Equipment.....	3-15 yrs

**Compensated Absences**

Employees are granted vacation and sick leave in varying amounts. Accumulated vacation must be used prior to the employee's anniversary date. The District does not compensate employees for unused sick leave. When a teacher retires, an amount equal to one-half of the accumulated sick leave is reported to the State Retirement Board. This amount is to pay the retiree's health insurance.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**1. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

**2. Cash and Investments**

The District is authorized under Idaho Code to invest in cash, certificates of deposit, U.S. Government securities, commercial paper, and repurchase agreements. All investments must be held by or registered in the name of the District.

Cash balances of most of the District funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each of the funds based on the fund's cash balance. The District maintains checking accounts with two of the local banks. All excess funds are invested with the State Treasurer's pooled cash investment account or in a money market account with a local bank. These accounts invest in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available.

The District's cash accounts are insured through the Federal Deposit Insurance Corporation (at banks) and The Federal Savings and Loan Insurance Corporation (at savings and loans organizations) up to \$250,000 per depository.

1. Deposits – At June 30, 2012, the carrying amount of the District's deposits was \$486,065 and the respective bank balances totaled \$762,457. Of the bank balances, \$267,326 was insured or collateralized with pooled securities held by the pledging financial institution in the name of the District.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**2. Cash and Investments (continued)**

2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. As of June 30, 2012, \$495,131 of the District’s total deposits of \$762,457 was not covered by federal depository insurance, and thus were exposed to custodial credit risk.
3. Investments – As of June 30, 2012, the District had the following investments:

Investment Type	S&P Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
Zions municipal money market	-	\$ 617,496	\$ 617,496	\$ -	\$ -	\$ -
State Investment Pool	AAAf	635,467	635,467	-	-	-
		<u>\$ 1,252,963</u>	<u>\$ 1,252,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the District structures its portfolio so that securities mature to meet cash requirements for ongoing operations. Because the State Investment Pool as of June 30, 2012, had a weighted average maturity of 85 days, it was presented as an investment with a maturity of less than one year.
6. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the District’s policy to limit investments to the safest types of securities and to diversify the District’s investment portfolio so that potential losses on securities will be minimized. The District follows Idaho statute that outlines qualifying investment options.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**2. Cash and Investments (continued)**

Reconciliation of deposits categorization:

Cash and investments reported on the statement of net assets	\$ 1,551,085
Cash and investments reported on the statement of fiduciary net assets	<u>187,943</u>
	<u>\$ 1,739,028</u>
Investments categorized	\$ 1,252,963
Deposits categorized	<u>486,065</u>
	<u>\$ 1,739,028</u>

**3. Property Taxes**

Property taxes of the District are based on the assessments against property owners as of the first Monday in January of the calendar year in which the fiscal year commences. Tax levies on such assessed values are certified to the counties prior to the commencement of the fiscal year. Taxes are collected by Caribou, Bear Lake and Bonneville Counties and are remitted to the District primarily in January of the fiscal year and the July following. Accordingly, the tax revenues for the fiscal year ended June 30, 2012, are generally based on the assessed values and tax levies established in 2011.

The District defers recognition of revenues relating to property taxes assessed but not collected within 60 days of the fiscal year-end. Such amounts will be recognized as revenues in the fiscal year they become available.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets, Not Being Depreciated				
Land	\$ 481,785	\$ -	\$ -	\$ 481,785
Total Capital Assets, Not Being Depreciated	<u>\$ 481,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,785</u>
Capital Assets, Being Depreciated				
Buildings and improvements	\$ 6,928,332	\$ 13,352	\$ -	\$ 6,941,684
Furniture and equipment	2,039,840	103,117	(5,525)	2,137,432
Total Capital Assets, Being Depreciated	<u>8,968,172</u>	<u>116,469</u>	<u>(5,525)</u>	<u>9,079,116</u>
Accumulated Depreciation for				
Buildings and improvements	(3,298,755)	(127,976)	-	(3,426,731)
Furniture and equipment	(1,557,588)	(67,592)	5,525	(1,619,655)
Total Accumulated Depreciation	<u>(4,856,343)</u>	<u>(195,568)</u>	<u>5,525</u>	<u>(5,046,386)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 4,111,829</u>			<u>\$ 4,032,730</u>

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**5. Retirement Plan**

Public Employee Retirement System of Idaho (PERSI) - The PERSI Based 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 provision is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited services, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0 % (2.3 % police/firefighter) of the average monthly salary for the highest consecutive 42 months.

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

The actuarially determined contribution requirements of Soda Springs School District No. 150 and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2012, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rates as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Soda Springs School District No. 150 employer contributions required and paid were \$385,078, \$396,021, and \$423,148, for the years ended June 30, 2012, 2011, and 2010, respectively.

**6. Non-monetary Transactions**

The District received commodities from the U.S. Government valued at \$15,913. The value was determined by confirmation with the State of Idaho Department of Education.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**7. Other Required Individual Fund Disclosures**

The District expenditures exceeded the budgeted amounts in the following funds during the year ended June 30, 2012:

<b>Fund</b>	<b>Amount Exceeded</b>
Substance Abuse Prevention Fund.....	\$ 4,362
Title I Fund.....	4,092
Title VIB Fund.....	36,800
Title VIB Preschool Fund.....	1,490
Title IIA Fund.....	157

**Deficits in Individual Funds**

There were no fund deficits at June 30, 2012.

**8. Interfund Activity**

A summary of interfund transfers by fund is as follows:

	<b>Transfer In</b>	<b>Transfer Out</b>
Major Funds		
General Fund	\$ -	\$ (46,463)
Federal Forest Fund	-	(26,614)
Capital Project Fund	39,397	-
Child Nutrition Fund	7,066	-
Nonmajor Funds		
Title VIB Preschool Fund	1,638	-
Carl Perkins Fund	21,128	-
Title IIA Fund	3,848	-
	<b>\$ 73,077</b>	<b>\$ (73,077)</b>



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**8. Interfund Activity (continued)**

Transfers were made to move bus depreciation to the capital project fund, to move food services payroll taxes to the child nutrition fund, and cover fund deficits as needed.

A summary of interfund payables and receivables is as follows:

	<u>Due To</u>	<u>Due From</u>
Major Funds		
General Fund	\$ -	\$ 79,979
Non Major Funds		
Title I Fund	37,398	-
Carl Perkins Grant Fund	9,875	-
Title IIA Fund	32,706	-
	<u>\$ 79,979</u>	<u>\$ 79,979</u>

Interfund payables and receivables are a result of cash deficits in certain funds being covered by the general fund.

**9. Fund Balances**

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

**Nonspendable fund balance** – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

**Restricted fund balance** – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Notes to Financial Statements (continued)**  
**June 30, 2012**

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**9. Fund Balances (continued)**

**Committed fund balance** – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. In the case of the District it is by Board action.

**Assigned fund balance** – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned fund balance** – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental fund, it may be necessary to report a negative residual balance as unassigned.

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Fund Balances:				
Restricted for:				
Plant Facility	\$ -	\$ -	\$ 818,141	\$ 818,141
Child Nutrition	-	11,576	-	11,576
Federal Programs	-	306,696	-	306,696
Committed to:				
2013 Budget	466,148	-	-	466,148
Assigned to:				
Technology Projects	-	19,995	-	19,995
Substance Abuse Prevention	-	10,867	-	10,867
Unassigned:	-	-	-	-
Total				
Fund Balances	<u>\$ 466,148</u>	<u>\$ 349,134</u>	<u>\$ 818,141</u>	<u>\$ 1,633,423</u>

**Required Supplementary Information**

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2012**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Budget Positive (Negative)</b>
Revenues			
Local sources			
Property taxes	\$ 792,234	\$ 788,362	\$ (3,872)
Earnings on investments	30,000	7,428	(22,572)
Other	50,000	101,392	51,392
State sources			
State apportionment	4,010,509	3,876,896	(133,613)
Other	483,457	546,160	62,703
Federal sources			
Educational programs and other	-	49,997	49,997
Total Revenues	<u>5,366,200</u>	<u>5,370,235</u>	<u>4,035</u>
Expenditures			
Current			
Instructional	3,651,521	3,637,815	13,706
Pupil support	321,887	277,789	44,098
Staff support	117,794	71,250	46,544
General administration	176,036	190,994	(14,958)
School administration	372,651	358,865	13,786
Business services	72,407	98,774	(26,367)
Operation	691,209	586,296	104,913
Transportation	334,566	330,440	4,126
Non-instructional	-	10,800	(10,800)
Contingency	60,000	-	60,000
Total Expenditures	<u>5,798,071</u>	<u>5,563,023</u>	<u>235,048</u>
Excess (Deficiency) of			
Revenues over Expenditures	(431,871)	(192,788)	239,083
Other Financing Sources (Uses)			
Transfers (out)	<u>(39,397)</u>	<u>(46,463)</u>	<u>(7,066)</u>
Net Change in Fund Balances	(471,268)	(239,251)	232,017
Fund Balance, Beginning of Year	<u>651,988</u>	<u>705,399</u>	<u>53,411</u>
Fund Balance, End of Year	<u>\$ 180,720</u>	<u>\$ 466,148</u>	<u>\$ 285,428</u>

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Federal Forest Fund**  
**Year Ended June 30, 2012**

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	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Budget Positive (Negative)</b>
Revenues			
Federal sources			
Educational programs and other	\$ 18,000	\$ 66,417	\$ 48,417
Total Revenues	<u>18,000</u>	<u>66,417</u>	<u>48,417</u>
Expenditures			
Capital outlay	<u>325,279</u>	<u>-</u>	<u>325,279</u>
Total Expenditures	<u>325,279</u>	<u>-</u>	<u>325,279</u>
Excess (Deficiency) of			
Revenues over Expenditures	(307,279)	66,417	373,696
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>(26,614)</u>	<u>(26,614)</u>
Net Change in Fund Balances	(307,279)	39,803	347,082
Fund Balance, Beginning of Year	<u>307,279</u>	<u>266,893</u>	<u>(40,386)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 306,696</u>	<u>\$ 306,696</u>

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Child Nutrition Fund**  
**Year Ended June 30, 2012**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Budget Positive (Negative)</b>
Revenues			
Local sources			
Earnings on investments	\$ 1,000	\$ 101	\$ (899)
Lunch sales	160,600	84,857	(75,743)
Federal sources			
Educational programs and other	105,000	157,302	52,302
Total Revenues	<u>266,600</u>	<u>242,260</u>	<u>(24,340)</u>
Expenditures			
Current			
Non-instructional	266,600	237,750	28,850
Total Expenditures	<u>266,600</u>	<u>237,750</u>	<u>28,850</u>
Excess (Deficiency) of			
Revenues over Expenditures	-	4,510	4,510
Other Financing Sources (Uses)			
Transfers in	-	7,066	7,066
Net Change in Fund Balances	-	11,576	11,576
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 11,576</u>	<u>\$ 11,576</u>

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Capital Projects Fund**  
**Year Ended June 30, 2012**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Budget Positive (Negative)</b>
Revenues			
Local sources			
Property taxes	\$ 498,000	\$ 494,857	\$ (3,143)
Earnings on investments	-	641	641
Other	-	43,291	43,291
Total Revenues	<u>498,000</u>	<u>538,789</u>	<u>40,789</u>
Expenditures			
Current			
Non-instructional	244,897	467,792	(222,895)
Capital outlay	<u>792,500</u>	<u>116,469</u>	<u>676,031</u>
Total Expenditures	<u>1,037,397</u>	<u>584,261</u>	<u>453,136</u>
Excess (Deficiency) of Revenues over Expenditures	(539,397)	(45,472)	493,925
Other Financing Sources (Uses)			
Transfers in	<u>39,397</u>	<u>39,397</u>	<u>-</u>
Net Change in Fund Balances	(500,000)	(6,075)	493,925
Fund Balance, Beginning of Year	<u>500,000</u>	<u>824,216</u>	<u>324,216</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 818,141</u>	<u>\$ 818,141</u>

See Independent Auditors' Report

## **Supplementary Information**



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2012**

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	<b>School Technology Fund</b>	<b>Substance Abuse Prevention Fund</b>	<b>Title I Fund</b>	<b>Title VIB Fund</b>
<b>Assets</b>				
Cash and Investments	\$ 19,995	\$ 10,867	\$ -	\$ 9,192
<b>Receivables</b>				
Other	-	-	58,049	6,169
<b>Total Assets</b>	<b>\$ 19,995</b>	<b>\$ 10,867</b>	<b>\$ 58,049</b>	<b>\$ 15,361</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ 37,398	\$ -
Accounts payable	-	-	-	3,607
Salary contracts payable	-	-	17,286	11,754
Deferred revenues	-	-	3,365	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>58,049</b>	<b>15,361</b>
<b>Fund Balances</b>				
Assigned	19,995	10,867	-	-
<b>Total Fund Balances</b>	<b>19,995</b>	<b>10,867</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,995</b>	<b>\$ 10,867</b>	<b>\$ 58,049</b>	<b>\$ 15,361</b>

See Independent Auditors' Report

<b>Title VIB Preschool Fund</b>	<b>Carl Perkins Grant Fund</b>	<b>Title IIA Fund</b>	<b>Drug Free Schools Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 3,887	\$ 43,941
-	15,338	32,706	-	112,262
<u>\$ -</u>	<u>\$ 15,338</u>	<u>\$ 32,706</u>	<u>\$ 3,887</u>	<u>\$ 156,203</u>
\$ -	\$ 9,875	\$ 32,706	\$ -	\$ 79,979
-	5,463	-	-	9,070
-	-	-	-	29,040
-	-	-	3,887	7,252
-	15,338	32,706	3,887	125,341
-	-	-	-	30,862
-	-	-	-	30,862
<u>\$ -</u>	<u>\$ 15,338</u>	<u>\$ 32,706</u>	<u>\$ 3,887</u>	<u>\$ 156,203</u>

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2012**

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	<b>School Technology Fund</b>	<b>Substance Abuse Prevention Fund</b>	<b>Title I Fund</b>	<b>Title VIB Fund</b>
Revenues				
Federal sources				
Educational programs and other	\$ -	\$ -	\$ 73,240	\$ 207,839
Total Revenues	-	-	73,240	207,839
Expenditures				
Current				
Instructional	-	4,362	73,240	207,839
Total Expenditures	-	4,362	73,240	207,839
Excess (Deficiency) of Revenues over Expenditures	-	(4,362)	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Net Change in Fund Balances	-	(4,362)	-	-
Fund Balance, Beginning of Year	19,995	15,229	-	-
Fund Balance, End of Year	\$ 19,995	\$ 10,867	\$ -	\$ -

See Independent Auditors' Report

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<b>Title VIB Preschool Fund</b>	<b>Carl Perkins Grant Fund</b>	<b>Title IIA Fund</b>	<b>Drug Free Schools Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 7,511	\$ 15,338	\$ 23,640	\$ -	\$ 327,568
7,511	15,338	23,640	-	327,568
9,149	19,132	27,488	-	341,210
9,149	19,132	27,488	-	341,210
(1,638)	(3,794)	(3,848)	-	(13,642)
1,638	21,128	3,848	-	26,614
-	17,334	-	-	12,972
-	(17,334)	-	-	17,890
\$ -	\$ -	\$ -	\$ -	\$ 30,862

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Combining Statement of Changes in Assets and Liabilities – Student Activities**  
**Agency Funds**  
**Year Ended June 30, 2012**

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2012</u>
<b>Soda Springs High School</b>				
<b>Activity Fund</b>				
Assets				
Cash	\$ 90,876	\$ 301,042	\$ 282,596	\$ 109,322
Liabilities				
Due to student groups	\$ 90,876	\$ 301,042	\$ 282,596	\$ 109,322
<b>Tigert Middle School</b>				
<b>Activity Fund</b>				
Assets				
Cash	\$ 36,576	\$ 53,167	\$ 44,391	\$ 45,352
Liabilities				
Due to student groups	\$ 36,576	\$ 53,167	\$ 44,391	\$ 45,352
<b>Thirkill Elementary School</b>				
<b>Activity Fund</b>				
Assets				
Cash	\$ 14,002	\$ 48,020	\$ 28,753	\$ 33,269
Liabilities				
Due to student groups	\$ 14,002	\$ 48,020	\$ 28,753	\$ 33,269
<b>Total - All School Activity Funds</b>				
Assets				
Cash	\$ 141,454	\$ 402,229	\$ 355,740	\$ 187,943
Liabilities				
Due to student groups	\$ 141,454	\$ 402,229	\$ 355,740	\$ 187,943

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Activity in Taxes Receivable by Fund**  
**Year Ended June 30, 2012**

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	<u>General Fund</u>	<u>Capital Project Fund</u>
<b>Caribou, Bear Lake, and Bonneville Counties</b>		
Balance at June 30, 2011	\$ 279,829	\$ 201,956
Add - Taxes Assessed for 2011 (Net of Cancellations)	789,946	494,963
Less - Collections Received	<u>(743,050)</u>	<u>(491,546)</u>
Balance at June 30, 2012	<u>\$ 326,725</u>	<u>\$ 205,373</u>

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Soda Springs High School Activity Fund**  
**Statement of Cash Receipts, Disbursements and Transfers**  
**Year Ended June 30, 2012**

Name of Organization	Balance June 30, 2011	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2012
Class of 2011	\$ 1,364	\$ -	\$ 1,364	\$ -	\$ -
Class of 2012	739	3,419	5,589	744	(687)
Class of 2013	(30)	2,244	1,982	572	804
Class of 2014	72	5	222	276	131
Class of 2015	-	34	328	373	79
Yearbook	7,056	12,723	12,124	-	7,655
Coke Machines	2,336	1,200	545	(2,100)	891
Concessions	7,114	15,834	12,484	(5,679)	4,785
Auditorium	2,033	100	-	-	2,133
District	(324)	-	-	-	(324)
Cardettes	2,219	7,866	12,552	1,350	(1,117)
Faculty	(81)	405	-	500	824
FHA-Home Ec.	2,091	1,149	3,501	-	(261)
Library	2,090	73	93	-	2,070
BPA	13,753	7,084	16,014	950	5,773
Office	(816)	4,038	3,182	400	440
Landscaping	484	-	-	-	484
Spanish Club	709	-	66	150	793
Student Council	967	1,645	2,457	426	581
FFA	2,348	6,154	5,870	450	3,082
Cheerleaders	(2,633)	11,342	8,685	350	374
Honor Society	1,228	40	125	72	1,215
Registration Fee	243	7,657	264	(7,200)	436
Rewards & Incentives	(742)	1,222	723	1,000	757
Bank Interest	185	205	460	-	(70)
Sales Tax	1,857	4,043	3,959	-	1,941
High School Clearing	249	18,134	14,472	-	3,911
Staff Travel	(219)	2,221	63	-	1,939
Art	271	-	113	-	158
Grants	-	14,757	-	-	14,757
P.E.	843	549	1,105	-	287
Pins and Letters	1,298	-	829	-	469
Athletics	12,470	48,718	57,365	7,184	11,007
Player Fees	7,600	22,230	11,165	(19,065)	(400)
Girls Volleyball	1,189	5,332	5,381	-	1,140
Track	8,459	5,030	7,184	700	7,005
Boys Basketball	3,044	13,165	17,093	3,000	2,116
Football	5,112	16,595	19,544	500	2,663
Girls Basketball	246	5,591	7,630	3,800	2,007
Wrestling	1,237	10,314	7,206	1,300	5,645
Girls Softball	2,553	3,649	2,709	1,150	4,643
Cross Country	6,007	13,865	9,721	800	10,951
Golf	2,553	-	290	1,000	3,263
Boys Baseball	(4,689)	3,017	3,707	1,450	(3,929)
Band	(696)	106	157	-	(747)

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Soda Springs High School Activity Fund**  
**Statement of Cash Receipts, Disbursements and Transfers (continued)**  
**Year Ended June 30, 2012**

Name of Organization	Balance June 30, 2011	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2012
Choir	498	206	335	216	585
Pops Choir	(570)	4,556	8,714	750	(3,978)
Musical Production	297	2,038	32	-	2,303
Tournaments	(4,981)	4,725	3,469	3,821	96
Scholarship Fund	(577)	4,300	1,000	-	2,723
INEEL	1,402	-	131	660	1,931
Tournaments - Host	(1,110)	1,832	222	-	500
Drug Test	(145)	-	75	-	(220)
Academic Letters	90	-	-	100	190
Angel Tree	1,145	1,250	2,261	-	134
IDLA Classes	732	1,820	1,350	-	1,202
Candy Machine	2,306	969	349	-	2,926
Healthy Nutrition	-	7,591	6,335	-	1,256
	\$ 90,876	\$ 301,042	\$ 282,596	\$ -	\$ 109,322

See Independent Auditors' Report



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Tigert Middle School Activity Fund**  
**Statement of Cash Receipts, Disbursements and Transfers**  
**Year Ended June 30, 2012**

Name of Organization	Balance June 30, 2011	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2012
Middle School	\$ 3,399	\$ 3,384	\$ 3,547	\$ -	\$ 3,236
Student Body	8,019	5,041	3,359	-	9,701
Athletics	13,332	12,475	10,703	-	15,104
Music	14	-	-	-	14
Drill Team	1,094	3,372	3,047	-	1,419
Building Rental	1,327	470	-	-	1,797
Cheerleaders	(3,193)	12,421	2,299	-	6,929
Vending	203	303	433	-	73
Tech./Spec. Projects	9,827	10,518	15,295	-	5,050
Yearbook	1,682	2,614	3,069	-	1,227
Library	39	2,274	2,221	-	92
Sixth Grade	456	295	418	-	333
Housing	10	-	-	-	10
Special Education	367	-	-	-	367
	\$ 36,576	\$ 53,167	\$ 44,391	\$ -	\$ 45,352

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2012**

	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Revenues Cash Basis</b>
<b>U.S. Department of Agriculture:</b>			
Passed Through State Department of Education:			
* Child Nutrition Cluster			
School Breakfast Program	10.553	\$ 63,888	\$ 63,888
School Lunch Program	10.555	93,229	93,229
Summer Food Service Program	10.559	16,093	16,093
Passed Through Caribou, Bear Lake and Bonneville Counties:			
Federal Forest	10.665	<u>26,614</u>	<u>66,417</u>
Total Department of Agriculture		<u>199,824</u>	<u>239,627</u>
<b>U.S. Department of Education:</b>			
Passed Through State Department of Education:			
Education Jobs Fund ARRA	84.410 A	49,997	151,594
Title I Part A Cluster			
Title I-Basic	84.010	64,585	14,666
Title I-Basic ARRA	84.389 A	8,655	8,655
Special Education Cluster			
Title VI-B	84.027	207,839	209,009
Title VI-B - Preschool	84.173	9,149	13,914
Title VI-B ARRA	84.391 A	-	53,506
Perkins III	84.048	19,132	-
Improving Teacher Quality	84.367	<u>27,487</u>	<u>10,976</u>
Total Department of Education		<u>386,844</u>	<u>462,320</u>
Total Federal Assistance		<u>\$ 586,668</u>	<u>\$ 701,947</u>

\* Major Federal Program

See Independent Auditors' Report

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Note to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2012**

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1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Soda Springs School District No. 150 and is presented in accordance with the modified accrual basis of accounting. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.



**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**

The Board of Trustees  
Soda Springs School District No. 150  
Soda Springs, Idaho

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Soda Springs School District No. 150 as of and for the year ended June 30, 2012, which collectively comprise Soda Springs School District No. 150's basic financial statements and have issued our report thereon dated October 9, 2012. 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**

Management of Soda Springs School District No. 150 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Soda Springs School District No. 150'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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Soda Springs School District No. 150'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 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.

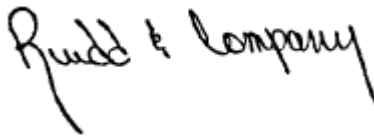
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Soda Springs School District No. 150's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Soda Springs School District No. 150 in a separate letter dated October 9, 2012.

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

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

October 9, 2012



**RUDD & COMPANY**<sub>INC.</sub>

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

Board of Trustees  
Soda Springs School District No. 150  
Soda Springs, Idaho

**Compliance**

We have audited Soda Springs School District No. 150'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 Soda Springs School District No. 150's major federal programs for the year ended June 30, 2012. Soda Springs School District No. 150'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 Soda Springs School District No. 150's management. Our responsibility is to express an opinion on Soda Springs School District No. 150 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 Soda Springs School District No. 150'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 Soda Springs School District No. 150's compliance with those requirements.

In our opinion, Soda Springs School District No. 150 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

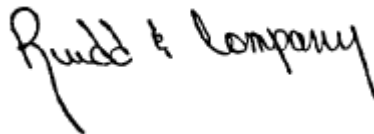
## **Internal Control over Compliance**

Management of Soda Springs School District No. 150 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 Soda Springs School District No. 150's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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 Soda Springs School District No. 150'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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected 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 over compliance that might be deficiencies in internal control over compliance 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 management, the Board, others within the District 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.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

October 9, 2012

**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2012**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material Weaknesses identified?	No
Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Type or auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No



**SODA SPRINGS SCHOOL DISTRICT NO. 150**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended June 30, 2012**

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Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program</i>
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	School Lunch Program
10.559	Summer Food Service Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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