

Financial Reporting and Audits

Annual Statement of Financial Condition

Within one hundred twenty (120) days from the last day of each fiscal year, this board, through its superintendent, will prepare and publish an annual statement of financial condition and report of the district as of the end of such fiscal year in the form prescribed by the State Superintendent of Public Instruction.

This annual statement will include, but not be limited to:

1. The amounts of money budgeted and received and from what sources; and
2. The amounts budgeted and expended for salaries and other expenses by categories.

This district will have available upon request, at the administrator's office, a full and complete list of vendors and the amount paid to each, and the list of the number of teachers paid at each of the several stated gross salary levels in effect in the district.

This board may authorize additional or supplementary statements and reports for the purpose of informing the public of its financial operations, either as to form, content, method, or frequency.

The annual statement of financial conditions and report will be published within one hundred twenty (120) days from the last day of the fiscal year in one issue of the newspaper printed and published within this district.

The chairman, clerk, and treasurer of this district will certify the annual statement of financial condition and report it to be true and correct, and the certification will be included in each published statement.

Audit of Financial Statements

The Board directs that financial reports of all District funds shall be prepared in compliance with statutory provisions and generally accepted accounting and financial reporting standards. In addition to the reports required for local, state, and federal agencies, financial reports will be prepared monthly and annually and presented to the Board. The financial reports shall reflect the financial activity and status of the District funds.

Appropriate interim financial statements and reports of financial position, operating results and other pertinent information will be prepared to facilitate management control of financial operations.

The district's accounting system and audits will account for all fixed assets which equal or exceed the value of \$5,000, which will allow for the tracking of at least 80% of the assets of the district. The threshold for capitalization of improvements to real property, including buildings, will be \$20,000.

The audit will be performed by independent auditors employed on a written contract and will be conducted in accordance with generally accepted governmental accounting standards as defined by the United States General Accounting Office.

Management Discussion and Analysis

The superintendent or designee will draft the Management Discussion and Analysis (MD&A), an analysis of the district's current overall financial position and operating results, intended to allow others to assess whether the district's finances have improved or deteriorated.

The MD&A shall:

1. Precede the basic financial statement and provide an objective and readable analysis of the district's overall financial activities;
2. Be based solely on facts known to the administration at the date of the auditor's report;
3. Emphasize current-year results in comparison with the prior year;
4. Include charts and graphs, as appropriate, to enhance reader understanding;
5. Report the change in the overall financial condition from the prior year to the current year;
6. Introduce and explain the difference from prior years in the format of the financial material presented;
7. Explain the newly required statement of net assets, and statement of activities, and what they are intended to report. Relative to the district-wide statements, identify all district assets and liabilities using the accrual basis of accounting;
8. Condense financial information derived from the district-wide statements with explanation of significant changes between the current and prior years;
9. Analyze balances and transactions of individual funds;
10. Budgetary comparison schedules or statements; and
11. Describe significant capital assets and long-term debt activities that occurred in the prior year.

In compliance with GASB 34 (Governmental Accounting Standards Board, Standard 34), the district's annual audit will be developed to make the audit easier to understand and more useful to patrons and others who use the district's financial information to make decisions. The district's audit will be based on a full accrual accounting of all financial activities, and shall include the Management Discussion and Analysis (MD&A) as a part of Required Supplementary Information (RSI), as mandated by GASB 34.

The Board directs that District audits shall be conducted in accordance with Idaho code § 67-450B. Each audit shall be a comprehensive audit of the affairs of the District and the District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards, as defined by the United States Government Accountability Office. A full and complete audit of financial statements of this district will occur on an annual basis. One (1) copy of the auditor's report will be filed with the State Department of Education after its acceptance by this board, but not later than November 10 of each school year. Within ten (10) days after receiving the audit from the District's independent auditor, the school district shall file two (2) copies of the completed audit report with the legislative counsel at:

Idaho Legislative Services Office
Legislative Services Audit
Staff of Legislative Counsel
P.O. Box 83720
Boise, Idaho 83720-0054

Cross Reference: Policy 7210 GASB Statement 34 (Accounting System)

Legal Reference: I.C. § 33-701 Fiscal year – Payment and accounting of funds
 I.C. § 67-450B Independent Financial Audits by Government Entities

Policy History:

Adopted on: August 10, 2009

Revised on: June 21, 2010