



RUDD & COMPANY PLLC
certified public accountants | business consultants

TETON COUNTY SCHOOL DISTRICT NO. 401

DRIGGS, IDAHO

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

Year Ended June 30, 2014

giving direction to your future

TETON COUNTY SCHOOL DISTRICT NO. 401

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June 30, 2014

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Teton County School District No. 401
Driggs, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Teton County School District No. 401 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
General Fund	Unmodified
Child Nutrition Fund	Unmodified
Title I-A ESEA Basic Fund	Unmodified
Debt Service Fund	Unmodified
Plant Facility Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Government Activities

The District has not obtained an actuarial valuation of its other post employee benefits (OPEB). Employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans are required to measure and disclose an amount for annual OPEB costs on the accrual basis of accounting. The amount by which this departure would affect the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of Teton County School District No. 401 as of June 30, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Teton County School District No. 401 as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and budgetary comparison information on pages 41 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

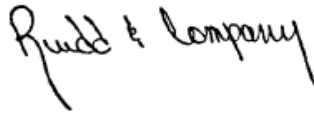
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teton County School District No. 401's basic financial statements. The combining and individual nonmajor fund financial statements, and supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2014, on our consideration of the Teton County School District No. 401'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Teton County School District No. 401's internal control over financial reporting and compliance.

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

Idaho Falls, Idaho

October 9, 2014, except for Note 14, as to which the date is March 17, 2015

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis
June 30, 2014

As management of the Teton County School District #401, 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, 2014.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at June 30, 2014 by \$10,356,539. Of this amount, \$2,516,257 of unrestricted net position may be used to meet the District's ongoing obligations.
- The District's net position increased by \$1,786,632 as a result of this year's operations.
- The general fund had \$11,430,806 in revenues and \$9,897,703 in expenditures. The general fund balance increased \$1,156,703 over the prior year.

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

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position 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 14-16 of this report.

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

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 eighteen 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 debt service fund, the child nutrition fund, the Title I fund and the plant facility fund, all of which are considered to be major funds. Data from the other thirteen 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 17-18 and 20-21 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.

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

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 23 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 24-39 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and are presented immediately following the notes to the financial statements. Combining fund statements and schedules can be found on pages 47-54 of this report.

Government-wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$10,356,539 at the close of the most recent fiscal year.

Net Position	Governmental Assets	
	2014	2013
Current and Other Assets	\$ 5,535,332	\$ 4,479,958
Capital Assets	20,515,191	21,039,594
Total Assets	26,050,523	25,519,552
Current Liabilities	2,235,960	2,495,882
Long-term Liabilities	11,629,030	12,464,565
Total Liabilities	13,864,990	14,960,447
Deferred Inflows of Resources	1,828,994	1,989,198
Net Position		
Net Investment in Capital Assets	6,311,197	5,913,016
Restricted	1,529,085	1,304,067
Unrestricted	2,516,257	1,352,824
Total Net Position	\$ 10,356,539	\$ 8,569,907

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

A portion of the District's net position, \$6,311,197, 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 position, \$1,529,085 , represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$2,516,257 may be used to meet the District's ongoing obligations to students, employees, and creditors.

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

Changes in Net Position	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Revenues		
Program revenues		
Charges for services	\$ 187,725	\$ 176,742
Operating grants and contributions	1,267,005	1,207,548
General revenues		
Property tax	5,277,015	4,634,690
State support	7,755,863	7,127,870
Other	533,231	606,588
Total Revenues	<u>15,020,839</u>	<u>13,753,438</u>
Expenses		
Instructional	6,874,145	7,219,587
Pupil support	601,996	755,974
Staff support	473,075	510,898
General administration	404,572	439,820
School administration	792,563	739,483
Operations	1,273,615	1,338,689
Transportation	762,344	776,477
Non-instructional	164,529	321,423
Interest	583,136	1,836,654
Depreciation	630,156	625,875
Child nutrition services	674,076	672,382
Total Expenses	<u>13,234,207</u>	<u>15,237,262</u>
Change in Net Position	<u>\$ 1,786,632</u>	<u>\$ (1,483,824)</u>

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

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.

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 \$2,170,485. The fund balance increased by \$1,156,703 during the current fiscal year.

Expenditures for general District purposes totaled \$9,897,703, a decrease of \$568,596 during the current fiscal year.

The plant facility fund has a total fund balance of \$227,404, all of which is restricted. The fund balance increased by \$231,778 during the current year.

The debt service fund has a total fund balance of \$1,081,457, all of which is restricted for the payment of debt service on general obligation bonds. The fund balance increased by \$31,713 during the current year.

The child nutrition fund has a total fund balance of \$49,348, all of which is restricted for the child nutrition program. The fund balance increased by \$17,440 during the current year.

The Title I-A fund has a total fund balance of \$0. The fund balance did not change during the current year.

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

General Fund Budgetary Highlights

There were amendments made to the original budget to reflect grants received and corresponding expenditures.

During the current fiscal year, the \$960,563 positive budget to actual variance in total general fund revenues, and the \$207,514 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.

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, 2014 are outlined below:

Capital Assets (Net of Depreciation)	Governmental Activities	
	2014	2013
Land	\$ 951,000	\$ 951,000
Construction in progress	25,112	-
Buildings and improvements	23,932,088	23,932,088
Furniture and equipment	6,087,166	6,006,524
	30,995,366	30,889,612
Accumulated depreciation	(10,480,175)	(9,850,018)
Total Capital Assets, Net of Depreciation	\$ 20,515,191	\$ 21,039,594

TETON COUNTY SCHOOL DISTRICT NO. 401
Management's Discussion and Analysis (continued)
June 30, 2014

Debt Administration

Outstanding debt at June 30, 2014 is outlined below:

Outstanding Debt	Governmental Activities	
	2014	2013
General obligation bonds	\$ 12,375,000	\$ 13,285,000
Compensated absences	79,030	89,565
Bond premium, net of amortization	1,828,994	1,989,198
	<u>\$ 14,283,024</u>	<u>\$ 15,363,763</u>

Additional information on the District's long-term debt can be found in the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Teton 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, Teton School District, P.O. Box 775, Driggs, ID 83452.

Basic Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Net Position
June 30, 2014

Assets	Governmental Activities
Cash and Investments	\$ 2,559,353
Receivables	
Property taxes	1,872,036
State of Idaho	251,424
Other	852,519
Capital Assets	
Land	951,000
Construction in progress	25,112
Buildings and equipment, net of depreciation	<u>19,539,079</u>
Total Assets	<u>\$ 26,050,523</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Liabilities	Governmental Activities
Accounts payable	\$ 2,500
Salary contracts payable	1,262,306
Interest payable	146,154
Long-term liabilities:	
Portion due or payable within one year:	
Bonds, capital leases, and contracts	825,000
Portion due or payable after one year:	
Bonds, capital leases, and contracts	11,550,000
Compensated absences	79,030
	<hr/>
Total Liabilities	13,864,990
	<hr/>
Deferred Inflows of Resources	
Bond issue premium, net of amortization	1,828,994
	<hr/>
Total Liabilities and Deferred Inflows of Resources	\$ 15,693,984
	<hr/>
Net Position	
Net investment in capital assets	\$ 6,311,197
Restricted for:	
Debt service	1,254,168
Capital projects	274,917
Unrestricted	2,516,257
	<hr/>
Total Net Position	\$ 10,356,539
	<hr/>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental Activities:				
Instructional	\$ 6,757,109	\$ 15,724	\$ 640,911	\$ (6,100,474)
Pupil support	719,032	-	119,693	(599,339)
Staff support	459,817	-	-	(459,817)
General administration	417,830	-	-	(417,830)
School administration	792,563	-	-	(792,563)
Business operations	128,325	-	-	(128,325)
Operations	1,145,290	-	-	(1,145,290)
Transportation	762,344	-	-	(762,344)
Non-instructional	164,529	-	-	(164,529)
Interest on long-term debt	583,136	-	-	(583,136)
Depreciation - unallocated*	630,156	-	-	(630,156)
Child nutrition services	674,076	172,001	506,401	4,326
Total Governmental Activities	\$ 13,234,207	\$ 187,725	\$ 1,267,005	(11,779,477)
General Revenues:				
Taxes:				
				\$ 3,366,098
				1,515,011
				395,906
				530,083
				7,755,863
				3,148
				13,566,109
				1,786,632
				8,569,907
				\$ 10,356,539

* 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

TETON COUNTY SCHOOL DISTRICT NO. 401
Balance Sheet – Governmental Funds
June 30, 2013

Assets	General Fund	Child Nutrition Fund	Title I-A ESEA Basic Fund
Cash and Investments	\$ 1,473,590	\$ 92,414	\$ -
Due from Other Funds	811,129	-	-
Receivables			
Property taxes	1,182,292	-	-
State of Idaho	190,306	-	-
Other	-	-	500,010
Total Assets	<u>\$ 3,657,317</u>	<u>\$ 92,414</u>	<u>\$ 500,010</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ 457,949
Accounts payable	-	-	-
Salary contracts payable	1,120,227	43,066	42,061
Interest payable	-	-	-
Total Liabilities	<u>1,120,227</u>	<u>43,066</u>	<u>500,010</u>
Deferred Inflows of Resources			
Unavailable revenues	<u>366,605</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)			
Restricted	-	49,348	-
Assigned	-	-	-
Unassigned	<u>2,170,485</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>2,170,485</u>	<u>49,348</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,657,317</u>	<u>\$ 92,414</u>	<u>\$ 500,010</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Debt Service Fund	Plant Facility Fund	Other Governmental Funds	Total Governmental Funds
\$ 855,523	\$ 129,972	\$ 7,854	\$ 2,559,353
-	-	-	811,129
544,799	144,945	-	1,872,036
-	-	61,118	251,424
-	-	352,509	852,519
<u>\$ 1,400,322</u>	<u>\$ 274,917</u>	<u>\$ 421,481</u>	<u>\$ 6,346,461</u>
\$ -	\$ -	\$ 353,180	\$ 811,129
-	-	2,500	2,500
-	-	56,952	1,262,306
<u>146,154</u>	<u>-</u>	<u>-</u>	<u>146,154</u>
<u>146,154</u>	<u>-</u>	<u>412,632</u>	<u>2,222,089</u>
<u>172,711</u>	<u>47,513</u>	<u>-</u>	<u>586,829</u>
1,081,457	227,404	2,749	1,360,958
-	-	6,100	6,100
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,170,485</u>
<u>1,081,457</u>	<u>227,404</u>	<u>8,849</u>	<u>3,537,543</u>
<u>\$ 1,400,322</u>	<u>\$ 274,917</u>	<u>\$ 421,481</u>	<u>\$ 6,346,461</u>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net
Position
June 30, 2014

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

Total Fund Balance - Governmental Funds	\$	3,537,543
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$30,995,365 and the accumulated depreciation is \$10,480,174.		20,515,191
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(12,454,030)
Bond premium reported as a revenue in the fund financial statements is capitalized in the government-wide statements. The total premium is \$2,082,650 and the accumulated amortization is \$253,656.		(1,828,994)
Property tax revenue is recognized when earned rather than when available.		<u>586,829</u>
Net Position - Governmental Activities	\$	<u>10,356,539</u>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General Fund	Child Nutrition Fund	Title I-A ESEA Basic Fund
Revenues			
Local sources			
Property taxes	\$ 3,396,942	\$ -	\$ -
Earnings on investments	3,148	-	-
Lunch sales	-	165,795	-
Other	530,083	6,206	-
State sources			
State apportionment	7,143,051	-	-
Other	357,182	-	-
Federal sources			
Educational programs and other	400	506,401	255,318
Total Revenues	<u>11,430,806</u>	<u>678,402</u>	<u>255,318</u>
Expenditures			
Current			
Instructional	5,854,089	-	280,200
Pupil support	599,339	-	-
Staff support	199,832	-	-
General administration	404,572	-	-
School administration	792,563	-	-
Business operations	128,325	-	-
Operation	1,145,290	-	-
Transportation	762,344	-	-
Non-instructional	108	674,076	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	11,241	-	-
Total Expenditures	<u>9,897,703</u>	<u>674,076</u>	<u>280,200</u>
Excess (Deficiency) of Revenues over Expenditures	1,533,103	4,326	(24,882)
Other Financing Sources (Uses)			
Transfers in	33,654	13,114	24,882
Transfers out	(410,054)	-	-
Net Change in Fund Balances	1,156,703	17,440	-
Fund Balance Beginning of Year	<u>1,013,782</u>	<u>31,908</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 2,170,485</u>	<u>\$ 49,348</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of the Financial Statements

	Debt Service Fund	Plant Facility Fund	Other Governmental Funds	Total Governmental Funds			
\$	1,538,363	\$	406,653	\$	-	\$	5,341,958
	-	-	-				3,148
	-	-	-				165,795
	-	-	15,724				552,013
	-	-	-				7,143,051
	-	-	255,630				612,812
	-	-	504,886				1,267,005
	<u>1,538,363</u>	<u>406,653</u>	<u>776,240</u>				<u>15,085,782</u>
	-	-	633,355				6,767,644
	-	-	119,693				719,032
	-	-	259,985				459,817
	-	-	13,258				417,830
	-	-	-				792,563
	-	-	-				128,325
	-	-	-				1,145,290
	-	-	-				762,344
	930	163,491	-				838,605
	910,000	-	-				910,000
	595,720	-	-				595,720
	-	61,874	32,638				105,753
	<u>1,506,650</u>	<u>225,365</u>	<u>1,058,929</u>				<u>13,642,923</u>
	31,713	181,288	(282,689)				1,442,859
	-	50,490	321,568				443,708
	-	-	(33,654)				(443,708)
	31,713	231,778	5,225				1,442,859
	<u>1,049,744</u>	<u>(4,374)</u>	<u>3,624</u>				<u>2,094,684</u>
\$	<u>1,081,457</u>	\$	<u>227,404</u>	\$	<u>8,849</u>	\$	<u>3,537,543</u>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014

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

Net Change in Fund Balance - Governmental Funds	\$	1,442,859
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 outlays in the current period.		(524,403)
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 an adjustment to revenues in the statement of activities.		(64,943)
Compensated absences (a long-term liability) is not due and payable in the current period and therefore is not reported as an expenditure in the governmental funds.		10,535
Governmental funds report repayment of bond principal as an expenditure in the fund financial statements. These payments are shown as reductions in long-term debt in the government-wide statements. Interest is recognized as it accrues regardless of when it is due.		910,000
Governmental funds report bond issue costs as an expenditure, while these costs are amortized over the term of the bond as an increase in interest expense in the government-wide statements.		(147,620)
Governmental funds report bond premiums as an other financing source, while the premium is amortized over the term of the bond as a decrease in interest expense in the government-wide statements.		<u>160,204</u>
Change in Net Position of Governmental Activities	\$	<u>1,786,632</u>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Fiduciary Net Position – Agency Funds
June 30, 2014

Assets	Agency Funds
Cash and Investments	\$ 118,321
Total Assets	<u>\$ 118,321</u>
 Liabilities	
Due to Student Groups	\$ 118,321
Total Liabilities	<u>\$ 118,321</u>

The Accompanying Notes are an Integral Part of the Financial Statements

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements
June 30, 2014

1. Summary of Significant Accounting Policies

The financial statements of the Teton County 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 Teton County School District No. 401. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The Board 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 fund 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 position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements
June 30, 2014

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 *child nutrition fund* accounts for the revenues and expenses associated with the operation of the District's food services.
- The *Title I-A fund* accounts for the revenues and expenses associated with operation of the federal Title I program.
- The *debt service fund* accounts for the accumulation of resources for, and the payment of long-term debt principal and interest.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

1. Summary of Significant Accounting Policies (continued)

- The *plant facility 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, except that the commodities received for the child nutrition program are not budgeted.

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 42:

	<u>Reported Amounts</u>	<u>Commodities Received</u>	<u>Amounts Reported in Comparison with Budget</u>
Child Nutrition Fund			
Total revenues	\$ 678,402	\$ (71,235)	\$ 607,167
Total expenditures	\$ 674,076	\$ (71,235)	\$ 602,841

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. The original budget was amended during the year to reflect beginning fund balances and adjust for additional local and state revenues.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

1. Summary of Significant Accounting Policies (continued)

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.

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 for furniture and equipment and \$100,000 for buildings and improvements and an estimated useful life in excess of two years. 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.....	50 yrs
Buses.....	10 yrs
Furniture.....	10 yrs
Equipment.....	10 yrs
Vehicles.....	8 yrs
Computer equipment.....	5 yrs

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

In addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has a deferred premium on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding.

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 are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor how those amounts may be spent. Designations of fund balances as non-spendable, restricted, committed, assigned or unassigned are based upon the types of constraints placed upon the outstanding balances.

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.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

2. Cash and Short-Term Investments (continued)

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 one of the local banks. All excess funds are invested with the State Treasurer's pooled cash investment account. This account invests 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) up to \$250,000 per depository.

1. Deposits – At June 30, 2014, the carrying amount of the District's deposits was \$141,651 and the respective bank balances totaled \$487,598. Of the bank balances, \$250,000 were insured or collateralized with pooled securities held by the pledging financial institution in the name of the District.
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, 2014, \$237,598 of the District's total deposits were not covered by federal depository insurance, and thus were exposed to custodial credit risk.
3. Investments – As of June 30, 2014, 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
State Investment Pool	AAAf	\$ 2,536,023	\$ 2,536,023	\$ -	\$ -	\$ -

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.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

2. Cash and Short-Term Investments (continued)

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, 2014, had a weighted average maturity of 161 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.

Reconciliation of deposits categorization:

Cash and investments reported on the statement of net assets	\$ 2,559,353	
Cash and investments reported on the statement of fiduciary net assets		118,321
		\$ 2,677,674
 Investments categorized	 \$ 2,536,023	
Deposits categorized		141,651
		\$ 2,677,674

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 Teton County 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, 2014, are generally based on the assessed values and tax levies established in 2013.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

3. Property Taxes (continued)

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.

4. Capital Assets

Capital asset activity for the year ended June 30, 2014 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	\$ 951,000	\$ -	\$ -	\$ 951,000
Construction in progress	-	25,112	-	25,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets, Not Being Depreciated	\$ 951,000	\$ 25,112	\$ -	\$ 976,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital Assets, Being Depreciated				
Buildings and improvements	\$ 23,932,088	\$ -	\$ -	\$ 23,932,088
Furniture and equipment	6,006,524	80,641	-	6,087,165
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets, Being Depreciated	29,938,612	80,641	-	30,019,253
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated Depreciation for				
Buildings and improvements	(4,687,476)	(478,642)	-	(5,166,118)
Furniture and equipment	(5,162,542)	(151,514)	-	(5,314,056)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Accumulated Depreciation	(9,850,018)	(630,156)	-	(10,480,174)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets, Being Depreciated, Net	\$ 20,088,594			\$ 19,539,079
	<u> </u>			<u> </u>

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

5. General Obligation School Refunding Bonds

On December 21, 2012, the District issued \$9,855,000 in general obligation bonds with an average interest rate of 4.3% to advance refund \$9,995,000 of outstanding 2006 series bonds with an average interest rate of 4.8%. The net proceeds were placed in escrow to establish an irrevocable trust escrow fund consisting of cash and noncallable direct full faith and credit obligations of the United States of America. The refunded portion of the 2006 series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

6. General Obligation Bonds Payable

Bonds outstanding at June 30, 2014, were as follows:

	Interest Rates	Maturity Dates	Amount
	<hr/>	<hr/>	<hr/>
General Obligation Refunding Bonds, 2004 Issue (Original amount--\$4,390,000)	3.00% to 3.90%	2015 to 2017	\$ 1,530,000
General Obligation Bonds, 2006 Issue (Original amount--\$12,000,000)	4.25% to 4.50%	2015 to 2017	\$ 1,150,000
General Obligation Refunding Bonds, Series 2012 Issue (Original amount--\$9,855,000)	3.25% to 5.00%	2015 to 2026	\$ 9,695,000

The amount to be provided for bond requirements in the accompanying financial statements represents the charge to be made for property taxes in future years to meet maturing bond requirements.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

6. General Obligation Bonds Payable (continued)

The annual requirements to amortize the above bond issues are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 825,000	\$ 516,075	\$ 1,341,075
2016	895,000	484,906	1,379,906
2017	960,000	450,144	1,410,144
2018	985,000	407,200	1,416,825
2019	1,030,000	356,825	1,386,825
Thereafter	7,680,000	1,076,538	8,922,075
	<u>\$ 12,375,000</u>	<u>\$ 3,291,688</u>	<u>\$ 15,856,850</u>

7. Changes in Long-term Debt

The following is a summary of the District's long-term transactions for the year ended June 30, 2014:

	<u>2004 G.O. Refunding Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2012 G.O. Refunding Bonds</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Long-term Obligations June 30, 2013	\$ 2,005,000	\$ 1,425,000	\$ 9,855,000	\$ 89,565	\$ 13,374,565
Obligations Incurred	-	-	-	-	-
Obligations Paid	<u>(475,000)</u>	<u>(275,000)</u>	<u>(160,000)</u>	<u>(10,535)</u>	<u>(920,535)</u>
Long-term Obligations June 30, 2014	<u>\$ 1,530,000</u>	<u>\$ 1,150,000</u>	<u>\$ 9,695,000</u>	<u>\$ 79,030</u>	<u>\$ 12,454,030</u>

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

8. 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.

The actuarially determined contribution requirements of Teton School District No. 401 and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2014, the required contribution rate as a percentage of covered payrolls for members was 6.79% for general members and 8.32% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members. Teton School District No. 401 employer contributions required and paid were \$809,911, \$795,378, and \$775,304, for the three years ended June 30, 2014, 2013, and 2012, respectively.

9. Non-monetary Transactions

The District received commodities from the U.S. Government valued at \$71,235. The value was determined by confirmation with the State of Idaho Department of Education.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

10. Other Required Individual Fund Disclosures

The District expenditures exceeded the budgeted amounts in the following fund during the year ended June 30, 2014:

Fund	Amount Exceeded
Child Nutrition Fund.....	\$ 6,292
Debt Service Fund.....	43,804
Driver Education Fund.....	3,516
Vocational Education Fund.....	420
State Technology Fund.....	10,832
State ISEE Grant Fund.....	45,974
Title VI-B ESEA School Age Fund.....	23,781
Perkins III Professional Technical Fund.....	2,891
21st Century Grant Fund.....	500

Deficits in Individual Funds

There were no funds with deficits at June 30, 2014.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

11. Interfund Transfers

The interfund balances at June 30, 2014 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds		
General Fund	\$ 811,129	\$ -
Title I-A ESEA Basic Fund	-	457,949
Non-major Funds		
Vocational Education Fund	-	5,226
State ISEE Grant Fund	-	45,150
Title VI-B IDEA School Age Fund	-	200,251
Title VI-B IDEA Preschool Fund	-	13,202
Title VI-B Rural Low Income Fund	-	29,361
Perkins III Professional Technical Fund	-	22,193
Title III ESEA LEP Fund	-	15,079
Title II-A ESEA Improving Fund	-	22,718
	<u>\$ 811,129</u>	<u>\$ 811,129</u>

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

11. Interfund Transfers (continued)

Balances result from the time lag between the dates that the reimbursable expenditures occur and payments between funds are made. All balances are expected to be eliminated during the next fiscal year.

A summary of interfund transfers by fund is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds		
General Fund	\$ 33,654	\$ 410,054
Child Nutrition Fund	13,114	-
Title I-A ESEA Basic Fund	24,882	-
Plant Facility Fund	50,490	-
Non Major Funds		
Federal Forest Fund	-	33,654
State Technology Fund	236,707	-
Title VI-B IDEA School Age Fund	43,743	-
Title VI-B IDEA Preschool Fund	2,516	-
Perkins III Professional Technical Fund	13	-
Title III ESEA LEP Fund	3,061	-
21st Century Grant Fund	21,149	-
Medicaid Fund	14,379	-
	<u>\$ 443,708</u>	<u>\$ 443,708</u>

Transfers were made to move bus depreciation to the plant facility fund and to cover costs of salaries, benefits and operating costs of special revenue funds.

12. 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.

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

12. Fund Balances (continued)

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.

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>Debt Service Fund</u>	<u>Plant Facility Fund</u>	<u>Total</u>
Fund Balances:					
Restricted for:					
Child Nutrition	\$ -	\$ 49,348	\$ -	\$ -	\$ 49,348
Debt Service	-	-	1,081,457	-	1,081,457
Plant Facility	-	-	-	227,404	227,404
State ISEE Grant	-	2,749	-	-	2,749
Assigned to:					
Driver Education	-	2,946	-	-	2,946
Vocational Education	-	3,154	-	-	3,154
Unassigned:	<u>2,170,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,170,485</u>
Total					
Fund Balances	<u>\$ 2,170,485</u>	<u>\$ 58,197</u>	<u>\$ 1,081,457</u>	<u>\$ 227,404</u>	<u>\$ 3,537,543</u>

TETON COUNTY SCHOOL DISTRICT NO. 401
Notes to Financial Statements (continued)
June 30, 2014

13. Recently Issued GASB Standards

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 – Accounting and Financial Reporting for Pensions. The standard is effective for fiscal years beginning after June 15, 2014 so will be effective in the District’s next fiscal year. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to defined benefit pension plans. Implementation of this standard may have a material effect on the District’s financial statements.

14. Event Subsequent to the Date of the Independent Auditors' Report

In March 2015, the District was notified that the future interest requirement on the 2006 Bonds as reported in footnote No. 6 had been incorrectly overstated. Accordingly, the footnote was corrected to reflect the appropriate debt service requirements for the next 5 years and thereafter. In addition, the accrued interest liability reported in the Debt Service Fund was corrected to reflect these revised debt service requirements resulting in a decrease in expenditures of \$202,085 and a corresponding increase in the Debt Service Fund balance as of June 30, 2014 by \$202,085.

Required Supplementary Information

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
General Fund
Year Ended June 30, 2014

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Local sources				
Property taxes	\$ 3,126,267	\$ 3,126,267	\$ 3,396,942	\$ 270,675
Earnings on investments	5,000	5,000	3,148	(1,852)
Other	446,000	446,000	530,083	84,083
State sources				
State apportionment	6,767,855	6,767,855	7,143,051	375,196
Other	125,121	125,121	357,182	232,061
Federal sources				
Educational programs and other	-	-	400	400
Total Revenues	10,470,243	10,470,243	11,430,806	960,563
Expenditures				
Current				
Instructional	5,867,470	5,866,982	5,854,089	12,893
Pupil support	581,200	581,210	599,339	(18,129)
Staff support	217,414	216,903	199,832	17,071
General administration	425,065	427,519	404,572	22,947
School administration	798,489	798,492	792,563	5,929
Business operations	127,654	127,654	128,325	(671)
Operation	1,260,219	1,260,220	1,145,290	114,930
Transportation	769,492	826,237	762,344	63,893
Non-instructional	16,447	-	108	(108)
Capital outlay	-	-	11,241	(11,241)
Total Expenditures	10,063,450	10,105,217	9,897,703	207,514
Excess (Deficiency) of Revenues over Expenditures	406,793	365,026	1,533,103	1,168,077
Other Financing Sources (Uses)				
Transfers in	38,328	38,328	33,654	(4,674)
Transfers (out)	(324,639)	(341,086)	(410,054)	(68,968)
Net Change in Fund Balances	120,482	62,268	1,156,703	1,094,435
Fund Balance, Beginning of Year	556,151	556,151	1,013,782	457,631
Fund Balance, End of Year	\$ 676,633	\$ 618,419	\$ 2,170,485	\$ 1,552,066

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Child Nutrition Fund
Year Ended June 30, 2014

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local sources			
Lunch sales	\$ 151,500	\$ 165,795	\$ 14,295
Other	10,000	6,206	(3,794)
Federal sources			
Educational programs and other	380,000	435,166	55,166
Total Revenues	<u>541,500</u>	<u>607,167</u>	<u>65,667</u>
Expenditures			
Current			
Non-instructional	596,549	602,841	(6,292)
Total Expenditures	<u>596,549</u>	<u>602,841</u>	<u>(6,292)</u>
Excess (Deficiency) of			
Revenues over Expenditures	(55,049)	4,326	59,375
Other Financing Sources (Uses)			
Transfers in	23,049	13,114	(9,935)
Net Change in Fund Balances	(32,000)	17,440	49,440
Fund Balance, Beginning of Year	32,000	31,908	(92)
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 49,348</u>	<u>\$ 49,348</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Title I-A ESEA Basic Fund
Year Ended June 30, 2014

	Original and Final Budget Amounts	Actual Amounts	Final Budget Positive (Negative)
Revenues			
Federal sources			
Educational programs and other	\$ 261,245	\$ 255,318	\$ (5,927)
Total Revenues	261,245	255,318	(5,927)
Expenditures			
Current			
Instructional	285,224	280,200	5,024
Total Expenditures	285,224	280,200	5,024
Excess (Deficiency) of			
Revenues over Expenditures	(23,979)	(24,882)	(903)
Other Financing Sources (Uses)			
Transfers in	23,979	24,882	903
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Debt Service Fund
Year Ended June 30, 2014

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local sources			
Property taxes	\$ 1,520,880	\$ 1,538,363	\$ 17,483
Total Revenues	<u>1,520,880</u>	<u>1,538,363</u>	<u>17,483</u>
Expenditures			
Current			
Non-instructional	3,000	930	2,070
Debt service			
Principal	910,000	910,000	-
Interest	549,846	595,720	(45,874)
Total Expenditures	<u>1,462,846</u>	<u>1,506,650</u>	<u>(43,804)</u>
Net Change in Fund Balances	58,034	31,713	61,287
Fund Balance, Beginning of Year	<u>633,655</u>	<u>1,049,744</u>	<u>416,089</u>
Fund Balance, End of Year	<u>\$ 691,689</u>	<u>\$ 1,081,457</u>	<u>\$ 477,376</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Plant Facility Fund
Year Ended June 30, 2014

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Negative
Revenues				
Local sources				
Property taxes	\$ 400,000	\$ 400,000	\$ 406,653	\$ 6,653
State sources				
Other	47,000	47,000	-	(47,000)
Total Revenues	<u>447,000</u>	<u>447,000</u>	<u>406,653</u>	<u>(40,347)</u>
Expenditures				
Current				
Non-instructional	-	-	163,491	(163,491)
Capital outlay	419,016	400,000	61,874	338,126
Total Expenditures	<u>419,016</u>	<u>400,000</u>	<u>225,365</u>	<u>174,635</u>
Excess (Deficiency) of Revenues over Expenditures	27,984	47,000	181,288	134,288
Other Financing Sources (Uses)				
Transfers in	-	-	50,490	50,490
Net Change in Fund Balances	27,984	47,000	231,778	184,778
Fund Balance, Beginning of Year	<u>47,016</u>	<u>47,016</u>	<u>(4,374)</u>	<u>(51,390)</u>
Fund Balance, End of Year	<u>\$ 75,000</u>	<u>\$ 94,016</u>	<u>\$ 227,404</u>	<u>\$ 133,388</u>

See Independent Auditors' Report

Supplementary Information

TETON COUNTY SCHOOL DISTRICT NO. 401
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Federal Forest Fund	Drivers Education Fund	Vocational Education Fund
Assets			
Cash and Investments	\$ -	\$ 4,221	\$ -
Receivables			
State of Idaho	-		9,892
Other	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 4,221</u>	<u>\$ 9,892</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ 5,226
Accounts payable	-	-	-
Salary contracts payable	-	1,275	1,512
Total Liabilities	<u>-</u>	<u>1,275</u>	<u>6,738</u>
Fund Balances			
Restricted	-	-	-
Assigned	-	2,946	3,154
Total Fund Balances	<u>-</u>	<u>2,946</u>	<u>3,154</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 4,221</u>	<u>\$ 9,892</u>

See Independent Auditors' Report

State Technology Fund	State ISEE Grant Fund	Title VI-B IDEA School Age Fund	Title VI-B IDEA Preschool Fund
\$ 3,125	\$ -	\$ -	\$ -
-	48,500	-	-
-	-	244,200	15,525
\$ 3,125	\$ 48,500	\$ 244,200	\$ 15,525
-	45,150	200,251	13,202
2,500	-	-	-
625	601	43,949	2,323
3,125	45,751	244,200	15,525
-	2,749	-	-
-	-	-	-
-	2,749	-	-
\$ 3,125	\$ 48,500	\$ 244,200	\$ 15,525

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Combining Balance Sheet – Nonmajor Governmental Funds (continued)
June 30, 2014

	Title VI-B Rural and Low Income Fund	Perkins III Professional Technical Fund	Title III ESEA LEP Fund
Cash and Investments	\$ -	\$ -	\$ -
Receivables			
State of Idaho	-	-	-
Other	29,361	22,193	18,512
Total Assets	<u>\$ 29,361</u>	<u>\$ 22,193</u>	<u>\$ 18,512</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 29,361	\$ 22,193	\$ 15,079
Accounts payable	-	-	-
Salary contracts payable	-	-	3,433
Total Liabilities	<u>29,361</u>	<u>22,193</u>	<u>18,512</u>
Fund Balances			
Restricted	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 29,361</u>	<u>\$ 22,193</u>	<u>\$ 18,512</u>

See Independent Auditors' Report

Title II-A ESEA Improving Fund	21st Century Grant Fund	Medicaid Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 508	\$ 7,854
-	-	2,726	61,118
<u>22,718</u>	<u>-</u>	<u>-</u>	<u>352,509</u>
\$ 22,718	\$ -	\$ 3,234	\$ 421,481
\$ 22,718	\$ -	\$ -	\$ 353,180
-	-	-	2,500
<u>-</u>	<u>-</u>	<u>3,234</u>	<u>56,952</u>
<u>22,718</u>	<u>-</u>	<u>3,234</u>	<u>412,632</u>
-	-	-	2,749
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,100</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,849</u>
\$ 22,718	\$ -	\$ 3,234	\$ 421,481

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Federal Forest Fund	Drivers Education Fund	Vocational Education Fund
Revenues			
Local sources			
Other	\$ -	\$ 15,724	\$ -
State sources			
Other	-	11,814	36,519
Federal sources			
Educational programs and other	33,654	-	-
Total Revenues	33,654	27,538	36,519
Expenditures			
Current			
Instructional	-	28,216	33,365
Pupil support	-	-	-
Staff support	-	-	-
General administration	-	-	-
Capital outlay	-	-	-
Total Expenditures	-	28,216	33,365
Excess (Deficiency) of Revenues over Expenditures	33,654	(678)	3,154
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	(33,654)	-	-
Net Change in Fund Balances	-	(678)	3,154
Fund Balance, Beginning of Year	-	3,624	-
Fund Balance, End of Year	\$ -	\$ 2,946	\$ 3,154

See Independent Auditors' Report

State Technology Fund	State ISEE Grant Fund	Title VI-B IDEA School Age Fund	Title VI-B IDEA Preschool Fund
\$ -	\$ -	\$ -	\$ -
55,916	48,724	-	-
-	-	244,200	15,525
<u>55,916</u>	<u>48,724</u>	<u>244,200</u>	<u>15,525</u>
-	30,060	287,943	18,041
-	2,657	-	-
259,985	-	-	-
-	13,258	-	-
<u>32,638</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>292,623</u>	<u>45,975</u>	<u>287,943</u>	<u>18,041</u>
(236,707)	2,749	(43,743)	(2,516)
236,707	-	43,743	2,516
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2,749	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 2,749</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
Year Ended June 30, 2014

	Title VI-B Rural and Low Income Fund	Perkins III Professional Technical Fund	Title III ESEA LEP Fund
Revenues			
Local sources			
Other	\$ -	\$ -	\$ -
State sources			
Other	-	-	-
Federal sources			
Educational programs and other	29,361	22,193	18,884
Total Revenues	29,361	22,193	18,884
Expenditures			
Current			
Instructional	29,361	22,206	21,945
Pupil support	-	-	-
Staff support	-	-	-
General administration	-	-	-
Capital outlay	-	-	-
Total Expenditures	29,361	22,206	21,945
Excess (Deficiency) of Revenues over Expenditures	-	(13)	(3,061)
Other Financing Sources (Uses)			
Transfers in	-	13	3,061
Transfers (out)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See Independent Auditors' Report

Title II-A ESEA Improving Fund	21st Century Grant Fund	Medicaid Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 15,724
-	-	102,657	255,630
<u>22,718</u>	<u>118,351</u>	<u>-</u>	<u>504,886</u>
<u>22,718</u>	<u>118,351</u>	<u>102,657</u>	<u>776,240</u>
22,718	139,500	-	633,355
-	-	117,036	119,693
-	-	-	259,985
-	-	-	13,258
-	-	-	32,638
<u>22,718</u>	<u>139,500</u>	<u>117,036</u>	<u>1,058,929</u>
-	(21,149)	(14,379)	(282,689)
-	21,149	14,379	321,568
-	-	-	(33,654)
-	-	-	5,225
-	-	-	3,624
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,849</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Combining Statement of Changes in Assets and Liabilities
Student Activities – Agency Funds
Year Ended June 30, 2014

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
Teton High School				
Assets				
Cash	\$ 97,200	\$ 311,556	\$ 306,836	\$ 101,920
Liabilities				
Due to student groups	\$ 97,200	\$ 311,556	\$ 306,836	\$ 101,920
Teton Middle School				
Assets				
Cash	\$ 7,946	\$ 55,848	\$ 59,053	\$ 4,741
Liabilities				
Due to student groups	\$ 7,946	\$ 55,848	\$ 59,053	\$ 4,741
Rendezvous Elementary School				
Assets				
Cash	\$ 313	\$ 27,951	\$ 28,113	\$ 151
Liabilities				
Due to student groups	\$ 313	\$ 27,951	\$ 28,113	\$ 151
Victor Elementary School				
Assets				
Cash	\$ 6,668	\$ 16,862	\$ 17,687	\$ 5,843
Liabilities				
Due to student groups	\$ 6,668	\$ 16,862	\$ 17,687	\$ 5,843
Tetonia Elementary School				
Assets				
Cash	\$ 3,282	\$ 8,301	\$ 7,129	\$ 4,454
Liabilities				
Due to student groups	\$ 3,282	\$ 8,301	\$ 7,129	\$ 4,454
Driggs Elementary School				
Assets				
Cash	\$ 562	\$ 20,999	\$ 20,349	\$ 1,212
Liabilities				
Due to student groups	\$ 562	\$ 20,999	\$ 20,349	\$ 1,212
Total - All School Activity Funds				
Assets				
Cash	\$ 108,575	\$ 441,517	\$ 439,167	\$ 118,321
Liabilities				
Due to student groups	\$ 108,575	\$ 441,517	\$ 439,167	\$ 118,321

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Activity in Taxes Receivable Accounts by Fund
Year Ended June 30, 2014

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Plant Facility Fund</u>
Teton County			
Balance at June 30, 2013	\$ 1,148,535	\$ 563,197	\$ 163,895
Add - Taxes Assessed for 2013 (Net of Cancellations)	3,323,137	1,515,111	395,906
Less - Collections Received	<u>3,289,380</u>	<u>1,533,509</u>	<u>414,856</u>
Balance at June 30, 2014	<u>\$ 1,182,292</u>	<u>\$ 544,799</u>	<u>\$ 144,945</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
General Bonded Debt – Future Principal and Interest Requirements
June 30, 2014

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
General Obligation				
Refunding	3.000%	2015	\$ 495,000	\$ 40,425
School Bonds	3.125%	2016	510,000	25,031
Series 2004	3.250%	2017	525,000	8,531
			\$ 1,530,000	\$ 73,987

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
General Bonded Debt – Future Principal and Interest Requirements (continued)
June 30, 2014

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
General Obligation				
School Bonds	4.250%	2015	\$ 330,000	\$ 43,825
Series 2006	4.250%	2016	385,000	28,050
	4.500%	2017	435,000	9,788
			\$ 1,150,000	\$ 81,663

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
General Bonded Debt – Future Principal and Interest Requirements (continued)
June 30, 2014

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
General Obligation				
Refunding	4.000%	2015	\$ -	\$ 431,825
School Bonds	4.000%	2016	-	431,825
Series 2012	4.000%	2017	-	431,825
	5.000%	2018	985,000	407,200
	5.000%	2019	1,030,000	356,825
	5.000%	2020	1,090,000	303,825
	5.000%	2021	1,145,000	247,950
	5.000%	2022	1,030,000	193,575
	4.000%	2023	1,040,000	147,025
	4.000%	2024	1,080,000	104,625
	4.000%	2025	1,125,000	60,525
	3.250%	2026	1,170,000	19,013
			\$ 9,695,000	\$ 3,136,038

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Teton High School Activity Fund
Statement of Cash Receipts Disbursements and Transfers
Year Ended June 30, 2014

Name of Organization	Balance June 30, 2013	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2014
Athletics	\$ 3,837	\$ 49,004	\$ 66,962	\$ 14,786	\$ 665
Principal Account	-	1,000	-	-	1,000
Baseball Travel	25	663	75	12	625
Baseball Camp	965	930	1,435	-	460
Softball Travel	-	525	-	-	525
Softball Camp	(194)	233	127	-	(88)
Boys Basketball Travel	-	525	-	-	525
Boys Basketball Camp	2,085	2,380	2,804	-	1,661
Calculator Rental	1,026	1,307	1,646	-	687
Cheerleaders	2,894	16,094	18,563	(323)	102
Cheerleader Travel	-	250	275	25	-
Drill Team	4,266	15,632	15,011	(29)	4,858
Drill Team Travel	-	275	150	-	125
Golf Spirit Packs	27	-	-	-	27
Girls Basketball Travel	-	760	50	-	710
Girls Basketball Camp	2,247	1,442	2,932	(229)	528
Football Travel	-	1,375	-	50	1,425
Football Camp	1,509	5,564	5,327	(1,292)	454
Track Travel	-	1,900	125	(25)	1,750
Track Spirit Packs	(12)	195	-	-	183
Cross Country Travel	-	975	950	-	25
X Cntry Food/Uniform	(3)	1,650	1,514	20	153
Volleyball Travel	-	540	525	-	15
Volleyball Camp	104	4,743	3,396	(1,780)	(329)
Soccer Travel	-	1,200	1,100	-	100
Girls Soccer Camp	816	4,166	1,795	-	3,187
Boys Soccer Camp	178	830	568	(390)	50
Wrestling Travel	-	250	100	-	150
Wrestling Camp	2,037	125	575	-	1,587
Class of 2012	1,050	-	-	-	1,050
Class of 2013	1,630	50	-	-	1,680
Class of 2014	4,351	2,694	8,592	3,312	1,765
Class of 2015	1,931	4,863	1,684	162	5,272
Class of 2016	838	2,655	1,083	125	2,535
Class of 2017	-	842	184	(84)	574
FFA	3,486	1,085	1,509	2,000	5,062
FCCLA	741	-	-	-	741
Voice	-	864	309	-	555
Source of Strength	-	3,000	263	-	2,737
Honor Society	422	5,844	5,657	-	609
BPA	55	1,170	1,136	-	89
Debate Travel	-	200	-	-	200
Debate Club	633	317	157	-	793
Quiz Bowl	100	-	-	-	100
Quiz Bowl Travel	-	-	-	-	-
Agriculture	3,138	6,336	5,995	(2,130)	1,349

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Teton High School Activity Fund
Statement of Cash Receipts Disbursements and Transfers (continued)
Year Ended June 30, 2014

Name of Organization	June 30, 2013	Cash Receipts	Cash Disbursements	Transfers	June 30, 2014
Art	368	4,401	4,085	(236)	448
Family/Consumer Science	(136)	2,463	2,035	(119)	173
Woods	97	1,803	1,751	(77)	72
Robotics	2,859	2,883	2,475	-	3,267
Business Department	134	-	90	-	44
ASB	5	15,687	40	(15,612)	40
Yearbook II	1,266	674	59	(1,806)	75
Yearbook 2008	(15)	-	-	-	(15)
Yearbook 2009	5	-	-	-	5
Yearbook 2011	50	-	-	(50)	-
Yearbook 2012	125	-	-	(125)	-
Yearbook 2013	3,935	4,081	10,557	1,625	(916)
Yearbook 2014	-	7,555	-	95	7,650
Student Council	1,713	5,140	4,115	360	3,098
Newspaper	621	875	877	-	619
Newspaper II	105	-	-	-	105
Bookstore	1,125	10,748	17,889	3,339	(2,677)
Donations	2,748	-	710	-	2,038
Senior Sneak	-	5,620	2,160	(3,460)	-
Building Rental	255	340	535	-	60
Auditorium Rental	2,966	2,093	1,418	-	3,641
Winter Sports	912	12,533	10,696	(375)	2,374
High School Office	24	4,542	4,482	(62)	22
Women's Fitness	30	-	-	-	30
Sales Tax	274	2,638	5,090	2,706	528
Vending	3,432	8,900	10,224	-	2,108
Sched. Change/Reprint	2,500	972	2,230	(75)	1,167
Book Damage/Replace	3,128	840	124	-	3,844
Scholarship Fund	24,704	15,950	24,850	-	15,804
Drivers Ed	125	14,541	11,486	-	3,180
IDLA	-	11,130	10,660	(200)	270
Drama	178	68	-	-	246
Play Club	232	7,938	4,394	-	3,776
Music Department	545	20,929	20,011	(138)	1,325
Environmental Club	51	297	207	-	141
Latino Club	905	327	111	-	1,121
Library	754	831	381	-	1,204
Interact Club	835	304	462	-	677
National Forensics	5	-	-	-	5
Basin High School	23	-	23	-	-
Basin Marketing	35	-	35	-	-
Petty Cash	100	-	-	-	100
\$	97,200	\$ 311,556	\$ 306,836	\$ -	\$ 101,920

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Teton Middle School Activity Fund
Statement of Cash Receipts Disbursements and Transfers
Year Ended June 30, 2014

Name of Organization	Balance June 30, 2013	Cash Receipts	Cash Disbursements	Transfers	Balance June 30, 2014
General Account	\$ -	\$ -	\$ -	\$ -	\$ -
Student Store	2,177	5,035	6,005	-	1,207
Winter Sports	-	16,837	16,837	-	-
Insurance	-	56	65	-	(9)
Library	1,112	198	49	-	1,261
Photo	854	-	-	-	854
Vending	555	-	116	-	439
Yearbook	-	3,444	3,300	-	144
Student Dues	-	7,718	8,038	-	(320)
Debate	-	-	-	-	-
Music	576	4,268	4,483	-	361
Office	1,040	10,400	12,115	-	(675)
Athletics	1,124	4,795	5,566	-	353
Lego Club	-	500	-	-	500
Student Council	524	-	391	-	133
Gifted	(16)	2,597	2,088	-	493
	<u>\$ 7,946</u>	<u>\$ 55,848</u>	<u>\$ 59,053</u>	<u>\$ -</u>	<u>\$ 4,741</u>

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Revenues Cash Basis</u>
U.S. Department of Agriculture			
Passed Through State Department of Education:			
* Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 133,809	\$ 133,809
National School Lunch Program	10.555	369,584	369,584
Summer Food Service Program for Children	10.559	5,000	5,000
Total Child Nutrition Cluster		<u>508,393</u>	<u>508,393</u>
Passed Through Teton County			
Federal Forest	10.665	<u>33,654</u>	<u>33,654</u>
Total Department of Agriculture		<u>542,047</u>	<u>542,047</u>
U.S. Department of Education			
Passed Through State Department of Education:			
Title I-Basic	84.010	255,318	30,041
* Special Education Cluster			
Title VI-B	84.027	244,200	-
Title VI-B - Preschool	84.173	<u>15,525</u>	<u>1,447</u>
Total Special Education Cluster		259,725	1,447
Vocational Education Grant	84.048	22,193	21,349
Twenty-First Century Community Learning Centers	84.287	118,351	118,351
Rural Education	84.358	29,361	-
English Language Acquisition Grant	84.365	18,884	20,718
Improving Teacher Quality	84.367	22,718	44,782
College Access Challenge Grant	84.378	<u>400</u>	<u>400</u>
Total Department of Education		<u>726,950</u>	<u>237,088</u>
Total Federal Assistance		<u>\$ 1,268,997</u>	<u>\$ 779,135</u>

* Major Federal Program

See Independent Auditors' Report

TETON COUNTY SCHOOL DISTRICT NO. 401
Note to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Teton County School District No. 401 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.



RUDD & COMPANY^{PLC}

**INDEPENDENT AUDITORS' 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
Teton County School District No. 401
Driggs, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Teton County School District No. 401 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Teton County School District No. 401's basic financial statements, and have issued our report thereon dated October 9, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Teton County School District No. 401's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Teton County School District No. 401's internal control. Accordingly, we do not express an opinion on the effectiveness of Teton County School District No. 401's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did

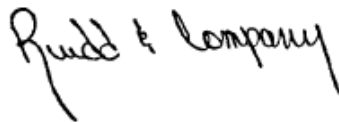
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Teton County School District No. 401's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Rudd & Company".

Idaho Falls, Idaho
October 9, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees
Teton County School District No. 401
Driggs, Idaho

Report on Compliance for Each Major Federal Program

We have audited Teton County School District No. 401'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 Teton County School District No. 401's major federal programs for the year ended June 30, 2014. Teton County School District No. 401's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Teton County School District No. 401's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Teton County School District No. 401's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Teton County School District No. 401's compliance.

Opinion on Each Major Federal Program

In our opinion, Teton County School District No. 401, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-1. Our opinion on each major federal program is not modified with respect to these matters.

Teton County School District No. 401's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Teton County School District No. 401's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

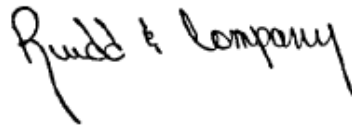
Report on Internal Control Over Compliance

Management of Teton County School District No. 401 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Teton County School District No. 401's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Teton County School District No. 401's internal control over compliance.

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

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

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

A handwritten signature in cursive script that reads "Rudd & Company".

Idaho Falls, Idaho
October 9, 2014

TETON COUNTY SCHOOL DISTRICT NO. 401
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Qualified
Internal control over financial reporting:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant Deficiencies identified?	No
Type or auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

TETON COUNTY SCHOOL DISTRICT NO. 401
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section I - Summary of Auditors' Results (continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program
Special Education Cluster	
84.027	Title VI-B – Special Education Cluster
84.173	Title VI-B – Preschool Special Education Grant
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Findings – Major Federal Award Programs

None

TETON COUNTY SCHOOL DISTRICT NO. 401
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

U.S. DEPARTMENT OF EDUCATION

Title I – Basic – CFDA No. 84.010

Finding 2013-1

Conditions: During the prior fiscal year, the District participated with the State of Idaho Department of Education in a monitoring program over federal programs including Title I – Basic. During this process, several findings were documented and the District was instructed to make various improvements.

Recommendation: Comply with State monitoring recommendations.

Current Status: The District continues to work with the State Department of Education to implement recommendations made in the previous year. Though the District has made significant progress, there continues to be findings outstanding that need to be addressed.

Finding 2013-2

Condition: A significant deficiency in the oversight of the Title I program was noted based upon the results of the Idaho State Department of Education monitoring process and results.

Recommendation: Procedures should be established to ensure proper technical training for Program Administrators. State recommendations should be implemented.

Current Status: The District oversight in the area of federal programs has been in a state of transition. This change in directors has resulted in a slower than expected improvement in this area and a slower than expected response to the findings outlined by the State.