



SCHOOL DISTRICT NO. 1

FINANCIAL STATEMENTS

June 30, 2012

C O N T E N T S

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Great Falls Public Schools

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LETTER OF TRANSMITTAL

The Great Falls School District is the second largest district in the state and the third largest employer in Great Falls. Approximately two thousand local residents are employed by the school district in a variety of capacities. This includes teachers of just over 10,000 students enrolled in 21 schools. Approximately 600 support staff provide adult supervision in special education and elementary classrooms, prepare and serve meals, clean and maintain 1.9 million square feet of buildings, repair boilers and plumbing, and maintain 295 acres of grounds. Another 300, mostly part-time people, coach youngsters in after school sports programs and approximately 250 people are employed on a fairly regular basis as substitute teachers.

The local economy is feeling the negative impact of the national and state economic downturn. Great Falls, the seat for Cascade County operations, serves as a major hub for business for the central and northern part of the state. There are excellent medical, college and vocational technology education options for people in this area of the state as well. Because of the size of the community and number of businesses located here, it helps create a stable source of employment. More retired people are moving into the district to take advantage of the excellent health care system. Malmstrom Air Force Base also has a major impact on the vitality of the community. Below are a number of identified topics which will or may have an impact on the general operations of the Great Falls Public School District.

FUNDING

State Government Legislative Action:

During the 2009 legislative session, the legislature used one-time-only federal stimulus money to help fund the General Fund Budgets for Montana School Districts. Schools were granted a 3% increase in each year of the biennium. By using this additional federal funding, it caused problems for the next legislature as they met again in January of 2011. The State needed approximately \$45,000,000 in additional funding for the Montana school general fund budgets to maintain the current status. Poor stock market performance had a negative impact on the State retirement systems as well. Projected revenues for the State have also fallen off dramatically due to the poor performance of the economy. The State ended up with a larger than anticipated reserve, due in part to an \$81 million dollar payment from Arch Coal Inc. This money is part of a lease agreement to mine coal in the Otter Creek area in Southeast Montana. The State also put Federal Jobs money, intended for schools, into the State General Fund budget while not allowing it to be used for its purpose of hiring additional teaching staff. Even with the surplus balance, the State had a difficult time replacing the federal stimulus money. Schools across the state, including Great Falls, experienced a decrease in funding due to declining enrollment as well as a reduction in the basic funding formula. The initial fiscal impact on the Great Falls School District amounted to a decrease in the General Fund Budget of \$2.769 million.

FUNDING (CONTINUED)

Mill Levy Election/Senate Bill 329:

In May 2011, the District ran a General Fund mill levy election requesting \$998,000. At the time of the election, the legislative session had not concluded. After the legislative session ended, the outcome was that the District needed approximately \$2,800,000 to maintain the same budget as the previous year. This decrease can be attributed to declining enrollment and reductions in both the school and student components of the funding formula. The local levy failed by a vote of 15,978 to 18,974. As a result of a lower budget, the District reduced staff by twenty-two teaching positions in addition to corresponding support personnel. As the trustees set the budget for the 2011-12 school year, they were able to use a provision in the newly passed Senate Bill 329 to help alleviate the deficit.

Senate Bill 329:

Senate 329 Bill language was designed to encourage school districts to not spend the entire amount levied each year. Under the provisions of Senate Bill 329, the District was able to “look back” five years and utilize any mills which were approved by the voters, but not used. Because a major corporation had protested their taxes, our district had available mills which had been approved, but not used. After a series of public meetings, the School Board Trustees decided to take advantage of language included in Senate Bill 329. The trustees chose an option which added additional revenue to the budget, but did not increase the mills. Even with this added assistance, the General Fund budget was \$1,348,017 lower than the previous year as opposed to a \$2,769,238 reduction.

Multi-district Agreements:

The District entered into two Multi-district Agreements. These include a technology based agreement with Cascade Public Schools and an agreement between the high school and elementary district. The high school/elementary agreement, although not funded for the 2011-12 school year, will provide an avenue to help balance the discrepancy which exists due to increasing enrollment in the elementary and decreasing enrollment in the high school. Because of our involvement in the technology consortium with the Cascade School District, the Great Falls Public School District will receive approximately \$129,000 in incentive payments from the state.

Federal Funding:

The American Recovery and Reinvestment Act ended September 30, 2011, which meant federal funding was reduced by approximately 50%. Fortunately, the District had budgeted most of this funding in materials and short term programs so as to avoid a funding cliff and multiple layoffs. Title I and IDEA continue to be the largest formula based federal programs. Safe and Drug Free funding and Technology funding has been discontinued. Current discussion in Washington DC cautions schools to expect a decline in federal funding.

FUNDING (CONTINUED)

Protested and Uncollectable Taxes:

A complicating factor for the Great Falls School District continues to be the PPL tax protest that continued for nearly a decade during which PPL's tax dollars were largely held in an escrow account until the state court's decision that PPL must pay those taxes to entities such as the Great Falls Public Schools. The resulting payment of three and a half million dollars in tax receipts were used in lieu of requesting taxes from our local taxpayers. With the District having come to the end of that reserve, its impact is being felt because the taxpayer base has not been established in the budget for those funds. One time revenues do not help meet ongoing operational costs.

ENROLLMENT

The enrollment in the Great Falls Public School District has declined annually since the 2007-08 school year. Current enrollment in the high school is 3115 students and the elementary reported 7035 students. The Montana school funding system bases the amount of the general fund budget on student enrollment. Because our district is annually experiencing a slight decline in enrollment, it has had a negative impact on the General Fund budgets. A bright spot is that the elementary district is consistently experiencing increasing enrollment in the lower grades. The high school district has become an active participant in the Graduation Matters Statewide initiative which is taking a proactive approach to decreasing the dropout rates in the state. This proactive effort should have a positive impact on high school enrollments by lowering the dropout rate.

EDUCATIONAL PROGRAMMING CHANGES

Pre-School Program Early Learning Family Center:

The Skyline School serves as an excellent location for the pre-school program. The District leases out space to Great Falls Parent Participation Preschool, Benefis Health Systems, Opportunities Incorporated, Cascade County, and Quality Life Concepts to recoup the cost of operating this facility. With new leases entered into during the past year, this facility now breaks even financially while supporting quality educational programs for young children. The Great Falls District is a model for the benefits of pre-school education for the state of Montana. Statistics demonstrate the positive impact this pre-school program has had on preparing students for kindergarten.

After School Program:

The after school student assistance program in the elementary schools was eliminated due to the failure of the levy election. It is still in operation in the middle schools.

EDUCATIONAL PROGRAMMING CHANGES (CONTINUED)

Poverty Increase:

During the 2011-12 school year, forty percent of elementary students in Great Falls Public Schools came from families that qualify for free or reduced lunch. The number of homeless students is increasing in Great Falls. In 2006-2007 GFPS identified 37 students as homeless. This number rose to 244 in 2010-2011 and 294 for the 2011-2012 school year. This increase has had a major impact on the transportation budget because the District is required to allow each homeless student to attend the school they were enrolled in at the time they became homeless.

ENERGY PROJECTS AND FACILITIES IMPROVEMENTS

Facilities:

The Great Falls School District has a reputation for the quality of the care of District facilities. Because of the age of the buildings in the District, millions of dollars are needed to repair heating systems, circulate adequate fresh air, save energy on utility use, and bring schools in line with life safety requirements such as: security, alarm systems, and egress/lock systems. The District borrowed, through the State InterCap Loan Program, \$8.3 million to address energy issues in the District. (See below for description). The District convened a community based group to study Great Falls High School and create a Master Plan for this facility.

Energy Retrofit Project:

During the 2011 legislative session, the District worked with the legislature to pass House Bill 184. This new law allows schools to borrow money over a fifteen year time period, rather than ten years. The District borrowed \$8.3 million at an approximate one percent interest rate to complete a number of energy savings projects throughout the District. The projects included lighting changes, motion sensors to shut off lighting when it is not needed, water conservation items to reduce the amount of water used, digital controls to replace antiquated pneumatic systems, unit ventilators to bring fresh air into classrooms, and replaced boilers which had come to the end of their life cycle. Energy savings from the project is expected to save enough to annually cover the bond payment for this project.

Completed Facility Improvements:

During the 2011-12 school year, many facility improvements were completed including paving, boiler work, new bleachers, carpeting, drain collection, trash compactors, landscaping, lockers, and fire alarm system upgrades. The District focused on safety issues which were identified through safety meetings. These periodic meetings were held at each school throughout the year. Great Falls High School science teachers pursued grants to help pay for the installation of solar panels on the roof. This project not only saves the District money, but serves as a valuable learning tool in renewable energy for students.

ENERGY PROJECTS AND FACILITIES IMPROVEMENTS (CONTINUED)

Technology:

The District's goal is to infuse the tools of modern business and research into the school setting by increasing student access to technology. Fiber upgrades, wireless implementation, and increasing the ratio of computers to students are focal points for the District. When students have access to technology: engagement increases, relevance improves, and students stay "switched on" at school. The District receives \$225,000 in funding annually through a technology levy to improve the infrastructure in the District. The District will continue to address infrastructure issues. At the end of the year, the District was informed that they had received a Striving Readers Grant. This grant will help integrate technology into the learning environment. The current telephone system is at its "end of life" and has been identified to be addressed in the immediate future.

DISTRICT RESERVES – GASB 54

In July of 2011, the trustees approved Policy 7515 which implemented Governmental Accounting Standards Board (GASB) 54. This new standard requires districts to designate fund balances into specific categories of non-spendable, restricted, committed, assigned, and unassigned. This policy, which is required of all governmental units, has helped the district provide a clearer picture of reserves and their purpose.

CONTACT FOR ADDITIONAL INFORMATION

If you have questions about this report or need additional information, contact the Director of Business Operations for the Great Falls Public School District. Brian Patrick 406-268-6050.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
ORGANIZATION
June 30, 2012

BOARD OF TRUSTEES

Jan Cahill Chairperson
Mary Sheehy Moe..... Vice-Chairperson
Jeff Gray.....Trustee
Ann JanikulaTrustee
Robert Moretti.....Trustee
Laura Vukasin.....Trustee
Johnny WalkerTrustee

OFFICIALS

Dr. Cheryl Crawley District Superintendent of Schools
Betty KunkelCounty Superintendent of Schools
John Parker.....County Attorney
Brian Patrick Director of Business Operations



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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • MSI GLOBAL ALLIANCE INDEPENDENT MEMBER FIRM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
School District Number 1
Cascade County
Great Falls, Montana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District Number 1, Cascade County, Great Falls, Montana (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District Number 1, Cascade County, Great Falls, Montana, at June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2013 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information as listed in the table of contents 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 management's discussion and analysis and the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The other supplemental schedules on pages 56-57 are presented for purposes of additional analysis as required by the Montana Office of Public Instruction and are not a required part of the financial statements. The remaining other supplemental schedules as listed in the table of contents are presented for the purposes of additional analysis and are also not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information as the other supplemental schedules listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The introductory section on pages 1-6 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Anderson Zinn Mueller & Company, P.C.

Great Falls, Montana
January 21, 2013

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2012
(Unaudited)

The discussion and analysis of School District Number 1, Cascade County, Great Falls, Montana's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2012 are as follows:

- In total, net assets decreased \$1,344,174, from \$37,617,106, after restatement, to \$36,272,932, which represents a 3.57 percent decrease. In fiscal year 2011 net assets decreased \$2,706,474.
- Federal Impact Aid revenue decreased by 31.23 percent, or \$314,567, from \$1,007,222 to \$692,655.
- Interest on investments decreased by 10.13 percent, or \$22,729, from \$224,403 to \$201,674. This is due to a poor economy with the continued trend of lower interest rates as well as less money invested.
- Total revenues for the district increased by \$1,286,749 which can be attributed to increases in Direct State Aid of \$4,153,502, County Retirement \$652,147 and a District Levy increase of \$504,571. These increases were offset by decreases in Federal Impact Aid revenue \$314,567, State Guaranteed Tax Base subsidy \$301,888, and interest earnings \$22,729, as well as decreases in operating grants and contributions.
- General revenues accounted for \$73,531,907 in revenue or 80.10 percent of all revenues. Program specific revenues, in the form of charges for services and operating grants and contributions, accounted for \$18,267,158 or 19.90 percent of total revenues of \$91,799,065. When compared to fiscal year 2011, general revenues increased by \$4,899,310 while program specific revenues decreased by \$3,612,561, for a net increase in total revenues of \$1,286,749.
- From 2011 to 2012, Instructional Services expenditures increased by \$1,707,634 which is a 2.89 percent increase.
- Total assets of governmental activities decreased by \$112,780 as cash and investments decreased by \$6,421,054, taxes receivables increased by \$307,253, other current assets decreased by \$146,900 and net capital assets increased by \$6,147,921.
- The School District had \$93,143,239 in expenses. \$18,267,158 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state and county equalization and federal impact aid) of \$73,531,907 were not adequate to provide for these programs so reserves of \$1,344,174 were used to fund the difference.
- Among the major funds, the general fund had \$62,273,033 in revenues and \$62,871,378 in expenditures. The general fund's fund balance decreased \$598,345.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

USING THIS GENERAL ACCEPTED ACCOUNTING PRINCIPLES REPORT (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand School District Number 1, Cascade County, Great Falls, Montana as a financial whole, an entire operating entity. These statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of School District Number 1, Cascade County, Great Falls, Montana, the general fund is by far the most significant fund.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Assets and Statements of Activities:

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private – sector companies. These bases of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in net assets. This change in net assets is important because it tells the reader whether, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Montana restricting revenue growth, facility condition, required educational programs and other factors.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements:

The analysis of the School District's major funds begins on page 21. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major Governmental funds are the general fund and miscellaneous programs fund, and the Elementary District's impact aid fund.

Governmental Funds:

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2012 compared to 2011.

Table 1
Net Assets

	<u>2012</u>	<u>2011</u>	<u>Annual Change</u> <u>Amount</u>	<u>Percent</u>
ASSETS				
Current assets, including cash, investments, receivables, inventories, and prepaid expenses	\$ 28,456,658	\$ 35,259,781	\$ (6,803,123)	-19.29%
Long-term assets, including investments and capital assets comprised of land, buildings, improvements, machinery/equipment	<u>25,861,923</u>	<u>19,171,580</u>	<u>6,690,343</u>	34.90%
Total assets	<u>54,318,581</u>	<u>54,431,361</u>	<u>(112,780)</u>	-0.21%

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

	<u>2012</u>	<u>2011</u>	<u>Annual Change</u>	
			<u>Amount</u>	<u>Percent</u>
LIABILITIES				
Current liabilities	2,840,751	2,307,870	532,881	23.09%
Long-term liabilities	15,204,898	14,827,859	377,039	2.54%
Total liabilities	18,045,649	17,135,729	909,920	5.31%
NET ASSETS				
Invested in capital assets, net of debt	4,372,153	4,625,222	(253,069)	-5.47%
Unrestricted	31,900,779	32,670,410	(769,631)	-2.36%
Total net assets	\$ 36,272,932	\$ 37,295,632	\$ (1,022,700)	-2.74%

Total current and long term assets of governmental activities decreased by \$112,780. Cash and cash equivalents decreased by \$6,421,054 and taxes receivable increased by \$307,253. Other current assets decreased by \$146,900, and capital assets increased by \$6,147,921. Unrestricted net assets, the part of net assets that can be used to finance day to day activities without constraints, decreased by \$769,631.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

Table 2
Changes in Net Assets

	<u>2012</u>	<u>2011</u>	<u>Annual Change</u>		<u>Percent of Total</u>
			<u>Amount</u>	<u>Percent</u>	
REVENUES					
Program revenues:					
Charges for services	\$ 1,579,962	\$ 1,684,534	\$ (104,572)	-6.21%	1.72%
Operating grants and contributions	16,687,196	20,195,185	(3,507,989)	-17.37%	18.18%
General revenues:					
District levy	20,375,679	19,871,108	504,571	2.54%	22.20%
Direct state aid	28,647,755	24,494,253	4,153,502	16.96%	31.21%
State guaranteed tax base subsidy	11,344,646	11,646,534	(301,888)	-2.59%	12.36%
Other state revenue	2,353,772	2,362,941	(9,169)	-0.39%	2.56%
Federal impact aid revenue	692,655	1,007,222	(314,567)	-31.23%	0.75%
County retirement distribution	8,005,836	7,353,689	652,147	8.87%	8.72%
Interest	201,674	224,403	(22,729)	-10.13%	0.22%
Miscellaneous	2,005,795	1,669,954	335,841	20.11%	2.18%
Special item - gain on sale of assets	4,095	2,493	1,602	64.26%	-4.10%
Transfers	(100,000)	-	(100,000)		-0.11%
Total revenues	91,799,065	90,512,316	1,286,749	1.42%	100.00%

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

	<u>2012</u>	<u>2011</u>	<u>Annual Change</u>		<u>Percent of Total</u>
			<u>Amount</u>	<u>Percent</u>	
PROGRAM EXPENSES					
Regular Programs:					
Instructional services	43,524,640	42,224,923	1,299,717	3.08%	46.73%
Supportive services	4,087,058	3,760,100	326,958	8.70%	4.39%
Education. media services	1,639,951	1,888,925	(248,974)	-13.18%	1.76%
General admin. services	1,468,738	1,366,944	101,794	7.45%	1.58%
School admin. services	4,546,792	4,548,298	(1,506)	-0.03%	4.88%
Business services	2,789,569	2,847,455	(57,886)	-2.03%	2.99%
Operation and maintenance services	9,734,201	11,476,768	(1,742,567)	-15.18%	10.45%
Special programs:					
Instructional services	13,353,493	12,845,725	507,768	3.95%	14.34%
Supportive services	1,590,152	1,969,833	(379,681)	-19.27%	1.71%
School admin. services	250,441	246,015	4,426	1.80%	0.27%
Student transportation services	808,944	857,490	(48,546)	-5.66%	0.87%
Vocational programs:					
Instructional services	2,135,275	2,235,126	(99,851)	-4.47%	2.29%
Extracurricular activities	1,553,805	1,607,444	(53,639)	-3.34%	1.67%
School food services	3,304,217	3,171,951	132,266	4.17%	3.55%
Student transportation services	1,617,043	1,647,145	(30,102)	-1.83%	1.74%
Resources transferred to other districts	636,616	524,648	111,968	21.34%	622.28%
Interest on Long Term Debt	102,304	-	102,304		0.11%
Total expenses	<u>93,143,239</u>	<u>93,218,790</u>	<u>(75,551)</u>	-0.08%	100.00%
Change in net assets	<u>\$ (1,344,174)</u>	<u>\$ (2,706,474)</u>	<u>\$ 1,362,300</u>	-50.33%	

Governmental Activities:

The unique nature of property taxes in Montana creates the need to routinely seek voter approval for the School District operations. For the 2011-12 school year, the school board chose not to run an operating voted general fund levy. Total property tax levies in the form of a District Levy made up 22.20 percent of revenues for government activities for School District Number 1, Cascade County, Great Falls, Montana for fiscal year 2012.

General revenues, 80.10 percent of total revenues, totaled \$73,531,907. These general revenues increased when compared to fiscal year 2011 by \$4,899,310. This is primarily the result of Direct State aid increasing. At Risk payments were also re-instituted by the legislature. The trustees chose to use a portion of a permissive levy made available under Senate Bill 329 which allowed the district to recapture tax levies which were approved during the past five years, but not used. The trustees did not increase the total mills to local taxpayers from the previous year. There was also an increase in County Retirement Distribution of \$652,147. Interest income continues to decrease due to decreasing interest rates and the use of reserves to fund general operations of the district.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Governmental Activities (continued):

Charges for services, primarily revenue from food services sales, decreased by \$104,572 and operating grants and contributions decreased by \$3,507,989.

Instructional service expenses include activities dealing directly with interaction between teachers and students. Instructional service expenses, included in regular, special and vocational program categories, compose 63.36 percent of the district expenses.

	2012	2011	<u>Annual Change</u>		Percent of Total Expenses
			Amount	Percent	
Instructional services					
Regular programs	\$ 43,524,640	\$ 42,224,923	\$ 1,299,717	3.08%	46.73%
Special programs	13,353,493	12,845,725	507,768	3.95%	14.34%
Vocational programs	<u>2,135,275</u>	<u>2,235,126</u>	<u>(99,851)</u>	-4.47%	2.29%
Total instructional services	<u>\$ 59,013,408</u>	<u>\$ 57,305,774</u>	<u>\$ 1,707,634</u>	2.98%	63.36%

The remaining 36.64 percent of district expenses consist of expenses relating to the following support areas: supportive services, educational media services, general administrative services, school administrative services, business services, operation and maintenance services, central services, student transportation services, school food services.

Supportive services include activities which provide administration, technical and logistical support to enhance instruction including student aides for a day care, playground, study hall, bus aides, guidance services, counseling services, psychological services, speech pathology service, occupational and physical therapy services, curriculum development and staff development services.

Educational media services include activities concerned with the use of teaching and learning resources, audiovisual services, computer assisted instruction and library and media services.

General administrative services include activities of establishing policy by the Board of Trustees and administering policy by the Superintendent in connection with operating the district.

School administrative services include activities concerned with overall administrative responsibility for a group of schools.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

Governmental Activities (continued):

Business services include activities concerned with paying for, transporting, exchanging and maintaining goods and services for the School District. Included are fiscal and internal services necessary for operating the School District.

Operation and maintenance services include activities concerned with keeping the physical plant open, comfortable, safe for use and in effective working condition and state of repair. The operation and maintenance services portion of the budget decreased by \$1,742,567, primarily as a result of targeted reductions of supplies, materials, and postponement of renovation projects. This is a 15.18% reduction from the previous year.

Central services include activities for supporting the School District's information technology system including administrative network, data processing for managerial, administrative and student data analysis.

Student transportation services include activities concerned with the conveyance of students to and from school as provided by State and Federal law. A decrease of \$30,102 in student transportation services was due primarily to the implementation of a common dismissal time which allowed the district to reduce the number of routes for the elementary district. There has been, however an increase in Homeless students which in turn impacts the transportation budget. Because Homeless students are allowed to continue to attend their original school, it is the responsibility of the district to transport them regardless of their new location.

Extracurricular activities include school sponsored activities that are not part of the regular instructional programs and they also include school sponsored athletic sports involving competition between schools. Increased funding in the general fund budget was provided to more accurately express actual costs for these programs.

School food services include activities concerned with providing food to students and staff in a school or school district. It includes the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food. The district implemented a new student accounting system which allows for easier access of information for parents for payments due.

The dependence on tax revenues is apparent. Over 48 percent of the School District's instructional services activities (\$59,013,408) are supported through local taxes (district levy and county retirement distribution) and for all activities, general revenue support is 78.94 percent. The community as a whole is the primary support for School District Number 1, Cascade County, Great Falls, Montana.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The School District's Funds:

Information about the activity of the School District's major funds for the fiscal year ended June 30, 2012 begins on page 23. These funds are accounted for using the modified accrual basis of accounting. Governmental funds in total had revenues of \$91,587,716 and expenditures of \$98,881,151. The deficiency of revenues over expenditures for the year was \$7,293,435. This was a planned reduction by the district in an attempt to not increase taxes on the local taxpayer.

GENERAL FUND BUDGETING HIGHLIGHTS

The School District's budget is prepared according to Montana law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During fiscal year 2012, the School District continued to fine-tune the classification of expenditure accounts based upon recommended State accounting guidelines. Significant budgetary changes in services categories resulted in the process. Program expenses were reclassified in supportive services, educational media services, and business services, and budget variances compared to the prior fiscal year changed due to the re-categorization of accounts.

CAPITAL ASSETS

At the end of fiscal year 2012, the School District had \$12,345,105 invested in land, buildings, machinery and equipment, net of depreciation.

Table 3 shows fiscal year 2012 balances compared to fiscal year 2011:

Table 3
Capital Assets (Net of Depreciation)

	2012	2011	<u>Annual Change</u>		Percent of Total
			<u>Amount</u>	<u>Percent</u>	
Land	\$ 1,348,339	\$ 1,348,339	\$ -	0.00%	10.92%
Construction in progress	6,516,991	1,571,962	4,945,029	314.58%	52.79%
Buildings	2,915,719	1,733,239	1,182,480	68.22%	23.62%
Machinery and equipment	<u>1,564,056</u>	<u>1,543,644</u>	<u>20,412</u>	1.32%	12.67%
Totals	<u>\$12,345,105</u>	<u>\$ 6,197,184</u>	<u>\$ 6,147,921</u>	99.21%	100.00%

Overall net capital assets increased by \$6,147,921 when compared to fiscal year 2011. Increases in the net cost of buildings were mainly the result of the work being completed in the district in regards to energy retrofits. See notes to the basic financial statements for a breakdown of depreciation expense on page 40.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

DEBT ADMINISTRATION

At June 30, 2012, the School District has a long term debt obligation of \$15,204,898. The majority of this debt comes from low interest energy bonds initiated in 2010 to fund a major energy renovation in the district. These fifteen year bonds are being paid by using the savings in projected energy costs. The District's long-term debt balance reported below is an accrual for future compensation for unclaimed leave accumulated per law.

Long-term debt balances are as follows:

Compensated absences payable	\$ 7,645,393
Bonds payable	7,547,045
Net OPEB obligation	<u>12,460</u>
	<u>\$ 15,204,898</u>

For an analysis of the activity in long-term debt for fiscal year 2012, see the long-term debt note to the basic financial statements beginning on page 41.

CURRENT FINANCIAL ISSUES AND CONCERNS

School District Number 1, Cascade County, Great Falls, Montana, has been a stable and well-managed community institution for many years. Declining enrollment, due to demographic shifts felt throughout Montana, continues to have a fiscal impact on the District. The Board of Trustees is dedicated to leadership in human resource development to make Great Falls Public Schools the employer of choice for educators in Montana. The Board also supports a focus on up-to-date technology systems for work and learning, enhanced partnerships with parents and other community organizations, and instructional practices that flex with the times and meet the broad range of students learning needs and aspirations.

In May of 2011, local voters did not pass the proposed mill levy request. Because the state legislature was not able to replace previously used federal stimulus money, the Great Falls Public School District was faced with a potential \$2.8 million decrease in the General Fund Budget. Newly passed legislation in the form of Senate Bill 329 allowed for trustees to permissively utilize previous mills which had been levied in the previous five years, but not used. The trustees chose not to increase the mills for local taxpayers, but under the provisions of the new law, recapture previously approved local tax dollars. Even with recapturing a portion of the revenue, the district faced a \$1,348,014 reduction in the General Fund Budget for the 2011-12 school year. To address annual increasing costs, the district reduced staffing and programs to accommodate the decrease in revenue. The trend for the district has been to reduce operational costs. The District plans to continue its sound fiscal management to meet the challenges of the future.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012
(Unaudited)

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finance and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Brian Patrick, Director of Business Operations, Great Falls School District Number 1, Cascade County, 1100 4th Street South, Great Falls, MT 59403 or e-mail at brian_patrick@gfps.k12.mt.us.

FINANCIAL STATEMENTS

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENT OF NET ASSETS
June 30, 2012

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	\$	24,347,519
Taxes receivable		1,933,927
Due from other governments		1,394,086
Other current assets		47,032
Inventories		211,577
Prepaid expenses		522,517
Noncurrent assets:		
Cash and investments		13,516,818
Capital assets:		
Land and improvements	\$	1,348,339
Buildings and improvements	40,548,443	
Machinery and equipment	3,853,434	
Construction in progress	6,516,991	
Less accumulated depreciation	(39,922,102)	
Total capital assets, net of depreciation		<u>12,345,105</u>
TOTAL ASSETS	\$	<u>54,318,581</u>
LIABILITIES		
Current liabilities:		
Other current liabilities	\$	2,257,377
Deferred revenue		157,467
Current portion of bonds payable		425,907
Noncurrent liabilities:		
Compensated absences payable		7,645,393
Bonds payable (net of current portion)		7,547,045
Net OPEB obligation		<u>12,460</u>
TOTAL LIABILITIES		<u>18,045,649</u>
NET ASSETS		
Invested in capital assets, net of related debt		4,372,153
Unrestricted		<u>31,900,779</u>
TOTAL NET ASSETS		<u>36,272,932</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>54,318,581</u>

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Regular Programs:					
Instructional services	\$ 43,524,640	\$ 190,666	\$ 94,625	\$ -	\$ (43,239,349)
Supportive services	4,087,058	147,369	-	-	(3,939,689)
Educational media services	1,639,951	-	-	-	(1,639,951)
General administrative services	1,468,738	-	-	-	(1,468,738)
School administrative services	4,546,792	-	-	-	(4,546,792)
Business services	2,789,569	-	-	-	(2,789,569)
Operation and mainten- ance services	9,734,201	108,573	-	-	(9,625,628)
Special Programs:					
Instructional services	13,353,493	-	13,608,269	-	254,776
Supportive services	1,590,152	-	-	-	(1,590,152)
School administrative services	250,441	-	-	-	(250,441)
Student transportation services	808,944	-	-	-	(808,944)
Vocational Programs:					
Instructional services	2,135,275	-	-	-	(2,135,275)
Extracurricular activities	1,553,805	-	-	-	(1,553,805)
School food services	3,304,217	1,133,354	2,181,140	-	10,277
Student transportation services	1,617,043	-	803,162	-	(813,881)
Resources transferred to other districts	636,616	-	-	-	(636,616)
Interest on long-term debt	102,304	-	-	-	(102,304)
Total Governmental Activities	\$ 93,143,239	\$ 1,579,962	\$ 16,687,196	\$ -	(74,876,081)

GENERAL REVENUES:

District levy	20,375,679
Direct state aid	28,647,755
State guaranteed tax base subsidy	11,344,646
Other state revenue	2,353,772
Federal impact aid revenue	692,655
County retirement distribution	8,005,836
Interest	201,674
Miscellaneous	2,005,795
Special item - gain on sale of assets	4,095
Transfers	(100,000)
Total general revenues	73,531,907

Change in net assets (1,344,174)

Net assets at July 1	37,295,631
Prior period adjustment	321,475
Net assets at July 1, as restated	37,617,106
Net assets at June 30	\$ 36,272,932

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Miscellaneous Programs Elementary	Impact Aid Elementary	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 10,181,241	\$ 9,044,977	\$ 9,029,277	\$ 9,608,842	\$ 37,864,337
Taxes receivable	1,665,724	-	-	268,203	1,933,927
Interfund balance	79,749	-	-	-	79,749
Due from other governments	-	1,086,475	-	307,611	1,394,086
Other current assets	29,842	4,767	-	12,423	47,032
Inventories	120,337	-	-	91,240	211,577
Prepaid expenses	137,623	-	141,039	243,855	522,517
TOTAL ASSETS	\$ 12,214,516	\$ 10,136,219	\$ 9,170,316	\$ 10,532,174	\$ 42,053,225
LIABILITIES					
Other current liabilities	\$ 2,257,377	\$ -	\$ -	\$ -	\$ 2,257,377
Interfund balance	79,749	-	-	-	79,749
Deferred revenue	1,665,724	156,607	-	269,063	2,091,394
Compensated absences payable	-	-	-	-	-
Bonds payable	-	-	-	-	-
TOTAL LIABILITIES	4,002,850	156,607	-	269,063	4,428,520
FUND BALANCE					
Fund balances:					
Nonspendable	257,960	-	141,039	335,095	734,094
Restricted	626,945	-	9,029,277	8,242,870	17,899,092
Committed	6,521,180	-	-	-	6,521,180
Assigned	749,110	9,979,612	-	1,685,146	12,413,868
Unassigned	56,471	-	-	-	56,471
TOTAL FUND BALANCE	8,211,666	9,979,612	9,170,316	10,263,111	37,624,705
TOTAL LIABILITIES AND FUND BALANCE	\$ 12,214,516	\$ 10,136,219	\$ 9,170,316	\$ 10,532,174	\$ 42,053,225

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2012

Total fund balance - governmental funds	\$ 37,624,705
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not reported as assets in governmental funds. The cost of the assets is \$52,267,207, and the accumulated depreciation is \$39,922,102.	12,345,105
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Property taxes receivable expected to be collected in the following year, but are not available soon enough to pay for the current period's expenditures, and therefore are reflected as deferred revenue in governmental funds.	1,933,927
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of compensated absences payable of \$7,645,393, bonds payable of \$7,972,952 and the net OPEB obligation of \$12,460.	<u>(15,630,805)</u>
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Total net assets - governmental activities	<u>\$ 36,272,932</u>
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SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund	Miscellaneous Programs Elementary	Impact Aid Elementary	Other Governmental Funds	Total Governmental Funds
REVENUES					
District levy	\$ 17,804,224	\$ -	\$ -	\$ 2,264,202	\$ 20,068,426
Interest	80,741	47,293	51,640	22,000	201,674
Miscellaneous	2,147	1,626,845	-	376,799	2,005,791
Direct state aid	28,677,520	-	-	-	28,677,520
State guaranteed tax base subsidy	11,344,646	-	-	-	11,344,646
State special education	2,125,329	-	-	-	2,125,329
Other state payments	2,159,261	-	-	194,511	2,353,772
Federal/state/local aid	-	6,780,048	616,050	7,025,497	14,421,595
County reimbursement	-	-	-	8,407,422	8,407,422
State reimbursement	-	-	-	401,576	401,576
Tuition and fees	78,931	-	-	367,680	446,611
Lunch sales	-	-	-	1,133,354	1,133,354
Total	<u>62,272,799</u>	<u>8,454,186</u>	<u>667,690</u>	<u>20,193,041</u>	<u>91,587,716</u>
EXPENDITURES					
Current:					
Regular Programs:					
Instructional services	33,787,505	1,799,405	1,902	6,738,814	42,327,626
Supportive services	3,256,390	561,750	-	264,153	4,082,293
Educational media services	1,498,536	-	-	141,415	1,639,951
General administrative services	1,240,110	-	-	140,889	1,380,999
School administrative services	4,102,878	-	-	443,914	4,546,792
Business services	2,320,865	-	68,381	390,209	2,779,455
Operation and mainten- ance services	8,508,386	-	36,132	1,092,177	9,636,695
Special Programs:					
Instructional services	2,906,777	6,444,132	286,000	3,716,584	13,353,493
Supportive services	1,414,063	162,328	-	13,761	1,590,152
School administrative services	-	18,421	-	232,020	250,441
Student transportation services	-	-	-	808,944	808,944
Vocational Programs:					
Instructional services	1,826,804	-	-	308,471	2,135,275
Extracurricular activities	1,449,579	-	-	88,920	1,538,499
School food services	-	-	-	3,262,361	3,262,361
Student transportation services	-	-	-	1,617,043	1,617,043
Resources transferred to other districts	-	1,067	-	635,549	636,616
Capital outlay	119,946	8,819	-	6,671,399	6,800,164
Debt service	439,539	-	-	54,813	494,352
Total	<u>62,871,378</u>	<u>8,995,922</u>	<u>392,415</u>	<u>26,621,436</u>	<u>98,881,151</u>
Excess of revenues over expenditures	<u>(598,579)</u>	<u>(541,736)</u>	<u>275,275</u>	<u>(6,428,395)</u>	<u>(7,293,435)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfer in (out)	-	-	-	(100,000)	(100,000)
Sale of bonds	-	-	-	-	-
Sale of fixed assets	234	-	-	4,748	4,982
	<u>234</u>	<u>-</u>	<u>-</u>	<u>(95,252)</u>	<u>(95,018)</u>
NET CHANGE IN FUND BALANCE	<u>(598,345)</u>	<u>(541,736)</u>	<u>275,275</u>	<u>(6,523,647)</u>	<u>(7,388,453)</u>
Fund balance at July 1	8,736,110	10,520,691	8,894,621	16,540,261	44,691,683
Prior period adjustment	<u>73,901</u>	<u>657</u>	<u>420</u>	<u>246,497</u>	<u>321,475</u>
Fund balance at July 1, as restated	<u>8,810,011</u>	<u>10,521,348</u>	<u>8,895,041</u>	<u>16,786,758</u>	<u>45,013,158</u>
Fund balance at June 30	<u>\$ 8,211,666</u>	<u>\$ 9,979,612</u>	<u>\$ 9,170,316</u>	<u>\$ 10,263,111</u>	<u>\$ 37,624,705</u>

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Total net change in fund balance - governmental funds	\$ (7,388,453)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$6,800,164) exceed depreciation expense (\$651,356).	6,148,808
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Sale of capital assets in governmental funds represents gross proceeds received from the sale, while the statement of activities reflects the loss on the sale (net cost less gross proceeds).	(887)
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Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds, but have been recognized as revenue in previous periods in the statement of activities. Deferred tax revenues increased by this amount this year.	307,254
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In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts <i>earned</i> during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or <i>paid</i> . This is the amount by which vacation and sick leave earned exceeded the amounts used.	(796,714)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	392,048
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In the statement of activities, the accrued cost associated with the provision of other post-employment benefits as part of the employees overall compensation package is expensed, but is not recognized as an expenditure in governmental funds until paid.	(6,230)
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Total change in net assets - governmental activities	<u>\$ (1,344,174)</u>
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SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	Endowment Fund	Miscellaneous Trust Fund	Extracurricular Fund	Interlocal Agreement Fund
ASSETS				
Cash and investments	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ 110,000
Taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Other current assets	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	<u>482,587</u>	<u>77,005</u>	<u>1,863,675</u>	<u>110,000</u>
LIABILITIES				
Other current liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Bonds payable	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Net assets held in trust for student scholarships	<u>\$ 482,587</u>	<u>\$ 77,005</u>		
Net assets held in trust for student activities			<u>\$ 1,863,675</u>	
Net assets held in trust for technology purchases				<u>\$ 110,000</u>

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
For the Year Ended June 30, 2012

	Endowment Fund	Miscellaneous Trust Fund	Extracurricular Fund	Interlocal Agreement Fund
ADDITIONS				
Contributions/donations from private sources	\$ -	\$ 8,000	\$ -	\$ 10,000
Transfers from other funds	-	-	-	100,000
Interest	2,034	509	-	-
Student extracurricular activity receipts	-	-	2,303,871	-
	<u>2,034</u>	<u>8,509</u>	<u>2,303,871</u>	<u>110,000</u>
Total	<u>2,034</u>	<u>8,509</u>	<u>2,303,871</u>	<u>110,000</u>
DEDUCTIONS				
Student scholarships	5,524	14,254	-	-
Student extracurricular activity expenses	-	-	2,182,047	-
	<u>5,524</u>	<u>14,254</u>	<u>2,182,047</u>	<u>-</u>
Total	<u>5,524</u>	<u>14,254</u>	<u>2,182,047</u>	<u>-</u>
Change in net assets	(3,490)	(5,745)	121,824	110,000
Net assets at July 1	<u>486,077</u>	<u>82,750</u>	<u>1,741,851</u>	<u>-</u>
Net assets at June 30	\$ <u><u>482,587</u></u>	\$ <u><u>77,005</u></u>	\$ <u><u>1,863,675</u></u>	\$ <u><u>110,000</u></u>

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

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the District are presented below:

Reporting Entity

The District is a primary government, meeting the criteria embodied in GASB Statement No. 14, "The Financial Reporting Entity" of a separately elected governing body, a separate legal standing, and fiscal independency. The District supplies public education services at all levels below the college and university level and actually consists of two legally separate districts - the high school district and the elementary district. Both districts must be maintained separately per state law because of differences in funding provided by the state legislature, but are under common control of a single school board and therefore reported together on the basic financial statements. The school system was established by an act of the State legislature which designated the school board as the governing authority. Members of the school board are elected by the public. The school board has control over hiring and firing employees, the power to contract for schools, authority to purchase equipment, and control over other day-to-day management functions. The school board is responsible for financing the District's deficit and may issue bonds to finance District construction.

The school board was initially responsible for appointing all of the initial members of the board of directors of the Great Falls Public Schools Foundation, a separate 501(c)(3) organization. After the first year of the Foundation, the school board has the responsibility of appointing only a minority membership of the Foundation's board of directors. The relationship between the District and the Foundation does not presently require inclusion of the activity of the Foundation in the financial statements of the District.

Cascade County provides substantial services to the District. Taxes are levied and collected by the county. Cash is maintained and invested by the county treasurer. However, as management policies of the District are the sole responsibility of the school board, the District is not considered to be a component of the county. The county does not significantly influence the operations of the school system; therefore the District is being treated as a separate and independent unit of local government.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. The following funds are maintained by the District:

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Governmental Fund Types

General Fund (Elementary and High School) - accounts for revenues and expenditures not included in any other fund.

Special Revenue Funds

Transportation Fund (Elementary and High School) - accounts for the revenues and expenditures for the District's pupil transportation program.

Food Services Fund (Elementary) - accounts for that portion of the school food services program which is self-supporting, including state and federal reimbursements. Other costs are budgeted for and expended through the General Fund.

Retirement Fund (Elementary and High School) - accounts for the employer's contribution to the Teachers' Retirement System, the Public Employees' Retirement System, Unemployment Insurance, and Social Security.

Miscellaneous Programs Fund (Elementary and High School) - accounts for federal and state grant and reimbursement moneys received by the District.

Adult Education Fund (Elementary and High School) - accounts for the revenue and expenditures for the District's adult education program.

Traffic Education Fund (High School) - accounts for the revenues and expenditures for the District's driver education program.

Impact Act (P.L. 874) Fund (Elementary and High School) - accounts for the receipt and expenditure of Public Law 81-874 Impact Aid moneys.

Lease Rental Agreement Fund (Elementary and High School) - accounts for the rental and lease payments received from District owned property and the expenditure of that money for the maintenance of the property.

Compensated Absence Fund (Elementary and High School) - accounts for moneys transferred from the General Fund for the purpose of paying accumulated compensated absence benefits that a nonteaching employee is entitled to upon termination.

Technology Fund (Elementary and High School) - accounts for state grant money received under House Bill 47 to be used for technology related expenditures.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Special Revenue Funds (Continued)

Flexibility Fund (Elementary and High School) - accounts for state grant and voted levy moneys received for the purpose of paying salaries, operating expenses, building expenses, and purchasing supplies and equipment.

Debt Service Fund (Elementary and High School) - accounts for principal and interest payments on outstanding long-term debt and the revenue derived for this purpose from a property tax levy.

Capital Projects Funds

Building Fund (Elementary and High School) - accounts for building repair projects and the insurance proceeds received for that purpose.

Building Reserve Fund (Elementary and High School) - accounts for revenue and expenditures for voter approved improvements, remodeling, or construction of District facilities.

Fiduciary Fund Types

Private Purpose Trust Funds

Endowment Fund (High School) - accounts for endowments received which are to be used for student scholarships, whereby only interest may be used.

Miscellaneous Trust Fund (High School) - accounts for endowments received which are to be used for student scholarships, whereby both principal and interest may be used.

Extracurricular Fund (High School) - accounts for various student activities, such as athletics, clubs, classes, student government organizations, student publications, and other such activities. Separate fund accounts within the Extracurricular Fund are maintained to account for these various activities. Such a fund is established under the authority of Section 20-9-504, MCA. The Fund is administered by School District administrators and faculty members and the student organizations, operating under guidelines and policies established by the board of trustees and the Montana Association of School Business Officials handbook *Guidelines to Student Activity Fund Accounting*.

Interlocal Agreement Fund (Elementary) - accounts for technology purchases to be made in conjunction with another school district. Such a fund is established under the authority of Section 20-3-363, MCA.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Fiduciary Fund Types (Continued)

Agency Funds

Accounts Payable Clearing Fund (High School) - accounts for receipts from operating funds for payment of approved expenditure claims of the District. Cash remaining in this fund at year-end represents warrants issued but not yet presented by the payee for payment. The total of the outstanding warrants are netted against the cash balance of the fund on the basic financial statements.

Payroll Clearing Fund (High School) - accounts for receipts from operating funds for their portions of payroll costs and the payroll disbursements to employees and state and federal agencies. Cash remaining in this fund at year-end represents warrants issued but not yet presented by the payee for payment. The total of the outstanding warrants are netted against the cash balance of the fund on the basic financial statements.

Under state statutes, the General, Transportation, Adult Education, Retirement, Technology, Flexibility, Debt Service, and Building Reserve funds are considered budgeted funds, which means that a budget must be adopted in order to spend any money from the funds. The statutes define the School Food Services, Compensated Absence, Traffic Education, Miscellaneous Programs, Lease Rental Agreement, Impact Aid (P. L. 874), Building, Endowment, and Extracurricular funds as nonbudgeted funds. A budget is not required to spend money from these funds.

Basis of Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole, with the exception of the fiduciary fund types. Any interfund activity has been eliminated to minimize any possible double-counting of such internal activities.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued) - The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from general revenues of the District. The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The emphasis of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. A separate statement is presented for the District's fiduciary funds. Generally accepted accounting principles require the general fund be reported as a major fund, as well as all other governmental funds whose assets, liabilities, revenues, or expenditures exceed 10% or more of the total for all governmental funds. Accordingly, the District reports the general fund, the Elementary District's miscellaneous programs fund, and the Elementary District's impact aid fund as major funds.

Measurement Focus/Basis of Accounting

The government-wide financial statements of the District are reported using the economic resources measurement focus under the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting (Continued)

The governmental fund financial statements of the District are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Revenues are recorded when susceptible to accrual, that is, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Certain revenues of the District require specific revenue recognition terms. Under this measurement focus, the District considers property taxes as available if they are collected within 30 days after the date the taxes become delinquent. Uncollected property taxes become delinquent each May 31. Therefore, property tax levies collected through June 30 are reported as revenue in the fiscal year ended June 30. Amounts not collected by June 30 are reported as deferred revenue. In applying the susceptible to accrual concept to grant revenues, two types of revenues must be considered. In one type, moneys must be expended on the specific purpose or project before any amounts will be paid to the District. Therefore, revenues are recognized based upon the expenditures recorded. In the other type, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These moneys are recognized as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenues of the District are recognized as revenue when both the measurable and available criteria are met.

Expenditures are recognized when the liability is incurred, except for unmatured interest on general long-term debt.

Budgets and Budgetary Accounting

A budget is adopted by the board of trustees each fiscal year for the General Fund and those other governmental fund types classified by state law as budgeted funds. A listing of these funds is included above under "Fund Accounting." All budgets are formulated in accordance with state law. The board of trustees must meet on or before August 25 to consider all budget information and must have that final budget adopted by the fourth Monday in August. Budget appropriations not expended or obligated lapse at the end of the fiscal year.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

The District's budget is prepared on the basis of accounting described above for the governmental fund financial statements. The legal level of control (the level on which expenditures may not legally exceed appropriations) is at the fund level. The General Fund budget is based on the state's BASE aid, which is designed to equalize taxing effort throughout the state and bases the budgets primarily on enrollment. Budgets of other funds are based primarily on estimated expenditures and revenues. Budgeted fund expenditures are limited by state law to budgeted amounts, except that they can be increased for emergencies as defined by state law. Transfers may be made between expenditure objects and/or functions within the same fund.

Cash and Investments

All cash and investments of the District's funds, including the cash and investments of the Extracurricular Fund, are held by the county treasurer and the Big Sky Investment Pool managed by First Interstate Bank.

Capital Assets

All purchased capital assets are valued at historical cost where historical cost records are available and at estimated historical cost where no historical records exist. Purchases of capital assets with a cost of \$5,000 or greater are included as additions to capital assets. Donated capital assets are recorded at estimated fair market value as of the date received. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Machinery and equipment	5-15 years

Inventories

Inventories of food are valued at cost and expensed when used in operations. Inventories of materials and supplies are also valued at cost and expensed when used in operations.

Liability for Compensated Absences

Compensated absences for vacation and sick leave are recorded as expenditures in the governmental funds when taken. Vacation leave, within certain limitations, may be payable to the employee on termination. Sick leave is accumulated for administrative, certified (teaching) and classified (non-teaching) employees at the rate of 12 working days for each year of service. Part-time employees are entitled to prorated benefits upon fulfillment of the qualifying period of time. Upon termination, classified employees are eligible for compensation at one-fourth of the accumulated sick leave amount.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable:

Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted:

Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed:

Amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees. The Board of Trustees is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through a majority vote on a motion proposed by the Board of Trustees.

Assigned:

Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Intent can be expressed by the Board of Trustees or by the District's superintendent of schools to which the Board of Trustees delegates that authority.

Unassigned:

All other spendable amounts that are not categorized in the above fund balance categories.

The requirements of GASB No. 54 include the restatement of fund balances for reporting on the fund financial statements if a substantial portion of inflows into a special revenue fund are not derived from restricted or committed revenue sources. Of the inflows into the Elementary and High School District's compensated absences funds, a substantial portion is not derived from restricted or committed revenue sources.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CASH AND INVESTMENTS

Montana statutes authorize the District to invest in direct obligations of the United States government; in savings or time deposits in a state or national bank, building or loan association, savings and loan association, or credit union located in the state and insured by the FDIC, FSLIC, or NCUA; in repurchase agreements or in the State Short-Term Investment Pool (S.T.I.P.).

A portion of the cash and investments of the District are held by the county treasurer in the District's name. These monies are not invested in the County pool, and are not generating any investment income for the District. The remaining portion of the District's cash and investments are held in checking accounts, certificates of deposit, and repurchase agreements managed by First Interstate Bank as part of the Big Sky Investment Pool, a unified investment program established and sponsored by the Montana School Boards Association (MTSBA) for participation by MTSBA member school districts under the auspices of and in compliance with MCA Title 7, Chapter 11 (the provisions governing interlocal cooperative agreements) and MCA Title 20, Chapter 9, Part 7 (educational cooperative agreements). The pool is not SEC-registered. Investments of the Big Sky Investment Pool consist of U. S. Government money market funds and U. S. Government Agency Securities. The District receives a pro-rata share of investment earnings from both the county-wide and Big Sky pool at each distribution date. Under generally accepted accounting principles, the District is required to comply with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools." This pronouncement requires governmental entities to record certain investments in external investment pools at fair value, rather than historical cost. The District's investment in U.S. Government Securities is shown at fair value, with the current period's net decrease in fair value of \$73,866 being netted against investment income on the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

At June 30, 2012, the District's cash and investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment</u> <u>Maturities Less</u>	
		<u>than 1-Year</u>	<u>1-5 Years</u>
County-wide investment pool	\$ 4,030,049	\$ 4,030,049	\$ -
Checking accounts	2,888,724	2,888,724	-
Certificates of deposit	1,815,654	1,815,654	-
Repurchase agreements	13,142,421	13,142,421	-
U.S. government money market funds	2,354,623	2,354,623	-
U.S. government agencies	<u>16,166,133</u>	<u>2,649,315</u>	<u>13,516,818</u>
	<u>\$ 40,397,604</u>	<u>\$ 26,880,786</u>	<u>\$ 13,516,818</u>

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Obligations of or guaranteed by the U.S. government do not require disclosure of credit quality. Investments within S.T.I.P. have credit risk as measured by major credit rating services. This risk is that the issuer of a S.T.I.P. investment may default in making timely principal and interest payments. The Montana Board of Investment's policy requires that S.T.I.P. investments have the highest investment grade rating in the short-term category by at least one Nationally Recognized Statistical Rating Organization (NRSRO). The three NRSRO's recognized by S.T.I.P. include Standard and Poor's (S&P), Moody's, and Fitch. The short-term credit ratings presented below for S.T.I.P. in total are provided by S&P's rating services. An A1+ rating is the highest short-term rating by the S&P rating service. If a S.T.I.P. investment received a long-term rating, such as AAA, this rating was converted to a short-term rating. If an S&P rating is not available, a Moody's rating has been used:

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Credit Quality Ratings as of June 30, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Rating</u>
Asset Backed Commercial Paper	\$ 579,229,187	A1
Corporate Commercial Paper	68,067,209	A1
Corporate Fixed Rate	23,609,565	B
Corporate Variable-Rate	419,480,034	A3
Certificates of Deposit Fixed	30,064,940	A1
Certificates of Deposit Variable	416,232,894	A3
Other Asset Backed	21,507,129	BBB-
U.S. Government Agency Fixed	124,991,596	A1
U.S. Government Agency Variable	502,707,759	A1
Money Market Funds (Unrated)	147,931,122	NR
Money Market Funds (Rated)	24,000,000	A1
Structured Investment Vehicles	37,566,658	NR
	<u>\$ 2,395,388,093</u>	<u>A2</u>

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, none of the District's deposits were uninsured or uncollateralized.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a formal investment policy limiting the amount the District may invest in any one issuer. As there is minimal credit risk associated with investments issued or guaranteed by the U.S. Government, no disclosure of concentration of credit risk is required for these investments. The S.T.I.P. investment policy adopted by the Montana Board of Investments specifies concentration of credit risk exposure by limiting portfolio investment types by 2% per issuer or 3% if the amount is greater than 2% and matures within seven days. Investments explicitly guaranteed by the U.S. Government are excluded from the concentration of credit risk requirement. In October 2008, the U.S. Government extended the explicit guarantee to certain government agencies such as Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (FHLMC-Freddie Mac). Given the explicit guarantee extension, the Board had no concentration of credit risk exposure to Fannie Mae and Freddie Mac in S.T.I.P.

Investments of the S.T.I.P. include certain derivative-type investments, such as asset-backed securities and variable-rate securities.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Concentration of credit risk (continued)

The asset-backed securities are collateralized by non-mortgage assets pledged by the issuer, and have one or more forms of credit enhancement to raise the quality of the security. Asset-backed securities have less credit risk than do securities not backed by pledged assets, while market risk for asset-backed securities is the same as market risk for similar nonasset-backed securities. Asset-backed securities make up 25.07% of the total S.T.I.P. assets at June 30, 2012.

The variable-rate securities are designed to minimize the investor's interest rate risk by periodically resetting the interest rate to either the prime rate or the London Interbank Offering Rate. Variable-rate securities have credit risk identical to similar fixed-rate securities, while their market risk is less volatile than fixed-rate securities because their value will usually remain at or near par as a result of their interest rates being periodically reset to maintain a current market yield. Variable-rate securities make up 55.88% of the total S.T.I.P. assets at June 30, 2012.

NOTE 3. PROPERTY TAXES RECEIVABLE

The District is permitted by state statutes to levy taxes for various purposes. Property taxes are levied in August of each fiscal year, based on the assessed value as of the prior January 1. Taxes are normally billed in October and are payable 50% by November 30 and 50% by May 31. Property tax lien dates are December 1 and June 1. The taxes levied by the District for the year ended June 30, 2012 were properly established and were within the legal limits as approved by the voters. Property taxes are accounted for and collected by the county treasurer.

As described in Note 1 to the basic financial statements, property taxes are recorded as receivable when they are billed by the county treasurer. Amounts not collected by June 30, but expected to be received in the future, are reported as revenue in the government-wide financial statements when billed and as deferred revenue in the governmental fund financial statements.

Protested taxes are also recorded as receivable when the original assessment is billed by the county treasurer as the District is not entitled to receive any of the protested amount until the protest is settled.

Uncollected property taxes are attached as an enforceable lien on the underlying property. After a period of three years, Cascade County, the collecting agent, may begin foreclosure proceedings and sell the property at auction. The District receives its share of the sale proceeds from Cascade County. No allowance for uncollectible property taxes is reflected in the basic financial statements as the District considers all property taxes receivable at June 30, 2012 to be fully collectible.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from other governments of \$1,394,086 consists of \$1,086,475 due to the Elementary District's miscellaneous programs fund and \$241,855 due to the High School District's miscellaneous programs fund from federal grantor agencies, via the State of Montana's Office of Public Instruction, and \$65,756 due to the High School District's traffic education fund from the State of Montana's Office of Public Instruction.

NOTE 5. INVENTORIES

Inventories of the general fund and the Elementary District's food services fund totaling \$211,577 consist of the following:

	<u>General</u>	<u>Food Services</u>
Paper	\$ 70,821	\$ -
Custodial/miscellaneous supplies	49,516	-
Food (non-O.P.I)	-	48,107
Food supplies	-	43,133
	<u>\$ 120,337</u>	<u>\$ 91,240</u>

NOTE 6. PREPAID EXPENSES

Prepaid expenses of \$522,517 of the general fund and the Elementary and High School Districts' impact aid funds consist of liability insurance premiums paid in June 2012 to provide coverage during the 2012-2013 fiscal year.

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CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 7. CAPITAL ASSETS

A summary of activity in capital assets is as follows:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 1,348,339	\$ -	\$ -	\$ 1,348,339
Construction in progress	<u>1,571,962</u>	<u>6,516,991</u>	<u>(1,571,962)</u>	<u>6,516,991</u>
Total capital assets not being depreciated	<u>2,920,301</u>	<u>6,516,991</u>	<u>(1,571,962)</u>	<u>7,865,330</u>
Capital assets being depreciated:				
Buildings	38,976,481	1,571,962	-	40,548,443
Machinery and equipment	<u>3,698,138</u>	<u>283,173</u>	<u>(127,877)</u>	<u>3,853,434</u>
Total capital assets being depreciated	42,674,619	1,855,135	(127,877)	44,401,877
Less accumulated depreciation:				
Buildings	(37,243,242)	(389,482)	-	(37,632,724)
Machinery and equipment	<u>(2,154,494)</u>	<u>(261,874)</u>	<u>126,990</u>	<u>(2,289,378)</u>
	<u>(39,397,736)</u>	<u>(651,356)</u>	<u>126,990</u>	<u>(39,922,102)</u>
Capital assets being depreciated, net	<u>3,276,883</u>	<u>1,203,779</u>	<u>(887)</u>	<u>4,479,775</u>
Capital assets, net	<u>\$ 6,197,184</u>	<u>\$ 7,720,770</u>	<u>\$ (1,572,849)</u>	<u>\$ 12,345,105</u>

Depreciation expense was charged to functions as follows:

Instructional services	\$ 394,070
Supportive services	4,765
General administrative services	87,739
Business services	10,114
Operation and maintenance services	97,506
Extracurricular activities	15,306
School food services	<u>41,856</u>
Total depreciation expense	<u>\$ 651,356</u>

The deletions total in the above schedule consists of the reduction in the cost of machinery and equipment of \$127,877 due to its disposal during fiscal year 2012, and the related reduction in accumulated depreciation of \$126,990. The deletions and additions also contain a transfer of completed construction in progress to buildings of \$1,571,962.

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GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 8. OTHER CURRENT LIABILITIES

Other current liabilities as of June 30, 2012 of \$2,257,377 consist of payroll-related liabilities.

NOTE 9. LONG-TERM DEBT

Long-Term Debt Transactions

The following is a summary of long-term debt transactions of the District for the fiscal year ended June 30, 2012:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2012</u>
Compensated absences payable	\$ 6,848,679	\$ 796,714	* \$ -	\$ 7,645,393
Bonds payable	<u>8,365,000</u>	<u>-</u>	<u>(392,048)</u>	<u>7,972,952</u>
Total	<u>\$ 15,213,679</u>	<u>\$ 796,714</u>	<u>\$ (392,048)</u>	<u>\$ 15,618,345</u>

* This is the net increase to compensated absences payable.

Special Improvement District Assessment

The District is charged a special improvement district assessment annually by the City of Great Falls. The District's assessment is for street maintenance, lighting, and curb and gutter improvements made on District owned property. Payments are made from the debt service funds of both the Elementary and High School Districts.

Compensated Absences Payable

Compensated absences payable, representing vacation and sick leave benefits earned by employees and payable upon termination, are \$7,645,393 and are recorded as a liability in the government-wide financial statements. As benefits earned during the next fiscal year are expected to be used by employees before any accrued benefits, benefits payable at June 30, 2012 are considered a long-term liability. Payment of benefits is expected to be made out of the compensated absences funds of the Elementary and High School Districts.

Bonds Payable

The District issued \$8,365,000 in Qualified School Construction Bonds, \$6,510,000 in the Elementary District and \$1,855,000 in the High School District, to provide financing for the installation and construction of certain energy efficiency improvements to be installed at all facilities within the District. The obligation of the District to make payments on the bonds shall be a limited general obligation payable from any legally available funds as provided under Section 20-9-471, MCA. Unlike general obligation bonds, the full faith and credit and taxing power of the District is not pledged to the repayment of the bonds. The bonds are payable only from money available in the general fund or any other legally available fund of the District, but the District cannot increase mill levies to pay debt service on the bonds. The District anticipates energy cost savings to be sufficient to service the bond debt.

SCHOOL DISTRICT NUMBER 1
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GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 9. LONG-TERM DEBT (CONTINUED)

As the bonds are issued as Qualified School Construction Bonds under Section 54F of the Internal Revenue Code of 1986 (the Code), the bonds are classified as “specified tax credit bonds” within the meaning of Section 6431(f)(3) of the Code. This results in the District being entitled to a credit provided in Section 6431(f). As such, the District’s effective interest rate due on the outstanding principal owed on the bonds is reduced from 6.35% per annum to 1.09% per annum.

Bonds payable as of June 30, 2012 are as follows:

<u>Date of Issue</u>	<u>Term</u>	<u>Effective Interest Rate</u>	<u>Annual Serial Payment</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 6/30/12</u>	<u>Current Portion</u>
<u>Elementary</u>							
4/27/2011	15 years	1.09%	Varies	\$ 6,510,000	\$(305,109)	\$ 6,204,891	\$ 331,459
<u>High School</u>							
4/27/2011	15 years	1.09%	Varies	1,855,000	(86,939)	<u>1,768,061</u>	<u>94,448</u>
Total bonds payable						<u>\$ 7,972,952</u>	<u>\$ 425,907</u>

The annual requirements to amortize all bond debt outstanding as of June 30, 2012, including interest payments of \$671,467, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 425,907	\$ 85,748	\$ 511,655
2014	448,519	81,044	529,563
2015	472,007	76,091	548,098
2016	496,401	70,880	567,281
2017	521,736	65,400	587,136
2018-2022	3,024,027	234,667	3,258,694
2023-2027	<u>2,584,355</u>	<u>57,637</u>	<u>2,641,992</u>
Total	<u>\$ 7,972,952</u>	<u>\$ 671,467</u>	<u>\$ 8,644,419</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

The District has adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which requires the District to accrue other post-employment benefits (OPEB) expense related to its post-retirement healthcare plan based on a computed annual required contribution (ARC) that includes the current period's service cost and an amount to amortize unfunded actuarial accrued liabilities. Instead of recording expense on a "pay-as-you-go" basis, the District, under GASB No. 45, has recorded a liability of \$12,460 for the difference between the actuarially calculated ARC and the estimated contributions made since the adoption of GASB No. 45. Such liability is included in other noncurrent liabilities in the accompanying June 30, 2012 statement of net assets. The effect of GASB No. 45 for the year ended June 30, 2012 was to increase the District's expenditures by \$6,230, the amount of the addition in the OPEB liability at the end of the fiscal year.

The basis for the annual OPEB cost (expense) is the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Great Falls Public Schools Health Plan (the Health Plan) is a single-employer defined benefit healthcare plan administered by the District. The Health Plan provides medical and prescription drug benefits for retirees and their spouses. The Health Plan's actuary is Healthcare Actuaries. The Health Plan does not issue a separate stand-alone financial report.

The District's board of trustees establishes, and may amend, the contribution requirements of members of the Health Plan. Early retirees pay 100% of the composite active, retiree, and COBRA rate set by Blue Cross, minus the premium buy-down, which does not vary by number of dependents covered. Medicare retirees pay 100% of the Medicare rate set by Blue Cross, minus the premium buy-down with an additional premium required for dependents.

For the fiscal year ended June 30, 2012, the District contributed an estimated \$763,992 to the Health Plan. The District's contribution was entirely to fund "pay-as-you-go" costs under the Health Plan and not to pre-fund benefits. In addition, for the year ended June 30, 2012, members of the Health Plan who are currently receiving benefits contributed an estimated \$2,077,557.

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CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following displays the components of the annual OPEB cost, the estimated amount contributed to the Health Plan, and changes in the net OPEB obligation to the Health Plan for the year ended June 30, 2012:

Normal cost - Unit Credit Method	\$ 687,042
Amortization of unfunded actuarial accrued liability (UAAL)	(93,202)
Amortization of unfunded actuarial accrued liability (UAAL) at transition	<u>184,504</u>
Annual Required Contribution (ARC)	778,344
Interest on net OPEB obligation	8,093
Adjustment to annual required contribution	<u>(16,215)</u>
Annual OPEB cost (expense)	770,222
Contributions made	<u>(763,992)</u>
Increase in net OPEB obligation	6,230
Net OPEB obligation - beginning of year	<u>6,230</u>
Net OPEB obligation - end of year	<u><u>\$ 12,460</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Health Plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 202,463	99.0%	\$ 12,460
6/30/2011	202,463	256.8%	6,230
6/30/2010	422,283	61.7%	323,738
6/30/2009	422,283	61.7%	161,869

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GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The funded status of the Health Plan as of June 30, 2012, is as follows:

Health Plan

Actuarial accrued liability (AAL) - Unit Credit	\$ 1,435,830
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 1,435,830</u></u>
Funded ratio (actuarial value of plan assets) by AAL)	0.0%
Covered payroll	\$ 43,229,342
UAAL as a percentage of covered payroll	3.3%

Actuarial Methods and Assumptions

The basis of projections of benefits for financial reporting purposes is the substantive plan (the Health Plan as understood by the District and members of the Health Plan) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and members of the Health Plan to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The most current actuarial valuation, as of June 30, 2011, used the unit credit actuarial cost method. The actuarial assumptions included a 2.50% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 11.0% for medical/pharmacy to an ultimate rate of 4.2% after 73 years. All trend rates include a 3.0% inflation assumption. The unfunded actuarial accrued liability (UAAL) at transition is being amortized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2012 was 26.0 years. The UAAL is recalculated each year and amortized as a level dollar amount on an open basis over 27 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. GASB 45 requires that the schedule of funding progress, presented as required additional information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of Health Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 11. FUND EQUITY

As of June 30, 2012, fund balances are comprised of the following:

	General Fund	Miscellaneous Programs Elementary	Impact Aid Elementary	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 120,337	\$ -	\$ -	\$ 91,240	\$ 211,577
Prepaid items	137,623	-	141,039	243,855	522,517
Restricted:					
Student transportation services	-	-	-	627,908	627,908
School food service	-	-	-	1,113,756	1,113,756
Retirement costs	-	-	-	1,343,178	1,343,178
Vacation/sick leave costs	626,945	-	-	-	626,945
Adult education services	-	-	-	297,142	297,142
Traffic education services	-	-	-	574,974	574,974
Facility rental	-	-	-	33,175	33,175
Technology costs	-	-	-	1,077,978	1,077,978
Debt service	-	-	-	909	909
Building costs	-	-	-	1,637,938	1,637,938
Education services to federally connected children	-	-	9,029,277	1,068,366	10,097,643
Other purposes	-	-	-	467,546	467,546
Committed:					
Budgetary reserves - instruction	6,521,180	-	-	-	6,521,180
Assigned:					
Instructional services	109,641	9,979,612	-	1,685,146	11,774,399
Supportive services	132,246	-	-	-	132,246
General administrative services	199	-	-	-	199
School administrative services	8,870	-	-	-	8,870
Business services	157,821	-	-	-	157,821
Operation and maintenance services	340,333	-	-	-	340,333
Unassigned:					
Budgetary reappropriation	56,471	-	-	-	56,471
Total fund balances	<u>\$ 8,211,666</u>	<u>\$ 9,979,612</u>	<u>\$ 9,170,316</u>	<u>\$ 10,263,111</u>	<u>\$ 37,624,705</u>

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CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 12. RETIREMENT PLANS

The District participates in the following retirement plans:

Plan Description

Teachers' Retirement System (TRS)

All certified teaching employees, including the principals and the superintendent, participate in the Teachers' Retirement System (TRS). TRS is a statewide retirement plan established in 1937 and is governed by Title 19, Chapter 4 of the Montana Code Annotated providing retirement services to all certified teaching employees. TRS is a mandatory multiple-employer, cost sharing plan administered by the Teachers' Retirement Board (TRB).

TRS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service, or 30 years of service regardless of age. Actuarial reduced benefits may be taken at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/60 times the number of years of service times the final average salary. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

TRS financial information is reported in the Teachers' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from TRB at 1500 Sixth Avenue, Helena, MT 59620-0139, 406-444-3134.

Public Employees' Retirement System (PERS)

All nonteaching employees of the District that work the equivalent of 120 working days or more in any fiscal year participate in the Public Employees' Retirement System (PERS). PERS is a statewide retirement plan established in 1945 and is governed by Title 19, Chapters 2 and 3 of the Montana Code Annotated providing retirement services for substantially all public employees. PERS is a mandatory multiple-employer, cost sharing plan administered by the Public Employees' Retirement Division (PERD), consisting of a defined benefit plan and a defined contribution plan. New employees to the system have twelve months to decide whether to participate in the defined contribution plan or the defined benefit plan. If an election is not made within the twelve months, the employee must then participate in the defined benefit plan.

PERS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits are determined by taking 1/56 times the number of years of service times the highest average salary for employees with less than 25 years of service, or

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GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 12. RETIREMENT PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

1/50 times the number of years of service times the highest average salary for those employees with at least 25 years of service. Members' rights become vested after five years of service. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the State legislature.

PERS financial information is reported in the Public Employees' Retirement Board's published "Comprehensive Annual Financial Report" for the fiscal year end. It is available from PERD at 1712 Ninth Avenue, P.O. Box 200131, Helena, MT 59620-0131, 406-444-3154.

Funding Policy

	<u>TRS</u>	<u>PERS</u>
Authority to establish and amend contribution rates to plan:	State legislature	State legislature
Required plan member contributions:	7.15 % of monthly compensation	6.9% of monthly compensation (7.9% of monthly compensation for new hires starting 7/1/11)
Required employer contributions:	7.47 % of monthly compensation	6.8 % of monthly compensation
Required state contributions:	2.49% of monthly compensation	.37% of monthly compensation
Required employer contributions received and % of required amount:		
June 30, 2012	\$ 3,425,270 100%	\$ 628,841 100%
June 30, 2011	\$ 3,504,721 100%	\$ 629,514 100%
June 30, 2010	\$ 3,425,411 100%	\$ 624,960 100%

On-behalf payments made by the State of Montana totaled \$1,141,756 and \$34,216 for TRS and PERS, respectively, for the year ended June 30, 2012.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 13. PROPERTY LEASED TO OTHERS

The District leases some of its property to others under operating leases expiring in future years. The following is a schedule of these leases and the minimum future rentals on noncancellable operating leases as of June 30, 2012:

<u>Leased Property</u>	<u>Lessee</u>	<u>Lease Term</u>	<u>Minimum Future Rental</u>
Paris Gibson Square	Paris Gibson Square	7/1/93 to 6/30/2027	\$1/year
Skyline Education Center	Great Falls Parents Participation Preschool	9/1/11 to 8/31/2013	\$7,465/year
Skyline Education Center	Opportunities Inc (Headstart)	9/1/11 to 8/31/2013	\$22,957/year
Skyline Education Center	Benefis Healthcare System	9/1/11 to 8/31/2013	\$2,848/year
Skyline Education Center	Quality Life Concepts	9/1/11 to 8/31/2013	\$992/year
Skyline Education Center	Cascade County (MSU Extension)	5/24/11 to 5/24/2013	\$24,240/year
Chief Joseph Annex	Alliance for Youth	7/1/10 to 6/30/2015	\$0/year
Longfellow School	Opportunities, Inc	7/1/11 to 6/30/2012	\$4,400/year
Soccer Complex	City of Great Falls	6/1/04 to 6/1/2029	\$1/year
Whittier Elementary School	Boys & Girls Club of North-Central Montana	10/17/10 to 10/16/2011	\$0/year
Roosevelt Elementary School	AT&T Mobility, LLC	1/1/09 to 1/31/2014	\$8,400/year
West Elementary School parking lot	Collins Mansion Bed & Breakfast	1/1/12 to 12/31/2017	\$1/year

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GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 14. TRANSPORTATION CONTRACTS

The District has transportation contracts through June 30, 2015 with Big Sky Bus Lines to provide school buses for the transportation of students to and from school. Fees paid are based on a fixed rate per bus per four and one-half hour day, times 180 days per year, along with a fuel expense reimbursement amount.

NOTE 15. INTERLOCAL AGREEMENTS

Targeted Case Management

The District and the City-County Health Department, Great Falls, Montana, have entered into an interagency agreement to establish and operate a program to serve students with special health care needs and high risk infants and children.

City-County Health Department will provide population-based screening for infants at risk for developmental delay and/or special health needs, conduct consultation and/or referral to other disciplines/agencies and monitor referral outcomes, provide anticipatory guidance, risk reduction education and counseling, care coordination including monitoring and reassessment for infants and children at risk for developmental delay and those with special health care needs, and other nursing interventions as needed on behalf of the family, children, and adolescents.

City of Great Falls

The District has entered into an interlocal agreement with the City of Great Falls to establish a joint purchasing program in order to recognize substantial savings of public funds by utilizing volume buying of supplies. The District serves as the purchasing and warehousing agent for the group. The District orders the supplies for the City of Great Falls based on their written authorizations and then remits the supplies to the City upon receipt of written requisitions.

School Resource Officer

The District has entered into an agreement with the City of Great Falls for the services of the City's Police Department for 187 days to enforce compulsory attendance provision of Title 20, Chapter 5, Part 1 of Montana Code Annotated. The City provides the District with four police officers and the equipment necessary to enforce the above mentioned provisions. The District's payment to the City is to be \$251,812. The agreement commences August 16, 2012 and extends through June 30, 2013.

Artist in Residence Program

The District has entered into an agreement with the Paris Gibson Museum of Art (The Square) for the funding of the Artist in Residence Program provided to the District. The Square provides the District with an artist(s) to work in the elementary and secondary schools, sharing creative abilities in classroom, studio performance, or workshop situations with students, faculty, administrators, and/or community members. The District's payment to The Square for the 2011/2012 school year was \$4,800, and for the 2012/2013 school year is to be \$4,800.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 16. PENDING LITIGATION

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that these matters will not have a material adverse effect on the basic financial statements of the District.

NOTE 17. RISK MANAGEMENT

The District faces a considerable number of risks of loss, including damage to and loss of property and contents, employee torts, professional liability (i.e. errors and omissions), environmental damage, workers' compensation (i.e. employee injuries), and medical insurance costs of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss except for relatively small deductible amounts, are purchased for property and content damage and professional liabilities. Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are paid out of the District's general fund. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. Given the lack of coverage available, the District has no coverage for potential losses from environmental damages.

Commercial policies, transferring all risks of loss except for relatively small deductible amounts, are purchased for property and content damage and professional liabilities. Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are paid out of the District's general fund. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. Given the lack of coverage available, the District has no coverage for potential losses from environmental damages.

The District has contracted with Montana Schools Group Insurance Authority for workers' compensation coverage. Premiums under the policy are paid by the District.

The District obtains medical insurance coverage for its employees through policies offered by Blue Cross/Blue Shield of Montana. Premiums under the policies are paid partly by the District and partly by the employees.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2012

NOTE 18. LONG-TERM CONSTRUCTION COMMITMENTS

The District has certain construction projects in progress or awarded to contractors at June 30, 2012. Major projects include, among others, heating systems and stage floor replacement at C.M. Russell High School, upgraded restroom fixtures and installation of solar panels at Great Falls High School, classroom storage remodel at Mountain View Elementary School, boiler replacement at Riverview Elementary School, and window panels at Roosevelt Elementary School.

NOTE 19. ENCUMBRANCES

The District utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported as budget expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except as set forth in Section 20-9-209, MCA. Open encumbrances at fiscal yearend are included in restricted, committed, or assigned fund balance, as appropriate.

Total encumbrances as of June 30, 2012 for the general fund were \$749,110, all assigned, for the elementary miscellaneous programs fund \$63,963, all assigned, for the elementary impact aid fund \$18,220, all restricted, and for the nonmajor funds in the aggregate were \$218,321, of which \$204,388 were restricted and \$13,933 were assigned.

NOTE 20. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2012 the District recorded in various funds prior period adjustments increasing beginning net assets by \$321,475, consisting of reimbursements for prior year expenditures of \$175,185, voided warrants of \$7,238, and receipt of E-rate money attributable to the prior year of \$139,052.

REQUIRED SUPPLEMENTAL INFORMATION

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget	(Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
District levy	\$ 17,992,206	\$ 17,992,206	\$ 17,804,224	\$ (187,982)
Interest	7,530	7,530	78,244	70,714
Miscellaneous	845	845	2,147	1,302
Direct state aid	28,677,521	28,677,521	28,677,520	(1)
State guaranteed tax base subsidy	11,344,646	11,344,646	11,344,646	-
State special education	2,125,329	2,125,329	2,125,329	-
Other state payments	2,155,567	2,155,567	2,159,261	3,694
Federal/state/local aid	-	-	-	-
County reimbursement	-	-	-	-
State reimbursement	-	-	-	-
Tuition and fees	112,729	112,729	78,928	(33,801)
Motor vehicle fees	-	-	3	3
Total	<u>62,416,373</u>	<u>62,416,373</u>	<u>62,270,302</u>	<u>(146,071)</u>
EXPENDITURES				
Current:				
Regular Programs:				
Instructional services	34,295,746	34,295,746	33,611,344	684,402
Supportive services	3,434,163	3,434,163	3,061,241	372,922
Educational media services	1,513,377	1,513,377	1,494,896	18,481
General administrative services	1,215,338	1,215,338	1,225,802	(10,464)
School administrative services	4,113,566	4,113,566	4,111,688	1,878
Business services	2,053,394	2,053,394	2,402,076	(348,682)
Operation and mainten- ance services	7,780,017	7,780,017	8,702,035	(922,018)
Central services	291,983	291,983	-	291,983
Special Programs:				
Instructional services	2,981,714	2,981,714	2,903,638	78,076
Supportive services	1,204,108	1,204,108	1,414,063	(209,955)
School administrative services	-	-	-	-
Operation and mainten- ance services	-	-	-	-
Student transportation services	-	-	-	-
Vocational Programs:				
Instructional services	2,102,053	2,102,053	1,826,804	275,249
Extracurricular activities	1,401,281	1,401,281	1,449,579	(48,298)
School food services	-	-	-	-
Student transportation services	-	-	-	-
School activity	-	-	-	-
Resources transferred to other districts	-	-	-	-
Capital outlay	48,760	48,760	180,672	(131,912)
Debt service	-	-	439,539	(439,539)
Total	<u>62,435,500</u>	<u>62,435,500</u>	<u>62,823,377</u>	<u>(387,877)</u>
Excess of revenues over expenditures	<u>(19,127)</u>	<u>(19,127)</u>	<u>(553,075)</u>	<u>(533,948)</u>
OTHER FINANCING SOURCES (USES)				
Resources transferred (to) from other funds	(120,000)	(120,000)	(210,000)	(90,000)
Sale of fixed assets	-	-	234	234
Cash reappropriated	139,127	139,127	-	(139,127)
	<u>19,127</u>	<u>19,127</u>	<u>(209,766)</u>	<u>(228,893)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(762,841)</u>	<u>\$ (762,841)</u>
Fund balance at July 1			7,524,572	
Prior period adjustment			73,879	
Fund balance at July 1, as restated			<u>7,598,451</u>	
Fund balance at June 30			<u>\$ 6,835,610</u>	

See accompanying notes to budgetary comparison schedule.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
NOTES TO BUDGETARY COMPARISON SCHEDULE
June 30, 2012

NOTE 1. BUDGETARY BASIS OF ACCOUNTING

The major difference between the budgetary basis of accounting and generally accepted accounting principles used in preparing the basic financial statements are the recording of encumbrances under the budgetary basis. Encumbrances allowed under state law are commitments related to unperformed contracts for the purchase of personal property or to complete construction projects. Under the budgetary basis of accounting such encumbrances are allowed to be recorded as expenditures in the year the commitments arise. Encumbrances outstanding at year-end are reported within the fund balance classifications related to the purposes for which resources have already been provided. All unexpended appropriations in funds for which appropriations are adopted lapse at year end, other than those encumbered as set forth in Section 20-9-209, MCA. Encumbered amounts will be added to the following year's budget for each fund encumbering expenditures in order to maintain budget authority. Encumbrances reported at the end of the current fiscal year must be liquidated by the end of the following fiscal year. The District utilized an encumbrance system for budgetary reporting for the year ended June 30, 2012. Encumbrances of \$745,110 of the General Fund are reflected as expenditures on the Budgetary Comparison Schedule - General Fund, for the year ended June 30, 2012.

The "actual" results of operations as presented in the Budgetary Comparison Schedule - General Fund are in accordance with the legally enacted budgetary basis to provide a meaningful comparison of actual results with budget. They do not, however, include the activity of the District's compensated absence funds which were required under GASB Statement No. 54 to be included with the activity of the general fund on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

Adjustments necessary to convert the results of operations as of June 30, 2012 on the modified accrual basis for the general fund to the budgetary basis are as follows:

General Fund

Deficiency of revenue over expenditures (GAAP)	\$ (598,345)
Due to implementation of GASB Statement No. 54:	
Compensated absence funds' net activity for 6/30/12	49,323
Due to expenditure:	
Encumbrances at 6/30/11	535,291
Encumbrances at 6/30/12	(749,110)
Deficiency of revenue over expenditures (budget)	<u>\$ (762,841)</u>

Adjustments necessary to convert fund balance as of June 30, 2012 on the modified accrual basis for the general fund to the budgetary basis are as follows:

General Fund

Fund balance, 6/30/12 (GAAP)	\$ 8,211,666
Due to implementation of GASB Statement No. 54:	
Compensated absence funds' fund balance, 6/30/12	(626,946)
Due to expenditure:	
Encumbrances at 6/30/12	(749,110)
Fund balance, 6/30/12 (budget)	<u>\$ 6,835,610</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF FUNDING PROGRESS FOR THE HEALTH PLAN
June 30, 2012

Acturial Valuation Date	Acturial Value of Assets (a)	Acturial Accrued Liability (AAL) Unit Credit (b)	Unfunded Liability (UAAL) (b-a)	Funded Ratio (a-b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)-c)
6/30/2012	\$ 0	\$1,435,830	\$1,435,830	0.0%	\$43,229,342	3.3%
6/30/2011	0	1,435,830	1,435,830	0.0%	43,229,342	3.3%
6/30/2010	0	3,645,797	3,645,797	0.0%	40,682,329	9.0%
6/30/2009	0	3,645,797	3,645,797	0.0%	40,682,329	9.0%

OTHER SUPPLEMENTAL SCHEDULES

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES AND EXPENDITURES - ALL FUND ACCOUNTS
EXTRACURRICULAR FUND
For the Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In (Out)</u>	<u>Ending Balance</u>
Administration Building					
School administration	\$ 625,847	\$ 41,544	\$ -	\$ -	\$ 667,391
Music	59,291	6,092	5,537	-	59,846
Adult education	35	-	30	-	5
Alternative education	37,518	54,992	41,814	-	50,696
Indian education	2,685	1,981	2,064	-	2,602
Special education	<u>1,240</u>	<u>3,862</u>	<u>4,615</u>	<u>-</u>	<u>487</u>
	<u>726,616</u>	<u>108,471</u>	<u>54,060</u>	<u>-</u>	<u>781,027</u>
Elementary Schools					
Lincoln School	1,897	10	-	-	1,907
Longfellow School	397	2	-	-	399
Loy School	6,702	3,186	4,954	-	4,934
MeadowLark School	1,605	2,022	1,725	-	1,902
Morningside School	2,556	4,531	1,706	-	5,381
Mountain View School	319	1,907	1,464	-	762
Riverview School	315	8	323	-	-
Roosevelt School	892	3,392	2,582	-	1,702
Sacajawea School	1,831	2,471	3,510	-	792
Sunnyside School	242	1	-	-	243
Valleyview School	2,021	3,472	1,451	-	4,042
Whittier School	<u>1,577</u>	<u>1,518</u>	<u>870</u>	<u>-</u>	<u>2,225</u>
	<u>20,354</u>	<u>22,520</u>	<u>18,585</u>	<u>-</u>	<u>24,289</u>
Middle Schools					
East Middle School	34,853	54,547	58,607	-	30,793
North Middle School	<u>29,657</u>	<u>80,790</u>	<u>81,509</u>	<u>-</u>	<u>28,938</u>
	<u>64,510</u>	<u>135,337</u>	<u>140,116</u>	<u>-</u>	<u>59,731</u>
High Schools					
Great Falls High School	470,599	905,528	900,726	-	475,401
C.M. Russell High School	<u>459,772</u>	<u>1,132,015</u>	<u>1,068,560</u>	<u>-</u>	<u>523,227</u>
	<u>930,371</u>	<u>2,037,543</u>	<u>1,969,286</u>	<u>-</u>	<u>998,628</u>
Total	\$ <u><u>1,741,851</u></u>	\$ <u><u>2,303,871</u></u>	\$ <u><u>2,182,047</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,863,675</u></u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ENROLLMENT
Fiscal Year Ended June 30, 2012

	Elementary <u>District</u>	High School <u>District</u>
<u>Fall Enrollment 10/11</u>		
Reported Enrollment Totals per "2011-2012 School Fall Reports"	<u>7,039</u>	<u>3,088</u>
Reported Enrollment Totals per 2011-2012 School Attendance Enrollment Counts	<u>7,039</u>	<u>3,088</u>
<u>Spring Enrollment 2/12</u>		
Reported Enrollment Totals per "2011-2012 School Spring Reports"	<u>7,050</u>	<u>2,974</u>
Reported Enrollment Totals per 2011-2012 School Attendance Enrollment Counts	<u>7,050</u>	<u>2,974</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINED SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2012

	Governmental Fund Types				Fiduciary Fund Types
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Private Purpose Trust and Agency Funds
ASSETS					
Cash in treasury	\$ 9,554,296	\$ 26,671,193	\$ 909	\$ 1,637,939	\$ 2,533,267
Petty cash	-	-	-	-	-
Taxes receivable	1,665,724	242,272	25,762	169	-
Due from other funds	79,749	-	-	-	-
Due from other governments	-	1,394,086	-	-	-
Other current assets	29,842	17,190	-	-	-
Inventories	120,337	91,240	-	-	-
Prepaid expenses	137,623	384,894	-	-	-
Land and improvements	-	-	-	-	-
Buildings and improvements	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Construction in progress	-	-	-	-	-
Amount available in debt service and compensated absence funds	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-
TOTAL ASSETS	<u>\$ 11,587,571</u>	<u>\$ 28,800,875</u>	<u>\$ 26,671</u>	<u>\$ 1,638,108</u>	<u>\$ 2,533,267</u>
LIABILITIES					
Due to other funds	\$ 79,749	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Other current liabilities	2,257,377	-	-	-	-
Deferred revenue	1,665,724	399,739	25,762	169	-
Compensated absences payable	-	-	-	-	-
Bonds payable	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-
TOTAL LIABILITIES	<u>4,002,850</u>	<u>399,739</u>	<u>25,762</u>	<u>169</u>	<u>-</u>
FUND EQUITY					
Investments in general fixed assets	-	-	-	-	-
Fund balance:					
Reserved:					
Inventories	120,337	91,240	-	-	-
Prepaid expenses	137,623	384,894	-	-	-
Operations	6,521,180	1,669,759	-	-	-
Encumbrances	749,110	255,051	-	45,453	-
Unreserved:					
Designated for debt service	-	-	909	-	-
Undesignated	56,471	26,000,192	-	1,592,486	2,533,267
TOTAL FUND EQUITY	<u>7,584,721</u>	<u>28,401,136</u>	<u>909</u>	<u>1,637,939</u>	<u>2,533,267</u>
	<u>\$ 11,587,571</u>	<u>\$ 28,800,875</u>	<u>\$ 26,671</u>	<u>\$ 1,638,108</u>	<u>\$ 2,533,267</u>

Account Groups		
General Long-term Debt	General Fixed Assets	Total (Memorandum Only)
\$ -	\$ -	\$ 40,397,604
-	-	-
-	-	1,933,927
-	-	79,749
-	-	1,394,086
-	-	47,032
-	-	211,577
-	-	522,517
-	1,348,339	1,348,339
-	40,548,444	40,548,444
-	3,883,878	3,883,878
-	6,516,991	6,516,991
627,854	-	627,854
<u>15,002,949</u>	<u>-</u>	<u>15,002,949</u>
\$ <u><u>15,630,803</u></u>	\$ <u><u>52,297,652</u></u>	\$ <u><u>112,514,947</u></u>
\$ -	\$ -	\$ 79,749
-	-	-
-	-	2,257,377
-	-	2,091,394
7,645,393	-	7,645,393
7,972,950	-	7,972,950
<u>12,460</u>	<u>-</u>	<u>12,460</u>
<u>15,630,803</u>	<u>-</u>	<u>20,059,323</u>
-	52,297,652	52,297,652
-	-	211,577
-	-	522,517
-	-	8,190,939
-	-	1,049,614
-	-	909
<u>-</u>	<u>-</u>	<u>30,182,416</u>
<u>-</u>	<u>52,297,652</u>	<u>92,455,624</u>
\$ <u><u>15,630,803</u></u>	\$ <u><u>52,297,652</u></u>	\$ <u><u>112,514,947</u></u>

**SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINED SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2012**

	Governmental Fund Types				Fiduciary Fund Type	
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Private Purpose Trust Funds	Total (Memorandum Only)
REVENUES						
District levy	\$ 17,804,224	\$ 2,263,565	\$ 637	\$ -	\$ -	\$ 20,068,426
Interest	78,244	128,837	78	(5,485)	2,543	204,217
Miscellaneous	2,147	1,938,914	-	64,730	18,000	2,023,791
State/county equalization	28,677,520	-	-	-	-	28,677,520
State guaranteed tax base subsidy	11,344,646	-	-	-	-	11,344,646
State special education	2,125,329	-	-	-	-	2,125,329
Other state payments	2,159,261	174,511	-	20,000	-	2,353,772
Federal/state/local aid	-	14,421,595	-	-	-	14,421,595
County reimbursement	-	8,407,422	-	-	-	8,407,422
State reimbursement	-	401,576	-	-	-	401,576
Tuition and fees	78,928	367,680	-	-	-	446,608
Motor vehicle fees	3	-	-	-	-	3
Lunch sales	-	1,133,354	-	-	-	1,133,354
School activity	-	-	-	-	2,303,871	2,303,871
Total	62,270,302	29,237,454	715	79,245	2,324,414	93,912,130
EXPENDITURES						
Current:						
Regular Programs:						
Instructional services	33,769,959	8,557,302	-	365	-	42,327,626
Supportive services	3,012,116	1,070,177	-	-	-	4,082,293
Educational media services	1,498,536	141,415	-	-	-	1,639,951
General administrative services	1,240,110	140,889	-	-	19,778	1,400,777
School administrative services	4,102,878	443,914	-	-	-	4,546,792
Business services	2,320,865	458,590	-	-	-	2,779,455
Operation and mainten- ance services	8,456,140	497,909	-	630,400	-	9,584,449
Central services	-	-	-	-	-	-
Special Programs:						
Instructional services	2,906,777	10,446,716	-	-	-	13,353,493
Supportive services	1,414,063	176,089	-	-	-	1,590,152
School administrative services	-	250,441	-	-	-	250,441
Operation and mainten- ance services	-	-	-	-	-	-
Student transportation services	-	808,944	-	-	-	808,944
Vocational Programs:						
Instructional services	1,826,804	308,471	-	-	-	2,135,275
Extracurricular activities	1,449,579	88,920	-	-	-	1,538,499
School food services	-	3,262,361	-	-	-	3,262,361
Student transportation services	-	1,617,043	-	-	-	1,617,043
School activity	-	-	-	-	2,182,047	2,182,047
Resources transferred to other districts	-	636,616	-	-	-	636,616
Capital outlay	172,192	105,120	-	6,575,098	-	6,852,410
Debt service	439,539	54,813	-	-	-	494,352
Total	62,609,558	29,065,730	-	7,205,863	2,201,825	101,082,976
Excess (Deficiency) of revenues over expenditures	(339,256)	171,724	715	(7,126,618)	122,589	(7,170,846)
OTHER FINANCING SOURCES (USES)						
Resources transferred (to) from other funds	(210,000)	110,000	-	-	100,000	-
Sale of bonds	-	-	-	-	-	-
Sale of fixed assets	234	-	-	4,748	-	4,982
	(209,766)	110,000	-	4,748	100,000	4,982
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(549,022)	281,724	715	(7,121,870)	222,589	(7,165,864)
Fund balance at July 1	8,059,864	27,954,706	194	8,676,919	2,310,678	47,002,361
Prior period adjustment	73,879	164,706	-	82,890	-	321,475
Fund balance at July 1, as restated	8,133,743	28,119,412	194	8,759,809	2,310,678	47,323,836
Fund balance at June 30	\$ 7,584,721	\$ 28,401,136	\$ 909	\$ 1,637,939	\$ 2,533,267	\$ 40,157,972

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 2012

	General Fund			Budgeted Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
District levy	\$ 17,992,206	\$ 17,804,224	\$ (187,982)	\$ 2,298,121	\$ 2,263,565	\$ (34,556)	\$ -	\$ 637	\$ 637
Interest	7,530	78,244	70,714	6,110	12,618	6,508	-	78	78
Miscellaneous	845	2,147	1,302	-	-	-	-	-	-
Direct state aid	28,677,521	28,677,520	(1)	-	-	-	-	-	-
State guaranteed tax base subsidy	11,344,646	11,344,646	-	-	-	-	-	-	-
State special education	2,125,329	2,125,329	-	-	-	-	-	-	-
Other state payments	2,155,567	2,159,261	3,694	174,511	174,511	-	-	-	-
Federal/state/local aid	-	-	-	-	-	-	-	-	-
County reimbursement	-	-	-	8,458,345	8,407,422	(50,923)	-	-	-
State reimbursement	-	-	-	423,815	401,576	(22,239)	-	-	-
Tuition and fees	112,729	78,928	(33,801)	-	9,386	9,386	-	-	-
Motor vehicle fees	-	3	3	-	-	-	-	-	-
Lunch sales	-	-	-	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Total	62,416,373	62,270,302	(146,071)	11,360,902	11,269,078	(91,824)	-	715	715
EXPENDITURES									
Current:									
Regular Programs:									
Instructional services	34,295,746	33,611,344	684,402	9,917,250	6,414,329	3,502,921	-	-	-
Supportive services	3,434,163	3,061,241	372,922	-	171,194	(171,194)	-	-	-
Educational media services	1,513,377	1,494,896	18,481	-	140,940	(140,940)	-	-	-
General administrative services	1,215,338	1,225,802	(10,464)	-	44,705	(44,705)	-	-	-
School administrative services	4,113,566	4,111,688	1,878	-	345,182	(345,182)	-	-	-
Business services	2,053,394	2,402,076	(348,682)	-	188,861	(188,861)	-	-	-
Operation and mainten- ance services	7,780,017	8,702,035	(922,018)	467,936	306,995	160,941	-	-	-
Central services	291,983	-	291,983	-	-	-	-	-	-
Special Programs:									
Instructional services	2,981,714	2,903,638	78,076	-	951,807	(951,807)	-	-	-
Supportive services	1,204,108	1,414,063	(209,955)	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	926,030	808,944	117,086	-	-	-
Vocational Programs:									
Instructional services	2,102,053	1,826,804	275,249	-	-	-	-	-	-
Extracurricular activities	1,401,281	1,449,579	(48,298)	-	52,725	(52,725)	-	-	-
School food services	-	-	-	-	186,056	(186,056)	-	-	-
Student transportation services	-	-	-	1,949,149	1,617,043	332,106	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	-	-	-	-	-	-
Capital outlay	48,760	180,672	(131,912)	260,000	7,581	252,419	-	-	-
Debt service	-	439,539	(439,539)	-	-	-	194	-	194
Total	62,435,500	62,823,377	(387,877)	13,520,365	11,236,362	2,284,003	194	-	194
Excess (Deficiency) of revenues over expenditures	(19,127)	(553,075)	(533,948)	(2,159,463)	32,716	2,192,179	(194)	715	909
OTHER FINANCING SOURCES (USES)									
Resources transferred (to) from other funds	(120,000)	(210,000)	(90,000)	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	234	234	-	(100,000)	(100,000)	-	-	-
Cash reappropriated	139,127	-	(139,127)	2,159,463	-	(2,159,463)	194	-	(194)
	19,127	(209,766)	(228,893)	2,159,463	(100,000)	(2,259,463)	194	-	(194)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	(762,841)	\$ (762,841)	\$ -	(67,284)	\$ (67,284)	\$ -	715	\$ 715
Fund balance at July 1		7,524,572			3,604,229			194	
Prior period adjustment		73,879			142,731			-	
Fund balance at July 1, as restated		7,598,451			3,746,960			194	
Fund balance at June 30	\$	6,835,610		\$	3,679,676		\$	909	

Budgeted Capital Projects Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 20,290,327	\$ 20,068,426	\$ (221,901)
920	488	(432)	14,560	91,428	76,868
-	8,400	8,400	845	10,547	9,702
-	-	-	28,677,521	28,677,520	(1)
-	-	-	11,344,646	11,344,646	-
-	-	-	2,125,329	2,125,329	-
20,000	20,000	-	2,350,078	2,353,772	3,694
-	-	-	-	-	-
-	-	-	8,458,345	8,407,422	(50,923)
-	-	-	423,815	401,576	(22,239)
-	-	-	112,729	88,314	(24,415)
-	-	-	-	3	3
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,920</u>	<u>28,888</u>	<u>7,968</u>	<u>73,798,195</u>	<u>73,568,983</u>	<u>(229,212)</u>
-	-	-	44,212,996	40,025,673	4,187,323
-	-	-	3,434,163	3,232,435	201,728
-	-	-	1,513,377	1,635,836	(122,459)
-	-	-	1,215,338	1,270,507	(55,169)
-	-	-	4,113,566	4,456,870	(343,304)
-	-	-	2,053,394	2,590,937	(537,543)
170,681	33,154	137,527	8,418,634	9,042,184	(623,550)
-	-	-	291,983	-	291,983
-	-	-	2,981,714	3,855,445	(873,731)
-	-	-	1,204,108	1,414,063	(209,955)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	926,030	808,944	117,086
-	-	-	2,102,053	1,826,804	275,249
-	-	-	1,401,281	1,502,304	(101,023)
-	-	-	-	186,056	(186,056)
-	-	-	1,949,149	1,617,043	332,106
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	308,760	188,253	120,507
-	-	-	194	439,539	(439,345)
<u>170,681</u>	<u>33,154</u>	<u>137,527</u>	<u>76,126,740</u>	<u>74,092,893</u>	<u>2,033,847</u>
<u>(149,761)</u>	<u>(4,266)</u>	<u>145,495</u>	<u>(2,328,545)</u>	<u>(523,910)</u>	<u>1,804,635</u>
-	-	-	(120,000)	(210,000)	(90,000)
-	-	-	-	-	-
-	-	-	-	(99,766)	(99,766)
149,761	-	(149,761)	2,448,545	-	(2,448,545)
<u>149,761</u>	<u>-</u>	<u>(149,761)</u>	<u>2,328,545</u>	<u>(309,766)</u>	<u>(2,638,311)</u>
\$ <u>-</u>	<u>(4,266)</u>	\$ <u>(4,266)</u>	\$ <u>-</u>	<u>(833,676)</u>	\$ <u>(833,676)</u>
	149,761			11,278,756	
	-			216,610	
	<u>149,761</u>			<u>11,495,366</u>	
\$ <u>145,495</u>			\$ <u>10,661,690</u>		

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
SPECIAL REVENUE FUNDS
June 30, 2012

	Transportation Fund	Food Services Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund	Traffic Education Fund
ASSETS						
Cash in treasury	\$ 627,908	\$ 1,113,756	\$ 1,343,178	\$ 10,484,307	\$ 297,142	\$ 509,218
Petty cash	-	-	-	-	-	-
Taxes receivable	82,583	-	-	-	36,527	-
Due from other governments	-	-	-	1,328,330	-	65,756
Other current assets	-	-	-	9,588	-	-
Inventories	-	91,240	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Land and improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-
Amount available in debt service and compensated absence funds	-	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 710,491</u>	<u>\$ 1,204,996</u>	<u>\$ 1,343,178</u>	<u>\$ 11,822,225</u>	<u>\$ 333,669</u>	<u>\$ 574,974</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Deferred revenue	82,583	-	-	157,467	36,527	-
Compensated absences payable	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
TOTAL LIABILITIES	<u>82,583</u>	<u>-</u>	<u>-</u>	<u>157,467</u>	<u>36,527</u>	<u>-</u>
FUND EQUITY						
Investments in general fixed assets	-	-	-	-	-	-
Fund balance:						
Reserved:						
Inventories	-	91,240	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Operations	531,373	-	1,064,136	-	74,250	-
Encumbrances	-	-	-	77,896	80	-
Unreserved:						
Designated for debt service	-	-	-	-	-	-
Undesignated	96,535	1,113,756	279,042	11,586,862	222,812	574,974
TOTAL FUND EQUITY	<u>627,908</u>	<u>1,204,996</u>	<u>1,343,178</u>	<u>11,664,758</u>	<u>297,142</u>	<u>574,974</u>
	<u>\$ 710,491</u>	<u>\$ 1,204,996</u>	<u>\$ 1,343,178</u>	<u>\$ 11,822,225</u>	<u>\$ 333,669</u>	<u>\$ 574,974</u>

Lease Rental Agreement Fund	Compensated Absence Fund	Impact Aid Fund	Technology Fund	Flexibility Fund	Total
\$ 25,573	\$ 626,945	\$ 10,097,643	\$ 1,077,978	\$ 467,545	\$ 26,671,193
-	-	-	-	-	-
-	-	-	123,162	-	242,272
-	-	-	-	-	1,394,086
7,602	-	-	-	-	17,190
-	-	-	-	-	91,240
-	-	384,894	-	-	384,894
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,175</u>	<u>626,945</u>	<u>10,482,537</u>	<u>1,201,140</u>	<u>467,545</u>	<u>28,800,875</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	123,162	-	399,739
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	123,162	-	399,739
-	-	-	-	-	-
-	-	-	-	-	91,240
-	-	384,894	-	-	384,894
-	-	-	-	-	1,669,759
22,506	-	19,045	133,995	1,529	255,051
-	-	-	-	-	-
10,669	626,945	10,078,598	943,983	466,016	26,000,192
<u>33,175</u>	<u>626,945</u>	<u>10,482,537</u>	<u>1,077,978</u>	<u>467,545</u>	<u>28,401,136</u>
\$ <u>33,175</u>	\$ <u>626,945</u>	\$ <u>10,482,537</u>	\$ <u>1,201,140</u>	\$ <u>467,545</u>	\$ <u>28,800,875</u>

**SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012**

	Transportation Fund	Food Services Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund	Traffic Education Fund	Lease Rental Agreement Fund	Compensated Absence Fund
REVENUES								
District levy	\$ 1,653,960	\$ -	\$ -	\$ -	\$ 387,636	\$ -	\$ -	\$ -
Interest	6,567	-	436	52,522	1,764	2,454	19	2,497
Miscellaneous	-	16	-	1,938,898	-	-	-	-
State/county equalization	-	-	-	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-	-	-	-
State special education	-	-	-	-	-	-	-	-
Other state payments	62,581	-	-	-	4,103	-	-	-
Federal/state/local aid	-	2,181,140	-	11,482,940	-	64,860	-	-
County reimbursement	401,586	-	8,005,836	-	-	-	-	-
State reimbursement	401,576	-	-	-	-	-	-	-
Tuition and fees	-	-	-	150,623	9,386	99,098	108,573	-
Motor vehicle fees	-	-	-	-	-	-	-	-
Lunch sales	-	1,133,354	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-
Total	2,526,270	3,314,510	8,006,272	13,624,983	402,889	166,412	108,592	2,497
EXPENDITURES								
Current:								
Regular Programs:								
Instructional services	-	-	5,442,311	2,054,477	468,898	173,911	-	17,546
Supportive services	-	-	171,194	654,709	-	-	-	244,274
Educational media services	-	-	140,940	-	-	-	-	-
General administrative services	-	-	44,705	95,834	-	-	-	-
School administrative services	-	-	345,182	98,732	-	-	-	-
Business services	-	-	188,559	201,348	-	-	-	-
Operation and mainten- ance services	-	-	306,995	4,000	-	-	95,417	-
Central services	-	-	-	-	-	-	-	-
Special Programs:								
Instructional services	-	-	951,807	9,182,203	-	-	-	-
Supportive services	-	-	-	176,089	-	-	-	-
School administrative services	-	-	-	250,441	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-	-	-
Student transportation services	795,086	-	13,858	-	-	-	-	-
Vocational Programs:								
Instructional services	-	-	-	308,471	-	-	-	-
Extracurricular activities	-	-	52,725	36,195	-	-	-	-
School food services	-	3,076,305	186,056	-	-	-	-	-
Student transportation services	1,617,043	-	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	636,616	-	-	-	-
Capital outlay	-	-	-	97,539	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total	2,412,129	3,076,305	7,844,332	13,796,654	468,898	173,911	95,417	261,820
Excess (Deficiency) of revenues over expenditures	114,141	238,205	161,940	(171,671)	(66,009)	(7,499)	13,175	(259,323)
OTHER FINANCING SOURCES (USES)								
Resources transferred (to) from other funds	-	-	-	-	-	-	-	210,000
Sale of bonds	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	210,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	114,141	238,205	161,940	(171,671)	(66,009)	(7,499)	13,175	(49,323)
Fund balance at July 1	513,405	955,457	1,177,946	11,826,230	363,126	582,473	20,000	676,246
Prior period adjustment	362	11,334	3,292	10,199	25	-	-	22
Fund balance at July 1, as restated	513,767	966,791	1,181,238	11,836,429	363,151	582,473	20,000	676,268
Fund balance at June 30	\$ 627,908	\$ 1,204,996	\$ 1,343,178	\$ 11,664,758	\$ 297,142	\$ 574,974	\$ 33,175	\$ 626,945

	Impact Aid Fund	Technology Fund	Flexibility Fund	Total
\$	-	\$ 221,969	\$ -	\$ 2,263,565
	58,727	1,742	2,109	128,837
	-	-	-	1,938,914
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	88,527	19,300	174,511
	692,655	-	-	14,421,595
	-	-	-	8,407,422
	-	-	-	401,576
	-	-	-	367,680
	-	-	-	-
	-	-	-	1,133,354
	-	-	-	-
	<u>751,382</u>	<u>312,238</u>	<u>21,409</u>	<u>29,237,454</u>
	5,868	394,291	-	8,557,302
	-	-	-	1,070,177
	475	-	-	141,415
	350	-	-	140,889
	-	-	-	443,914
	68,381	302	-	458,590
	91,497	-	-	497,909
	-	-	-	-
	312,706	-	-	10,446,716
	-	-	-	176,089
	-	-	-	250,441
	-	-	-	-
	-	-	-	808,944
	-	-	-	308,471
	-	-	-	88,920
	-	-	-	3,262,361
	-	-	-	1,617,043
	-	-	-	-
	-	-	-	636,616
	-	7,581	-	105,120
	<u>54,813</u>	<u>-</u>	<u>-</u>	<u>54,813</u>
	<u>534,090</u>	<u>402,174</u>	<u>-</u>	<u>29,065,730</u>
	<u>217,292</u>	<u>(89,936)</u>	<u>21,409</u>	<u>171,724</u>
	-	(100,000)	-	110,000
	-	-	-	-
	-	-	-	-
	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>110,000</u>
	<u>217,292</u>	<u>(189,936)</u>	<u>21,409</u>	<u>281,724</u>
	10,264,825	1,128,862	446,136	27,954,706
	<u>420</u>	<u>139,052</u>	<u>-</u>	<u>164,706</u>
	<u>10,265,245</u>	<u>1,267,914</u>	<u>446,136</u>	<u>28,119,412</u>
\$	<u>10,482,537</u>	<u>\$ 1,077,978</u>	<u>\$ 467,545</u>	<u>\$ 28,401,136</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2012

	Transportation Fund		Adult Education Fund		Technology Fund		Retirement Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES								
District levy	\$ 1,681,113	\$ 1,653,960	\$ 392,008	\$ 387,636	\$ 225,000	\$ 221,969	\$ -	\$ -
Interest	450	6,567	210	1,764	600	1,742	2,350	436
Miscellaneous	-	-	-	-	-	-	-	-
State/county equalization	-	-	-	-	-	-	-	-
State guaranteed								
tax base subsidy	-	-	-	-	-	-	-	-
State special education	-	-	-	-	-	-	-	-
Other state payments	62,581	62,581	4,103	4,103	88,527	88,527	-	-
Federal/state/local aid	-	-	-	-	-	-	-	-
County reimbursement	423,815	401,586	-	-	-	-	8,034,530	8,005,836
State reimbursement	423,815	401,576	-	-	-	-	-	-
Tuition and fees	-	-	-	9,386	-	-	-	-
Motor vehicle fees	-	-	-	-	-	-	-	-
Lunch sales	-	-	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-
Total	<u>2,591,774</u>	<u>2,526,270</u>	<u>396,321</u>	<u>402,889</u>	<u>314,127</u>	<u>312,238</u>	<u>8,036,880</u>	<u>8,006,272</u>
EXPENDITURES								
Current:								
Regular Programs:								
Instructional services	-	-	649,297	468,828	995,127	503,190	8,272,826	5,442,311
Supportive services	-	-	-	-	-	-	-	171,194
Educational media services	-	-	-	-	-	-	-	140,940
General administrative services	-	-	-	-	-	-	-	44,705
School administrative services	-	-	-	-	-	-	-	345,182
Business services	-	-	-	-	-	302	-	188,559
Operation and maintenance services	-	-	-	-	-	-	-	306,995
Central services	-	-	-	-	-	-	-	-
Special Programs:								
Instructional services	-	-	-	-	-	-	-	951,807
Supportive services	-	-	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-
Operation and maintenance services	-	-	-	-	-	-	-	-
Student transportation services	926,030	795,086	-	-	-	-	-	13,858
Vocational Programs:								
Instructional services	-	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	52,725
School food services	-	-	-	-	-	-	-	186,056
Student transportation services	1,949,149	1,617,043	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	-	-	-	-	-
Capital outlay	-	-	10,000	-	250,000	7,581	-	-
Debt service	-	-	-	-	-	-	-	-
Total	<u>2,875,179</u>	<u>2,412,129</u>	<u>659,297</u>	<u>468,828</u>	<u>1,245,127</u>	<u>511,073</u>	<u>8,272,826</u>	<u>7,844,332</u>
Excess (Deficiency) of revenues over expenditures	<u>(283,405)</u>	<u>114,141</u>	<u>(262,976)</u>	<u>(65,939)</u>	<u>(931,000)</u>	<u>(198,835)</u>	<u>(235,946)</u>	<u>161,940</u>
OTHER FINANCING SOURCES (USES)								
Sale of bonds	-	-	-	-	-	(100,000)	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Cash reappropriated	<u>283,405</u>	<u>-</u>	<u>262,976</u>	<u>-</u>	<u>931,000</u>	<u>-</u>	<u>235,946</u>	<u>-</u>
	<u>283,405</u>	<u>-</u>	<u>262,976</u>	<u>-</u>	<u>931,000</u>	<u>(100,000)</u>	<u>235,946</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>114,141</u>	<u>\$ -</u>	<u>(65,939)</u>	<u>\$ -</u>	<u>(298,835)</u>	<u>\$ -</u>	<u>161,940</u>
Fund balance at July 1		513,405		362,976		1,103,766		1,177,946
Prior period adjustment		<u>362</u>		<u>25</u>		<u>139,052</u>		<u>3,292</u>
Fund balance at July 1, as restated		<u>513,767</u>		<u>363,001</u>		<u>1,242,818</u>		<u>1,181,238</u>
Fund balance at June 30		<u>\$ 627,908</u>		<u>\$ 297,062</u>		<u>\$ 943,983</u>		<u>\$ 1,343,178</u>

Flexibility Fund		Totals		
Budget	Actual	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ 2,298,121	\$ 2,263,565	\$ (34,556)
2,500	2,109	6,110	12,618	6,508
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,300	19,300	174,511	174,511	-
-	-	-	-	-
-	-	8,458,345	8,407,422	(50,923)
-	-	423,815	401,576	(22,239)
-	-	-	9,386	9,386
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,800	21,409	11,360,902	11,269,078	(91,824)
-	-	9,917,250	6,414,329	3,502,921
-	-	-	171,194	(171,194)
-	-	-	140,940	(140,940)
-	-	-	44,705	(44,705)
-	-	-	345,182	(345,182)
-	-	-	188,861	(188,861)
467,936	-	467,936	306,995	160,941
-	-	-	-	-
-	-	-	951,807	(951,807)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	926,030	808,944	117,086
-	-	-	-	-
-	-	-	52,725	(52,725)
-	-	-	186,056	(186,056)
-	-	1,949,149	1,617,043	332,106
-	-	-	-	-
-	-	-	-	-
-	-	260,000	7,581	252,419
-	-	-	-	-
467,936	-	13,520,365	11,236,362	2,284,003
(446,136)	21,409	(2,159,463)	32,716	2,192,179
-	-	-	(100,000)	(100,000)
-	-	-	-	-
446,136	-	2,159,463	-	(2,159,463)
446,136	-	2,159,463	(100,000)	(2,259,463)
\$ -	21,409	\$ -	(67,284)	\$ (67,284)
	446,136		3,604,229	
	-		142,731	
	446,136		3,746,960	
\$	467,545	\$	3,679,676	

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
CAPITAL PROJECTS FUNDS
June 30, 2012

	Building Fund	Building Reserve Fund	Total
ASSETS			
Cash in treasury	\$ 1,492,444	\$ 145,495	\$ 1,637,939
Petty cash	-	-	-
Taxes receivable	-	169	169
Due from other governments	-	-	-
Other current assets	-	-	-
Inventories	-	-	-
Prepaid expenses	-	-	-
Land and improvements	-	-	-
Buildings and improvements	-	-	-
Machinery and equipment	-	-	-
Amount available in debt service and compensated absence funds	-	-	-
Amount to be provided to retire long-term debt	-	-	-
TOTAL ASSETS	<u>\$ 1,492,444</u>	<u>\$ 145,664</u>	<u>\$ 1,638,108</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Other current liabilities	-	-	-
Deferred revenue	-	169	169
Compensated absences payable	-	-	-
Net OPEB obligation	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>169</u>	<u>169</u>
FUND EQUITY			
Investments in general fixed assets	-	-	-
Fund balance:			
Reserved:			
Inventories	-	-	-
Prepaid expenses	-	-	-
Operations	-	-	-
Encumbrances	45,453	-	45,453
Unreserved:			
Designated for debt service	-	-	-
Undesignated	1,446,991	145,495	1,592,486
TOTAL FUND EQUITY	<u>1,492,444</u>	<u>145,495</u>	<u>1,637,939</u>
	<u>\$ 1,492,444</u>	<u>\$ 145,664</u>	<u>\$ 1,638,108</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2012

	Building Fund	Building Reserve Fund	Total
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	(5,973)	488	(5,485)
Miscellaneous	56,330	8,400	64,730
State/county equalization	-	-	-
State guaranteed tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	-	20,000	20,000
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
Lunch sales	-	-	-
School activity	-	-	-
Total	<u>50,357</u>	<u>28,888</u>	<u>79,245</u>
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	365	-	365
Supportive services	-	-	-
Educational media services	-	-	-
General administrative services	-	-	-
School administrative services	-	-	-
Business services	-	-	-
Operation and mainten- ance services	597,246	33,154	630,400
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative services	-	-	-
Operation and mainten- ance services	-	-	-
Student transportation services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
School food services	-	-	-
Student transportation services	-	-	-
School activity	-	-	-
Resources transferred to other districts	-	-	-
Capital outlay	6,575,098	-	6,575,098
Debt service	-	-	-
Total	<u>7,172,709</u>	<u>33,154</u>	<u>7,205,863</u>
Excess (Deficiency) of revenues over expenditures	<u>(7,122,352)</u>	<u>(4,266)</u>	<u>(7,126,618)</u>
OTHER FINANCING SOURCES (USES)			
Resources transferred (to) from other funds	-	-	-
Sale of bonds	-	-	-
Sale of fixed assets	4,748	-	4,748
Total	<u>4,748</u>	<u>-</u>	<u>4,748</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(7,117,604)</u>	<u>(4,266)</u>	<u>(7,121,870)</u>
Fund balance at July 1	8,527,158	149,761	8,676,919
Prior period adjustment	82,890	-	82,890
Fund balance at July 1, as restated	<u>8,610,048</u>	<u>149,761</u>	<u>8,759,809</u>
Fund balance at June 30	<u>\$ 1,492,444</u>	<u>\$ 145,495</u>	<u>\$ 1,637,939</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUDGETED CAPITAL PROJECTS FUND
For the Year Ended June 30, 2012

	Building Reserve Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	920	488	(432)
Miscellaneous	-	8,400	8,400
State/county equalization	-	-	-
State guaranteed			
tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	20,000	20,000	-
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
Lunch sales	-	-	-
School activity	-	-	-
Total	<u>20,920</u>	<u>28,888</u>	<u>7,968</u>
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
Educational media services	-	-	-
General administrative			
services	-	-	-
School administrative			
services	-	-	-
Business services	-	-	-
Operation and mainten-			
ance services	170,681	33,154	137,527
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative			
services	-	-	-
Operation and mainten-			
ance services	-	-	-
Student transportation			
services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
School food services	-	-	-
Student transportation			
services	-	-	-
School activity	-	-	-
Resources transferred to			
other districts	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total	<u>170,681</u>	<u>33,154</u>	<u>137,527</u>
Excess (Deficiency) of revenues over expenditures	<u>(149,761)</u>	<u>(4,266)</u>	<u>145,495</u>
OTHER FINANCING SOURCES (USES)			
Resources transferred (to) from			
other funds	-	-	-
Sale of bonds	-	-	-
Cash reappropriated	<u>149,761</u>	<u>-</u>	<u>(149,761)</u>
	<u>149,761</u>	<u>-</u>	<u>(149,761)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>(4,266)</u>	<u>\$ (4,266)</u>
Fund balance at July 1		149,761	
Prior period adjustment		-	
Fund balance at July 1, as restated		<u>149,761</u>	
Fund balance at June 30		<u>\$ 145,495</u>	

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
PRIVATE PURPOSE TRUST AND AGENCY FUNDS
June 30, 2012

	Private Purpose Trust Funds				Agency Fund	
	Endowment Fund	Miscellaneous Trust Fund	Extracurricular Fund	Interlocal Agreement Fund	Insurance Fund	Total
ASSETS						
Cash in treasury	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ 110,000	\$ -	\$ 2,533,267
Petty cash	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Land and improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-
Amount available in debt service and compensated absence funds	-	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 482,587</u>	<u>\$ 77,005</u>	<u>\$ 1,863,675</u>	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 2,533,267</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Investments in general fixed assets	-	-	-	-	-	-
Fund balance:						
Reserved:						
Inventories	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Operations	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-
Unreserved:						
Designated for debt service	-	-	-	-	-	-
Undesignated	482,587	77,005	1,863,675	110,000	-	2,533,267
TOTAL FUND EQUITY	<u>482,587</u>	<u>77,005</u>	<u>1,863,675</u>	<u>110,000</u>	<u>-</u>	<u>2,533,267</u>
	<u>\$ 482,587</u>	<u>\$ 77,005</u>	<u>\$ 1,863,675</u>	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 2,533,267</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2012

	Private Purpose Trust Funds				Total
	Endowment Fund	Miscellaneous Trust Fund	Extracurricular Fund	Interlocal Agreement Fund	
REVENUES					
District levy	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,034	509	-	-	2,543
Miscellaneous	-	8,000	-	10,000	18,000
State/county equalization	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-
State special education	-	-	-	-	-
Other state payments	-	-	-	-	-
Federal/state/local aid	-	-	-	-	-
County reimbursement	-	-	-	-	-
State reimbursement	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Motor vehicle fees	-	-	-	-	-
Lunch sales	-	-	-	-	-
School activity	-	-	2,303,871	-	2,303,871
Total	2,034	8,509	2,303,871	10,000	2,324,414
EXPENDITURES					
Current:					
Regular Programs:					
Instructional services	-	-	-	-	-
Supportive services	-	-	-	-	-
Educational media services	-	-	-	-	-
General administrative services	5,524	14,254	-	-	19,778
School administrative services	-	-	-	-	-
Business services	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-
Central services	-	-	-	-	-
Special Programs:					
Instructional services	-	-	-	-	-
Supportive services	-	-	-	-	-
School administrative services	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-
Student transportation services	-	-	-	-	-
Vocational Programs:					
Instructional services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
School food services	-	-	-	-	-
Student transportation services	-	-	-	-	-
School activity	-	-	2,182,047	-	2,182,047
Resources transferred to other districts	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total	5,524	14,254	2,182,047	-	2,201,825
Excess (Deficiency) of revenues over expenditures	(3,490)	(5,745)	121,824	10,000	122,589
OTHER FINANCING SOURCES (USES)					
Resources transferred (to) from other funds	-	-	-	100,000	100,000
Sale of bonds	-	-	-	-	-
Cash reappropriated	-	-	-	-	-
	-	-	-	100,000	100,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(3,490)	(5,745)	121,824	110,000	222,589
Fund balance at July 1	486,077	82,750	1,741,851	-	2,310,678
Prior period adjustment	-	-	-	-	-
Fund balance at July 1, as restated	486,077	82,750	1,741,851	-	2,310,678
Fund balance at June 30	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ 110,000	\$ 2,533,267

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
ALL FUND TYPES AND ACCOUNT GROUPS
ELEMENTARY DISTRICT
June 30, 2012

	Governmental Fund Types				Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Private Purpose Trust and Agency Funds	General Long-term Debt	General Fixed Asset	
ASSETS								
Cash in treasury	\$ 4,931,822	\$ 22,107,677	\$ -	\$ 1,267,201	\$ 110,000	\$ -	\$ -	\$ 28,416,700
Taxes receivable	1,155,996	88,088	-	150	-	-	-	1,244,234
Due from other governments	-	1,086,475	-	-	-	-	-	1,086,475
Due from other funds	79,749	-	-	-	-	-	-	79,749
Other current assets	16,278	6,872	-	-	-	-	-	23,150
Inventories	120,337	91,240	-	-	-	-	-	211,577
Prepaid expenses	137,623	141,039	-	-	-	-	-	278,662
Land and improvements	-	-	-	-	-	-	1,100,427	1,100,427
Buildings and improvements	-	-	-	-	-	-	21,029,564	21,029,564
Machinery and equipment	-	-	-	-	-	-	2,156,631	2,156,631
Construction in progress	-	-	-	-	-	-	5,678,433	5,678,433
Amount available in debt service & compensated absence funds	-	-	-	-	-	423,167	-	423,167
Amount to be provided to retire long-term debt	-	-	-	-	-	10,558,321	-	10,558,321
TOTAL ASSETS	<u>\$ 6,441,805</u>	<u>\$ 23,521,391</u>	<u>\$ -</u>	<u>\$ 1,267,351</u>	<u>\$ 110,000</u>	<u>\$ 10,981,488</u>	<u>\$ 29,965,055</u>	<u>\$ 72,287,090</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-	-	-
Other current liabilities	2,000	-	-	-	-	-	-	2,000
Deferred revenue	1,155,996	244,695	-	150	-	-	-	1,400,841
Compensated absences payable	-	-	-	-	-	4,768,292	-	4,768,292
Bonds payable	-	-	-	-	-	6,204,890	-	6,204,890
Net OPEB obligation	-	-	-	-	-	8,306	-	8,306
TOTAL LIABILITIES	<u>1,157,996</u>	<u>244,695</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>10,981,488</u>	<u>-</u>	<u>12,384,329</u>
FUND EQUITY								
Investment in general fixed assets	-	-	-	-	-	-	29,965,055	29,965,055
Fund balance:								
Reserved:								
Inventories	120,337	91,240	-	-	-	-	-	211,577
Prepaid expenses	137,623	141,039	-	-	-	-	-	278,662
Operations	4,261,225	1,069,166	-	-	-	-	-	5,330,391
Encumbrances	684,875	176,987	-	35,059	-	-	-	896,921
Unreserved:								
Designated for debt service	-	-	-	-	-	-	-	-
Undesignated	79,749	21,798,264	-	1,232,142	110,000	-	-	23,220,155
TOTAL FUND EQUITY	<u>5,283,809</u>	<u>23,276,696</u>	<u>-</u>	<u>1,267,201</u>	<u>110,000</u>	<u>-</u>	<u>29,965,055</u>	<u>59,902,761</u>
	<u>\$ 6,441,805</u>	<u>\$ 23,521,391</u>	<u>\$ -</u>	<u>\$ 1,267,351</u>	<u>\$ 110,000</u>	<u>\$ 10,981,488</u>	<u>\$ 29,965,055</u>	<u>\$ 72,287,090</u>

**SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUNDS
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012**

	Governmental Fund Types				Fiduciary Fund Type Private Purpose Trust Funds	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds		
REVENUES						
District levy	\$ 11,253,492	\$ 1,318,954	\$ -	\$ -	\$ -	\$ 12,572,446
Interest	47,290	108,943	-	(1,010)	-	155,223
Miscellaneous	94	1,626,861	-	50,620	10,000	1,677,575
Direct state aid	18,667,975	-	-	-	-	18,667,975
State guaranteed tax base subsidy	7,470,086	-	-	-	-	7,470,086
State special education	1,468,055	-	-	-	-	1,468,055
Other state payments	1,519,212	111,422	-	20,000	-	1,650,634
Federal/state/local aid	-	9,577,238	-	-	-	9,577,238
County reimbursement	-	5,548,358	-	-	-	5,548,358
State reimbursement	-	316,814	-	-	-	316,814
Tuition and fees	15,624	70,248	-	-	-	85,872
Motor vehicle fees	-	-	-	-	-	-
Lunch sales	-	1,133,354	-	-	-	1,133,354
Total	40,441,828	19,812,192	-	69,610	10,000	60,323,630
EXPENDITURES						
Current:						
Regular Programs:						
Instructional services	23,136,176	5,496,807	-	-	-	28,632,983
Supportive services	1,805,403	892,331	-	-	-	2,697,734
Educational media services	1,113,740	140,940	-	-	-	1,254,680
General administrative services	852,877	44,705	-	-	-	897,582
School administrative services	2,569,044	345,182	-	-	-	2,914,226
Business services	1,550,870	256,940	-	-	-	1,807,810
Operation and mainten- ance services	5,109,639	419,720	-	320,820	-	5,850,179
Central services	-	-	-	-	-	-
Special Programs:						
Instructional services	1,682,735	7,141,254	-	-	-	8,823,989
Supportive services	1,169,818	162,328	-	-	-	1,332,146
School administrative services	-	18,421	-	-	-	18,421
Operation and mainten- ance services	-	-	-	-	-	-
Student transportation services	-	566,137	-	-	-	566,137
Vocational Programs:						
Instructional services	390,528	-	-	-	-	390,528
Extracurricular activities	434,530	52,725	-	-	-	487,255
School food services	-	3,262,361	-	-	-	3,262,361
Student transportation services	-	1,153,782	-	-	-	1,153,782
Resources transferred to other districts	-	1,067	-	-	-	1,067
Capital outlay	84,817	16,400	-	5,723,819	-	5,825,036
Debt service	384,726	-	-	-	-	384,726
Total	40,284,903	19,971,100	-	6,044,639	-	66,300,642
Excess of revenues over expenditures:	156,925	(158,908)	-	(5,975,029)	10,000	(5,967,012)
OTHER FINANCING SOURCES (USES)						
Resources transferred (to) from:						
other funds	(139,891)	72,891	-	-	100,000	33,000
Sale of bonds	-	-	-	-	-	-
Sale of fixed assets	234	-	-	2,442	-	2,676
	(139,657)	72,891	-	2,442	100,000	35,676
Excess of Revenues and Other Sources Over Expenditures and Other Uses	17,268	(86,017)	-	(5,972,587)	110,000	(5,931,336)
Fund balance at July 1	5,229,070	23,253,997	-	7,186,756	-	35,669,823
Prior period adjustment	37,471	108,716	-	53,032	-	199,219
Fund balance at July 1, as restated	5,266,541	23,362,713	-	7,239,788	-	35,869,042
Fund balance at June 30	\$ 5,283,809	\$ 23,276,696	\$ -	\$ 1,267,201	\$ 110,000	\$ 29,937,706

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPES
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	General Fund			Budgeted Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
District levy	\$ 11,371,466	\$ 11,253,492	\$ (117,974)	\$ 1,334,103	\$ 1,318,954	\$ (15,149)
Interest	4,069	47,290	43,221	4,635	8,225	3,590
Miscellaneous	389	94	(295)	-	-	-
Direct state aid	18,667,976	18,667,975	(1)	-	-	-
State guaranteed tax base subsidy	7,470,086	7,470,086	-	-	-	-
State special education	1,468,055	1,468,055	-	-	-	-
Other state payments	1,519,212	1,519,212	-	111,422	111,422	-
Federal/state/local aid	-	-	-	-	-	-
County reimbursement	-	-	-	5,590,128	5,548,358	(41,770)
State reimbursement	-	-	-	339,053	316,814	(22,239)
Tuition and fees	31,411	15,624	(15,787)	-	-	-
Motor vehicle fees	-	-	-	-	-	-
Lunch sales	-	-	-	-	-	-
Total	<u>40,532,664</u>	<u>40,441,828</u>	<u>(90,836)</u>	<u>7,379,341</u>	<u>7,303,773</u>	<u>(75,568)</u>
EXPENDITURES						
Current:						
Regular Programs:						
Instructional services	23,732,440	23,091,733	640,707	6,302,424	3,769,041	2,533,383
Supportive services	2,034,468	1,893,541	140,927	-	171,194	(171,194)
Educational media services	1,103,667	1,113,740	(10,073)	-	140,940	(140,940)
General administrative services	808,660	852,787	(44,127)	-	44,705	(44,705)
School administrative services	2,591,773	2,577,914	13,859	-	345,182	(345,182)
Business services	1,375,716	1,634,865	(259,149)	-	188,559	(188,559)
Operation and mainten- ance services	4,858,855	5,360,474	(501,619)	337,787	308,524	29,263
Central services	195,738	-	195,738	-	-	-
Special Programs:						
Instructional services	1,613,033	1,679,735	(66,702)	-	411,122	(411,122)
Supportive services	1,174,884	1,169,818	5,066	-	-	-
School administrative services	-	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-
Student transportation services	-	-	-	611,275	566,137	45,138
Vocational Programs:						
Instructional services	539,699	390,528	149,171	-	-	-
Extracurricular activities	380,107	434,530	(54,423)	-	52,725	(52,725)
School food services	-	-	-	-	186,056	(186,056)
Student transportation services	-	-	-	1,388,582	1,153,782	234,800
Resources transferred to other districts	-	-	-	-	-	-
Capital outlay	20,960	127,847	(106,887)	250,000	7,581	242,419
Debt service	-	384,726	(384,726)	-	-	-
Total	<u>40,430,000</u>	<u>40,712,238</u>	<u>(282,238)</u>	<u>8,890,068</u>	<u>7,345,548</u>	<u>1,544,520</u>
Excess (Deficiency) of revenues over expenditures	<u>102,664</u>	<u>(270,410)</u>	<u>(373,074)</u>	<u>(1,510,727)</u>	<u>(41,775)</u>	<u>1,468,952</u>
OTHER FINANCING SOURCES (USES)						
Resources transferred (to) from other funds	(120,000)	(139,891)	(19,891)	-	-	-
Sale of bonds	-	-	-	-	-	-
Sale of fixed assets	-	234	234	-	-	-
Cash reappropriated	17,336	-	(17,336)	1,510,727	-	(1,510,727)
Total	<u>(102,664)</u>	<u>(139,657)</u>	<u>(36,993)</u>	<u>1,510,727</u>	<u>-</u>	<u>(1,510,727)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(410,067)</u>	\$ <u>(410,067)</u>	\$ <u>-</u>	\$ <u>(41,775)</u>	\$ <u>(41,775)</u>
Fund balance at July 1		4,971,530			2,412,624	
Prior period adjustment		<u>37,471</u>			<u>96,283</u>	
Fund balance at July 1, as restated		<u>5,009,001</u>			<u>2,508,907</u>	
Fund balance at June 30		\$ <u>4,598,934</u>			\$ <u>2,467,132</u>	

Debt Service Fund			Budgeted Capital Projects Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,705,569	\$ 12,572,446	\$ (133,123)
-	-	-	900	479	(421)	9,604	55,994	46,390
-	-	-	-	8,400	8,400	389	8,494	8,105
-	-	-	-	-	-	18,667,976	18,667,975	(1)
-	-	-	-	-	-	7,470,086	7,470,086	-
-	-	-	-	-	-	1,468,055	1,468,055	-
-	-	-	20,000	20,000	-	1,650,634	1,650,634	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,590,128	5,548,358	(41,770)
-	-	-	-	-	-	339,053	316,814	(22,239)
-	-	-	-	-	-	31,411	15,624	(15,787)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	20,900	28,879	7,979	47,932,905	47,774,480	(158,425)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	30,034,864	26,860,774	3,174,090
-	-	-	-	-	-	2,034,468	2,064,735	(30,267)
-	-	-	-	-	-	1,103,667	1,254,680	(151,013)
-	-	-	-	-	-	808,660	897,492	(88,832)
-	-	-	-	-	-	2,591,773	2,923,096	(331,323)
-	-	-	-	-	-	1,375,716	1,823,424	(447,708)
-	-	-	137,511	-	137,511	5,334,153	5,668,998	(334,845)
-	-	-	-	-	-	195,738	-	195,738
-	-	-	-	-	-	1,613,033	2,090,857	(477,824)
-	-	-	-	-	-	1,174,884	1,169,818	5,066
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	611,275	566,137	45,138
-	-	-	-	-	-	539,699	390,528	149,171
-	-	-	-	-	-	380,107	487,255	(107,148)
-	-	-	-	-	-	-	186,056	(186,056)
-	-	-	-	-	-	1,388,582	1,153,782	234,800
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	270,960	135,428	135,532
-	-	-	-	-	-	-	384,726	(384,726)
-	-	-	137,511	-	137,511	49,457,579	48,057,786	1,399,793
-	-	-	(116,611)	28,879	145,490	(1,524,674)	(283,306)	1,241,368
-	-	-	-	-	-	(120,000)	(139,891)	(19,891)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	234	234
-	-	-	116,611	-	(116,611)	1,644,674	-	(1,644,674)
-	-	-	116,611	-	(116,611)	1,524,674	(139,657)	(1,664,331)
\$ -	\$ -	\$ -	\$ -	28,879	\$ 28,879	\$ -	(422,963)	\$ (422,963)
-	-	-	-	116,611	-	-	7,500,765	-
-	-	-	-	-	-	-	133,754	-
-	-	-	-	116,611	-	-	7,634,519	-
\$ -	\$ -	\$ -	\$ 145,490	-	-	\$ -	7,211,556	-

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
SPECIAL REVENUE FUNDS
ELEMENTARY DISTRICT
June 30, 2012

	Transportation Fund	Food Services Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund	Lease Rental Agreement Fund
ASSETS						
Cash in treasury	\$ 365,030	\$ 1,113,756	\$ 928,545	\$ 9,044,977	\$ 159,701	\$ 1,564
Taxes receivable	50,479	-	-	-	15,779	-
Due from other governments	-	-	-	1,086,475	-	-
Other current assets	-	-	-	4,767	-	2,105
Inventories	-	91,240	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Land and improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-
Amount available in debt service & compensated absence funds	-	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 415,509</u>	<u>\$ 1,204,996</u>	<u>\$ 928,545</u>	<u>\$ 10,136,219</u>	<u>\$ 175,480</u>	<u>\$ 3,669</u>
LIABILITIES						
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	-	-	-	-	-	-
Deferred revenue	50,479	-	-	156,607	15,779	-
Compensated absences payable	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
TOTAL LIABILITIES	<u>50,479</u>	<u>-</u>	<u>-</u>	<u>156,607</u>	<u>15,779</u>	<u>-</u>
FUND EQUITY						
Investment in general fixed assets	-	-	-	-	-	-
Fund balance:						
Reserved:						
Inventories	-	91,240	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Operations	365,030	-	674,136	-	30,000	-
Encumbrances	-	-	-	63,963	-	-
Unreserved:						
Designated for debt service	-	-	-	-	-	-
Undesignated	-	1,113,756	254,409	9,915,649	129,701	3,669
TOTAL FUND EQUITY	<u>365,030</u>	<u>1,204,996</u>	<u>928,545</u>	<u>9,979,612</u>	<u>159,701</u>	<u>3,669</u>
	<u>\$ 415,509</u>	<u>\$ 1,204,996</u>	<u>\$ 928,545</u>	<u>\$ 10,136,219</u>	<u>\$ 175,480</u>	<u>\$ 3,669</u>

\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-		-		21,830		-		244,695
	-		-		-		-		-
	-		-		-		-		-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	-		-		21,830		-		244,695
	<u>-</u>		<u>-</u>		<u>21,830</u>		<u>-</u>		<u>244,695</u>
	-		-		-		-		-
	-		-		-		-		91,240
	-		141,039		-		-		141,039
	-		-		-		-		1,069,166
	-		18,220		93,275		1,529		176,987
	-		-		-		-		-
	<u>423,167</u>		<u>9,011,057</u>		<u>611,273</u>		<u>335,583</u>		<u>21,798,264</u>
	<u>423,167</u>		<u>9,170,316</u>		<u>704,548</u>		<u>337,112</u>		<u>23,276,696</u>
\$	<u>423,167</u>	\$	<u>9,170,316</u>	\$	<u>726,378</u>	\$	<u>337,112</u>	\$	<u>23,521,391</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	Transportation Fund	Food Services Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund
REVENUES					
District levy	\$ 999,899	\$ -	\$ -	\$ -	\$ 171,479
Interest	4,224	-	275	47,293	982
Miscellaneous	-	16	-	1,626,845	-
Direct state aid	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-
State special education	-	-	-	-	-
Other state payments	39,953	-	-	-	4,103
Federal/state/local aid	-	2,181,140	-	6,780,048	-
County reimbursement	316,824	-	5,231,534	-	-
State reimbursement	316,814	-	-	-	-
Tuition and fees	-	-	-	-	-
Motor vehicle fees	-	-	-	-	-
Lunch sales	-	1,133,354	-	-	-
Total	1,677,714	3,314,510	5,231,809	8,454,186	176,564
EXPENDITURES					
Current:					
Regular Programs:					
Instructional services	-	-	3,212,399	1,799,405	202,787
Supportive services	-	-	171,194	561,750	-
Educational media services	-	-	140,940	-	-
General administrative services	-	-	44,705	-	-
School administrative services	-	-	345,182	-	-
Business services	-	-	188,559	-	-
Operation and mainten- ance services	-	-	306,995	-	-
Central services	-	-	-	-	-
Special Programs:					
Instructional services	-	-	411,122	6,444,132	-
Supportive services	-	-	-	162,328	-
School administrative services	-	-	-	18,421	-
Operation and mainten- ance services	-	-	-	-	-
Student transportation services	552,279	-	13,858	-	-
Vocational Programs:					
Instructional services	-	-	-	-	-
Extracurricular activities	-	-	52,725	-	-
School food services	-	3,076,305	186,056	-	-
Student transportation services	1,153,782	-	-	-	-
Resources transferred to other districts	-	-	-	1,067	-
Capital outlay	-	-	-	8,819	-
Debt service	-	-	-	-	-
Total	1,706,061	3,076,305	5,073,735	8,995,922	202,787
Excess (Deficiency) of revenues over expenditures	(28,347)	238,205	158,074	(541,736)	(26,223)
OTHER FINANCING SOURCES (USES)					
Resources transferred (to) from other funds	-	-	-	-	-
Sale of bonds	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-
	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(28,347)	238,205	158,074	(541,736)	(26,223)
Fund balance at July 1	393,015	955,457	767,251	10,520,691	185,924
Prior period adjustment	362	11,334	3,220	657	-
Fund balance at July 1, as restated	393,377	966,791	770,471	10,521,348	185,924
Fund balance at June 3	\$ 365,030	\$ 1,204,996	\$ 928,545	\$ 9,979,612	\$ 159,701

Lease Rental Agreement Fund	Compensated Absence Fund	Impact Aid Fund	Technology Fund	Flexibility Fund	Total
\$ -	\$ -	\$ -	\$ 147,576	\$ -	\$ 1,318,954
14	1,771	51,640	1,169	1,575	108,943
-	-	-	-	-	1,626,861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	57,366	10,000	111,422
-	-	616,050	-	-	9,577,238
-	-	-	-	-	5,548,358
-	-	-	-	-	316,814
70,248	-	-	-	-	70,248
-	-	-	-	-	-
-	-	-	-	-	1,133,354
<u>70,262</u>	<u>1,771</u>	<u>667,690</u>	<u>206,111</u>	<u>11,575</u>	<u>19,812,192</u>
-	12,638	1,902	267,676	-	5,496,807
-	159,387	-	-	-	892,331
-	-	-	-	-	140,940
-	-	-	-	-	44,705
-	-	-	-	-	345,182
-	-	68,381	-	-	256,940
76,593	-	36,132	-	-	419,720
-	-	-	-	-	-
-	-	286,000	-	-	7,141,254
-	-	-	-	-	162,328
-	-	-	-	-	18,421
-	-	-	-	-	-
-	-	-	-	-	566,137
-	-	-	-	-	-
-	-	-	-	-	52,725
-	-	-	-	-	3,262,361
-	-	-	-	-	1,153,782
-	-	-	-	-	1,067
-	-	-	7,581	-	16,400
-	-	-	-	-	-
<u>76,593</u>	<u>172,025</u>	<u>392,415</u>	<u>275,257</u>	<u>-</u>	<u>19,971,100</u>
<u>(6,331)</u>	<u>(170,254)</u>	<u>275,275</u>	<u>(69,146)</u>	<u>11,575</u>	<u>(158,908)</u>
-	139,891	-	(67,000)	-	72,891
-	-	-	-	-	-
-	-	-	-	-	-
-	139,891	-	(67,000)	-	72,891
<u>(6,331)</u>	<u>(30,363)</u>	<u>275,275</u>	<u>(136,146)</u>	<u>11,575</u>	<u>(86,017)</u>
10,000	453,508	8,894,621	747,993	325,537	23,253,997
-	22	420	92,701	-	108,716
<u>10,000</u>	<u>453,530</u>	<u>8,895,041</u>	<u>840,694</u>	<u>325,537</u>	<u>23,362,713</u>
\$ <u>3,669</u>	\$ <u>423,167</u>	\$ <u>9,170,316</u>	\$ <u>704,548</u>	\$ <u>337,112</u>	\$ <u>23,276,696</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	Transportation Fund			Adult Education Fund			Technology Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
District levy	\$ 1,013,433	\$ 999,899	\$ (13,534)	\$ 170,670	\$ 171,479	\$ 809	\$ 150,000	\$ 147,576	\$ (2,424)
Interest	350	4,224	3,874	85	982	897	450	1,169	719
Miscellaneous	-	-	-	-	-	-	-	-	-
Direct state aid	-	-	-	-	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-	-	-	-	-
State special education	-	-	-	-	-	-	-	-	-
Other state payments	39,953	39,953	-	4,103	4,103	-	57,366	57,366	-
Federal/state/local aid	-	-	-	-	-	-	-	-	-
County reimbursement	339,053	316,824	(22,229)	-	-	-	-	-	-
State reimbursement	339,053	316,814	(22,239)	-	-	-	-	-	-
Tuition and fees	-	-	-	-	-	-	-	-	-
Motor vehicle fees	-	-	-	-	-	-	-	-	-
Lunch sales	-	-	-	-	-	-	-	-	-
Total	<u>1,731,842</u>	<u>1,677,714</u>	<u>(54,128)</u>	<u>174,858</u>	<u>176,564</u>	<u>1,706</u>	<u>207,816</u>	<u>206,111</u>	<u>(1,705)</u>
EXPENDITURES									
Current:									
Regular Programs:									
Instructional services	-	-	-	310,782	202,787	107,995	563,816	353,855	209,961
Supportive services	-	-	-	-	-	-	-	-	-
Educational media services	-	-	-	-	-	-	-	-	-
General administrative services	-	-	-	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Business services	-	-	-	-	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-	-
Special Programs:									
Instructional services	-	-	-	-	-	-	-	-	-
Supportive services	-	-	-	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-	-	-	-
Student transportation services	611,275	552,279	58,996	-	-	-	-	-	-
Vocational Programs:									
Instructional services	-	-	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	-	-
School food services	-	-	-	-	-	-	-	-	-
Student transportation services	1,388,582	1,153,782	234,800	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	250,000	7,581	242,419
Debt service	-	-	-	-	-	-	-	-	-
Total	<u>1,999,857</u>	<u>1,706,061</u>	<u>293,796</u>	<u>310,782</u>	<u>202,787</u>	<u>107,995</u>	<u>813,816</u>	<u>361,436</u>	<u>452,380</u>
Excess (Deficiency) of revenues over expenditures	<u>(268,015)</u>	<u>(28,347)</u>	<u>239,668</u>	<u>(135,924)</u>	<u>(26,223)</u>	<u>109,701</u>	<u>(606,000)</u>	<u>(155,325)</u>	<u>450,675</u>
OTHER FINANCING SOURCES (USES)									
Sale of bonds	-	-	-	-	-	-	-	(67,000)	67,000
Sale of fixed assets	-	-	-	-	-	-	-	-	-
Cash reappropriated	268,015	-	(268,015)	135,924	-	(135,924)	606,000	-	(606,000)
Total	<u>268,015</u>	<u>-</u>	<u>(268,015)</u>	<u>135,924</u>	<u>-</u>	<u>(135,924)</u>	<u>606,000</u>	<u>(67,000)</u>	<u>(539,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>(28,347)</u>	<u>\$ (28,347)</u>	<u>\$ -</u>	<u>(26,223)</u>	<u>\$ (26,223)</u>	<u>\$ -</u>	<u>(222,325)</u>	<u>\$ (88,325)</u>
Fund balance at July 1		393,015			185,924			740,897	
Prior period adjustment		362			-			92,701	
Fund balance at July 1, as restated		<u>393,377</u>			<u>185,924</u>			<u>833,598</u>	
Fund balance at June 30		<u>\$ 365,030</u>			<u>\$ 159,701</u>			<u>\$ 611,273</u>	

Retirement Fund			Flexibility Fund			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,334,103	\$ 1,318,954	\$ (15,149)
1,500	275	(1,225)	2,250	1,575	(675)	4,635	8,225	3,590
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	10,000	10,000	-	111,422	111,422	-
-	-	-	-	-	-	-	-	-
5,251,075	5,231,534	(19,541)	-	-	-	5,590,128	5,548,358	(41,770)
-	-	-	-	-	-	339,053	316,814	(22,239)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,252,575</u>	<u>5,231,809</u>	<u>(20,766)</u>	<u>12,250</u>	<u>11,575</u>	<u>(675)</u>	<u>7,379,341</u>	<u>7,303,773</u>	<u>(75,568)</u>
5,427,826	3,212,399	2,215,427	-	-	-	6,302,424	3,769,041	2,533,383
-	171,194	(171,194)	-	-	-	-	171,194	(171,194)
-	140,940	(140,940)	-	-	-	-	140,940	(140,940)
-	44,705	(44,705)	-	-	-	-	44,705	(44,705)
-	345,182	(345,182)	-	-	-	-	345,182	(345,182)
-	188,559	(188,559)	-	-	-	-	188,559	(188,559)
-	306,995	(306,995)	337,787	1,529	336,258	337,787	308,524	29,263
-	-	-	-	-	-	-	-	-
-	411,122	(411,122)	-	-	-	-	411,122	(411,122)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	13,858	(13,858)	-	-	-	611,275	566,137	45,138
-	-	-	-	-	-	-	-	-
-	52,725	(52,725)	-	-	-	-	52,725	(52,725)
-	186,056	(186,056)	-	-	-	-	186,056	(186,056)
-	-	-	-	-	-	1,388,582	1,153,782	234,800
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	250,000	7,581	242,419
-	-	-	-	-	-	-	-	-
<u>5,427,826</u>	<u>5,073,735</u>	<u>354,091</u>	<u>337,787</u>	<u>1,529</u>	<u>336,258</u>	<u>8,890,068</u>	<u>7,345,548</u>	<u>1,544,520</u>
<u>(175,251)</u>	<u>158,074</u>	<u>333,325</u>	<u>(325,537)</u>	<u>10,046</u>	<u>335,583</u>	<u>(1,510,727)</u>	<u>(41,775)</u>	<u>1,468,952</u>
-	-	-	-	-	-	-	(67,000)	67,000
-	-	-	-	-	-	-	-	-
<u>175,251</u>	<u>-</u>	<u>(175,251)</u>	<u>325,537</u>	<u>-</u>	<u>(325,537)</u>	<u>1,510,727</u>	<u>-</u>	<u>(1,510,727)</u>
<u>175,251</u>	<u>-</u>	<u>(175,251)</u>	<u>325,537</u>	<u>-</u>	<u>(325,537)</u>	<u>1,510,727</u>	<u>-</u>	<u>(1,510,727)</u>
\$ -	158,074	\$ 158,074	\$ -	10,046	\$ 10,046	\$ -	(108,775)	\$ 25,225
-	767,251	-	-	325,537	-	-	2,412,624	-
-	3,220	-	-	-	-	-	96,283	-
-	770,471	-	-	325,537	-	-	2,508,907	-
\$ 928,545			\$ 335,583			\$ 2,400,132		

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
CAPITAL PROJECTS FUNDS
ELEMENTARY DISTRICT
June 30, 2012

	Building Fund	Building Reserve Fund	Total
ASSETS			
Cash in treasury	\$ 1,121,711	\$ 145,490	\$ 1,267,201
Taxes receivable	-	150	150
Due from other governments	-	-	-
Other current assets	-	-	-
Inventories	-	-	-
Prepaid expenses	-	-	-
Land and improvements	-	-	-
Buildings and improvements	-	-	-
Machinery and equipment	-	-	-
Amount available in debt service & compensated absence funds	-	-	-
Amount to be provided to retire long-term debt	-	-	-
TOTAL ASSETS	<u>\$ 1,121,711</u>	<u>\$ 145,640</u>	<u>\$ 1,267,351</u>
LIABILITIES			
Due to other governments	\$ -	\$ -	\$ -
Other current liabilities	-	-	-
Deferred revenue	-	150	150
Compensated absences payable	-	-	-
Net OPEB obligation	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>150</u>	<u>150</u>
FUND EQUITY			
Investment in general fixed assets	-	-	-
Fund balance:			
Reserved:			
Inventories	-	-	-
Prepaid expenses	-	-	-
Operations	-	-	-
Encumbrances	35,059	-	35,059
Unreserved:			
Designated for debt service	-	-	-
Undesignated	1,086,652	145,490	1,232,142
TOTAL FUND EQUITY	<u>1,121,711</u>	<u>145,490</u>	<u>1,267,201</u>
	<u>\$ 1,121,711</u>	<u>\$ 145,640</u>	<u>\$ 1,267,351</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	Building Fund	Building Reserve Fund	Total
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	(1,489)	479	(1,010)
Miscellaneous	42,220	8,400	50,620
Direct state aid	-	-	-
State guaranteed tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	-	20,000	20,000
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
Lunch sales	-	-	-
Total	<u>40,731</u>	<u>28,879</u>	<u>69,610</u>
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
Educational media services	-	-	-
General administrative services	-	-	-
School administrative services	-	-	-
Business services	-	-	-
Operation and mainten- ance services	320,820	-	320,820
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative services	-	-	-
Operation and mainten- ance services	-	-	-
Student transportation services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
School food services	-	-	-
Student transportation services	-	-	-
Resources transferred to other districts	-	-	-
Capital outlay	5,723,819	-	5,723,819
Debt service	-	-	-
Total	<u>6,044,639</u>	<u>-</u>	<u>6,044,639</u>
Excess (Deficiency) of revenues over expenditures	<u>(6,003,908)</u>	<u>28,879</u>	<u>(5,975,029)</u>
OTHER FINANCING SOURCES			
Resources transferred (to) from other funds	-	-	-
Sale of bonds	-	-	-
Sale of fixed assets	2,442	-	2,442
Total	<u>2,442</u>	<u>-</u>	<u>2,442</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(6,001,466)</u>	<u>28,879</u>	<u>(5,972,587)</u>
Fund balance at July 1	7,070,145	116,611	7,186,756
Prior period adjustment	53,032	-	53,032
Fund balance at July 1, as restated	<u>7,123,177</u>	<u>116,611</u>	<u>7,239,788</u>
Fund balance at June 30	<u>\$ 1,121,711</u>	<u>\$ 145,490</u>	<u>\$ 1,267,201</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED CAPITAL PROJECTS FUND
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	Building Reserve Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	900	479	(421)
Miscellaneous	-	8,400	8,400
Direct state aid	-	-	-
State guaranteed tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	20,000	20,000	-
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
Lunch sales	-	-	-
Total	20,900	28,879	7,979
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
Educational media services	-	-	-
General administrative services	-	-	-
School administrative services	-	-	-
Business services	-	-	-
Operation and mainten- ance services	137,511	-	137,511
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative services	-	-	-
Operation and mainten- ance services	-	-	-
Student transportation services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
School food services	-	-	-
Student transportation services	-	-	-
Resources transferred to other districts	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total	137,511	-	137,511
Excess (Deficiency) of revenues over expenditures	(116,611)	28,879	145,490
OTHER FINANCING SOURCES (USES)			
Resources transferred (to) from other funds	-	-	-
Sale of bonds	-	-	-
Sale of fixed assets	-	-	-
Cash reappropriated	116,611	-	(116,611)
Total	116,611	-	(116,611)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	28,879	\$ 28,879
Fund balance at July 1		116,611	
Prior period adjustment		-	
Fund balance at July 1, as restated		116,611	
Fund balance at June 30		\$ 145,490	

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
PRIVATE PURPOSE TRUST FUNDS
ELEMENTARY DISTRICT
June 30, 2012

	Private Purpose Trust Funds	
	Interlocal Agreement Fund	Total
ASSETS		
Cash in treasury	\$ 110,000	\$ 110,000
Petty cash	-	-
Taxes receivable	-	-
Due from other governments	-	-
Other current assets	-	-
Inventories	-	-
Prepaid expenses	-	-
Land and improvements	-	-
Buildings and improvements	-	-
Machinery and equipment	-	-
Amount available in debt service & compensated absence funds	-	-
Amount to be provided to retire long-term debt	-	-
TOTAL ASSETS	\$ 110,000	\$ 110,000
LIABILITIES		
Due to other governments	\$ -	\$ -
Other current liabilities	-	-
Deferred revenue	-	-
Compensated absences payable	-	-
Net OPEB obligation	-	-
TOTAL LIABILITIES	-	-
FUND EQUITY		
Investment in general fixed assets	-	-
Fund balance		
Reserved:		
Inventories	-	-
Prepaid expenses	-	-
Operations	-	-
Encumbrances	-	-
Unreserved:		
Designated for debt service	-	-
Undesignated	110,000	110,000
TOTAL FUND EQUITY	110,000	110,000
	\$ 110,000	\$ 110,000

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PRIVATE PURPOSE TRUST FUNDS
ELEMENTARY DISTRICT
For the Year Ended June 30, 2012

	Private Purpose Trust Funds	
	Interlocal Agreement Fund	Total
REVENUES		
District levy	\$ -	\$ -
Interest	-	-
Miscellaneous	10,000	10,000
Direct state aid	-	-
State guaranteed tax base subsidy	-	-
State special education	-	-
Other state payments	-	-
Federal/state/local aid	-	-
County reimbursement	-	-
State reimbursement	-	-
Tuition and fees	-	-
Motor vehicle fees	-	-
School activity	-	-
Total	10,000	10,000
EXPENDITURES		
Current:		
Regular Programs:		
Instructional services	-	-
Supportive services	-	-
Educational media services	-	-
General administrative services	-	-
School administrative services	-	-
Business services	-	-
Operation and mainten- ance services	-	-
Central services	-	-
Special Programs:		
Instructional services	-	-
Supportive services	-	-
School administrative services	-	-
Student transportation services	-	-
Vocational Programs:		
Instructional services	-	-
Extracurricular activities	-	-
Student transportation services	-	-
School activity	-	-
Resources transferred to other districts	-	-
Capital outlay	-	-
Debt service	-	-
Total	-	-
Excess (Deficiency) of Revenues Over Expenditures	10,000	10,000
OTHER FINANCING SOURCES (USES)		
Resources transferred (to) from other funds	100,000	100,000
Sale of bonds	-	-
Sale of fixed assets	-	-
	100,000	100,000
Excess of Revenues and Other Sources Over Expenditures and Other Uses	110,000	110,000
Fund Balance at July 1	-	-
Prior period adjustment	-	-
Fund Balance at July 1, as restated	-	-
Fund Balance at June 30	\$ 110,000	\$ 110,000

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
ALL FUND TYPES AND ACCOUNT GROUPS
HIGH SCHOOL DISTRICT
June 30, 2012

	Governmental Fund Types				Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Private Purpose Trust and Agency Funds	General Long-term Debt	General Fixed Asset	
ASSETS								
Cash in treasury	\$ 4,622,474	\$ 4,563,516	\$ 909	\$ 370,738	\$ 2,423,267	\$ -	\$ -	\$ 11,980,904
Petty cash	-	-	-	-	-	-	-	-
Taxes receivable	509,728	154,184	25,762	19	-	-	-	689,693
Due from other governments	-	307,611	-	-	-	-	-	307,611
Other current assets	13,564	10,318	-	-	-	-	-	23,882
Inventories	-	-	-	-	-	-	-	-
Prepaid expenses	-	243,855	-	-	-	-	-	243,855
Land and improvements	-	-	-	-	-	-	247,912	247,912
Buildings and improvements	-	-	-	-	-	-	19,518,880	19,518,880
Machinery and equipment	-	-	-	-	-	-	1,727,247	1,727,247
Construction in progress	-	-	-	-	-	-	838,558	838,558
Amount available in debt service & compensated absence funds	-	-	-	-	-	204,687	-	204,687
Amount to be provided to retire long-term debt	-	-	-	-	-	4,444,628	-	4,444,628
TOTAL ASSETS	<u>\$ 5,145,766</u>	<u>\$ 5,279,484</u>	<u>\$ 26,671</u>	<u>\$ 370,757</u>	<u>\$ 2,423,267</u>	<u>\$ 4,649,315</u>	<u>\$ 22,332,597</u>	<u>\$ 40,227,857</u>
LIABILITIES								
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	79,749	-	-	-	-	-	-	79,749
Other current liabilities	2,255,377	-	-	-	-	-	-	2,255,377
Deferred revenue	509,728	155,044	25,762	19	-	-	-	690,553
Compensated absences payable	-	-	-	-	-	2,877,101	-	2,877,101
Bonds payable	-	-	-	-	-	1,768,060	-	1,768,060
Net OPEB obligation	-	-	-	-	-	4,154	-	4,154
TOTAL LIABILITIES	<u>2,844,854</u>	<u>155,044</u>	<u>25,762</u>	<u>19</u>	<u>-</u>	<u>4,649,315</u>	<u>-</u>	<u>7,674,994</u>
FUND EQUITY								
Investment in general fixed assets	-	-	-	-	-	-	22,332,597	22,332,597
Fund balance								
Reserved:								
Inventories	-	-	-	-	-	-	-	-
Prepaid expenses	-	243,855	-	-	-	-	-	243,855
Operations	2,259,955	600,593	-	-	-	-	-	2,860,548
Encumbrances	64,235	78,064	-	10,394	-	-	-	152,693
Unreserved:								
Designated for debt service	-	-	909	-	-	-	-	909
Undesignated	(23,278)	4,201,928	-	360,344	2,423,267	-	-	6,962,261
TOTAL FUND EQUITY	<u>2,300,912</u>	<u>5,124,440</u>	<u>909</u>	<u>370,738</u>	<u>2,423,267</u>	<u>-</u>	<u>22,332,597</u>	<u>32,552,863</u>
	<u>\$ 5,145,766</u>	<u>\$ 5,279,484</u>	<u>\$ 26,671</u>	<u>\$ 370,757</u>	<u>\$ 2,423,267</u>	<u>\$ 4,649,315</u>	<u>\$ 22,332,597</u>	<u>\$ 40,227,857</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND PRIVATE PURPOSE TRUST FUNDS
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Governmental Fund Types				Fiduciary Fund Type Private Purpose Trust Funds	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds		
REVENUES						
District levy	\$ 6,550,732	\$ 944,611	\$ 637	\$ -	\$ -	\$ 7,495,980
Interest	30,954	19,894	78	(4,475)	2,543	48,994
Miscellaneous	2,053	312,053	-	14,110	8,000	336,216
Direct state aid	10,009,545	-	-	-	-	10,009,545
State guaranteed tax base subsidy	3,874,560	-	-	-	-	3,874,560
State special education	657,274	-	-	-	-	657,274
Other state payments	640,049	63,089	-	-	-	703,138
Federal/state/local aid	-	4,844,357	-	-	-	4,844,357
County reimbursement	-	2,859,064	-	-	-	2,859,064
State reimbursement	-	84,762	-	-	-	84,762
Tuition and fees	63,304	297,432	-	-	-	360,736
Motor vehicle fees	3	-	-	-	-	3
School activity	-	-	-	-	2,303,871	2,303,871
Total	21,828,474	9,425,262	715	9,635	2,314,414	33,578,500
EXPENDITURES						
Current:						
Regular Programs:						
Instructional services	10,633,783	3,060,495	-	365	-	13,694,643
Supportive services	1,206,713	177,846	-	-	-	1,384,559
Educational media services	384,796	475	-	-	-	385,271
General administrative services	387,233	96,184	-	-	19,778	503,195
School administrative services	1,533,834	98,732	-	-	-	1,632,566
Business services	769,995	201,650	-	-	-	971,645
Operation and mainten- ance services	3,346,501	78,189	-	309,580	-	3,734,270
Central services	-	-	-	-	-	-
Special Programs:						
Instructional services	1,224,042	3,305,462	-	-	-	4,529,504
Supportive services	244,245	13,761	-	-	-	258,006
School administrative services	-	232,020	-	-	-	232,020
Student transportation services	-	242,807	-	-	-	242,807
Vocational Programs:						
Instructional services	1,436,276	308,471	-	-	-	1,744,747
Extracurricular activities	1,015,049	36,195	-	-	-	1,051,244
Student transportation services	-	463,261	-	-	-	463,261
School activity	-	-	-	-	2,182,047	2,182,047
Resources transferred to other districts	-	635,549	-	-	-	635,549
Capital outlay	87,375	88,720	-	851,279	-	1,027,374
Debt service	54,813	54,813	-	-	-	109,626
Total	22,324,655	9,094,630	-	1,161,224	2,201,825	34,782,334
Excess (Deficiency) of Revenues Over Expenditures	(496,181)	330,632	715	(1,151,589)	112,589	(1,203,834)
OTHER FINANCING SOURCES (USES)						
Resources transferred (to) from other funds	(70,109)	37,109	-	-	-	(33,000)
Sale of bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Sale of fixed assets	-	-	-	2,306	-	2,306
	(70,109)	37,109	-	2,306	-	(30,694)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(566,290)	367,741	715	(1,149,283)	112,589	(1,234,528)
Fund Balance at July 1	2,830,794	4,700,709	194	1,490,163	2,310,678	11,332,538
Prior period adjustment	36,408	55,990	-	29,858	-	122,256
Fund Balance at July 1, as restated	2,867,202	4,756,699	194	1,520,021	2,310,678	11,454,794
Fund Balance at June 30	\$ 2,300,912	\$ 5,124,440	\$ 909	\$ 370,738	\$ 2,423,267	\$ 10,220,266

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	General Fund			Budgeted Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
District levy	\$ 6,620,740	\$ 6,550,732	\$ (70,008)	\$ 964,018	\$ 944,611	\$ (19,407)	\$ -	\$ 637	\$ 637
Interest	3,461	30,954	27,493	1,475	4,393	2,918	-	78	78
Miscellaneous	456	2,053	1,597	-	-	-	-	-	-
Direct state aid	10,009,545	10,009,545	-	-	-	-	-	-	-
State guaranteed									
tax base subsidy	3,874,560	3,874,560	-	-	-	-	-	-	-
State special education	657,274	657,274	-	-	-	-	-	-	-
Other state payments	636,355	640,049	3,694	63,089	63,089	-	-	-	-
Federal/state/local aid	-	-	-	-	-	-	-	-	-
County reimbursement	-	-	-	2,868,217	2,859,064	(9,153)	-	-	-
State reimbursement	-	-	-	84,762	84,762	-	-	-	-
Tuition and fees	81,318	63,304	(18,014)	-	9,386	9,386	-	-	-
Motor vehicle fees	-	3	3	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Total	<u>21,883,709</u>	<u>21,828,474</u>	<u>(55,235)</u>	<u>3,981,561</u>	<u>3,965,305</u>	<u>(16,256)</u>	<u>-</u>	<u>715</u>	<u>715</u>
EXPENDITURES									
Current:									
Regular Programs:									
Instructional services	10,563,306	10,519,611	43,695	3,614,826	2,645,288	969,538	-	-	-
Supportive services	1,399,695	1,167,700	231,995	-	-	-	-	-	-
Educational media services	409,710	381,156	28,554	-	-	-	-	-	-
General administrative services	406,678	373,015	33,663	-	-	-	-	-	-
School administrative services	1,521,793	1,533,774	(11,981)	-	-	-	-	-	-
Business services	677,678	767,211	(89,533)	-	302	(302)	-	-	-
Operation and maintenance services	2,921,162	3,341,561	(420,399)	130,149	-	130,149	-	-	-
Central services	96,245	-	96,245	-	-	-	-	-	-
Special Programs:									
Instructional services	1,368,681	1,223,903	144,778	-	540,685	(540,685)	-	-	-
Supportive services	29,224	244,245	(215,021)	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	314,755	242,807	71,948	-	-	-
Vocational Programs:									
Instructional services	1,562,354	1,436,276	126,078	-	-	-	-	-	-
Extracurricular activities	1,021,174	1,015,049	6,125	-	-	-	-	-	-
Student transportation services	-	-	-	560,567	463,261	97,306	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	-	-	-	-	-	-
Capital outlay	27,800	52,825	(25,025)	10,000	-	10,000	-	-	-
Debt service	-	54,813	(54,813)	-	-	-	194	-	194
Total	<u>22,005,500</u>	<u>22,111,139</u>	<u>(105,639)</u>	<u>4,630,297</u>	<u>3,892,343</u>	<u>737,954</u>	<u>194</u>	<u>-</u>	<u>194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(121,791)</u>	<u>(282,665)</u>	<u>(160,874)</u>	<u>(648,736)</u>	<u>72,962</u>	<u>721,698</u>	<u>(194)</u>	<u>715</u>	<u>909</u>
OTHER FINANCING SOURCES (USES)									
Resources transferred (to) from other funds	-	(70,109)	(70,109)	-	(33,000)	(33,000)	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-
Cash reappropriated	<u>121,791</u>	<u>-</u>	<u>(121,791)</u>	<u>648,736</u>	<u>-</u>	<u>(648,736)</u>	<u>194</u>	<u>-</u>	<u>(194)</u>
Total	<u>121,791</u>	<u>(70,109)</u>	<u>(191,900)</u>	<u>648,736</u>	<u>(33,000)</u>	<u>(681,736)</u>	<u>194</u>	<u>-</u>	<u>(194)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>(352,774)</u>	<u>\$ (352,774)</u>	<u>\$ -</u>	<u>39,962</u>	<u>\$ 39,962</u>	<u>\$ -</u>	<u>715</u>	<u>\$ 715</u>
Fund Balance at July 1		2,553,042			1,191,605			194	
Prior period adjustment		<u>36,408</u>			<u>46,448</u>			<u>-</u>	
Fund Balance at July 1, as restated		<u>2,589,450</u>			<u>1,238,053</u>			<u>194</u>	
Fund Balance at June 30		<u>\$ 2,236,676</u>			<u>\$ 1,278,015</u>			<u>\$ 909</u>	

Budgeted Capital Projects Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 7,584,758	\$ 7,495,980	\$ (88,778)
20	9	(11)	4,956	35,434	30,478
-	-	-	456	2,053	1,597
-	-	-	10,009,545	10,009,545	-
-	-	-	3,874,560	3,874,560	-
-	-	-	657,274	657,274	-
-	-	-	699,444	703,138	3,694
-	-	-	-	-	-
-	-	-	2,868,217	2,859,064	(9,153)
-	-	-	84,762	84,762	-
-	-	-	81,318	72,690	(8,628)
-	-	-	-	3	3
-	-	-	-	-	-
20	9	(11)	25,865,290	25,794,503	(70,787)
-	-	-	14,178,132	13,164,899	1,013,233
-	-	-	1,399,695	1,167,700	231,995
-	-	-	409,710	381,156	28,554
-	-	-	406,678	373,015	33,663
-	-	-	1,521,793	1,533,774	(11,981)
-	-	-	677,678	767,513	(89,835)
33,170	33,154	16	3,084,481	3,374,715	(290,234)
-	-	-	96,245	-	96,245
-	-	-	1,368,681	1,764,588	(395,907)
-	-	-	29,224	244,245	(215,021)
-	-	-	-	-	-
-	-	-	314,755	242,807	71,948
-	-	-	1,562,354	1,436,276	126,078
-	-	-	1,021,174	1,015,049	6,125
-	-	-	560,567	463,261	97,306
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	37,800	52,825	(15,025)
-	-	-	194	54,813	(54,619)
33,170	33,154	16	26,669,161	26,036,636	632,525
(33,150)	(33,145)	5	(803,871)	(242,133)	561,738
-	-	-	-	(103,109)	(103,109)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
33,150	-	(33,150)	803,871	-	(803,871)
33,150	-	(33,150)	803,871	(103,109)	(906,980)
\$ -	(33,145)	\$ (33,145)	\$ -	(345,242)	\$ (345,242)
	33,150			3,777,991	
	-			82,856	
	33,150			3,860,847	
\$ 5			\$ 3,515,605		

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
SPECIAL REVENUE FUNDS
HIGH SCHOOL DISTRICT
June 30, 2012

	Transportation Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund	Traffic Education Fund	Lease Rental Agreement Fund
ASSETS						
Cash in treasury	\$ 262,878	\$ 414,633	\$ 1,439,330	\$ 137,441	\$ 509,218	\$ 24,009
Petty cash	-	-	-	-	-	-
Taxes receivable	32,104	-	-	20,748	-	-
Due from other governments	-	-	241,855	-	65,756	-
Other current assets	-	-	4,821	-	-	5,497
Inventories	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Land and improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-
Amount available in debt service & compensated absence funds	-	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 294,982</u>	<u>\$ 414,633</u>	<u>\$ 1,686,006</u>	<u>\$ 158,189</u>	<u>\$ 574,974</u>	<u>\$ 29,506</u>
LIABILITIES						
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	-	-	-	-	-	-
Deferred revenue	32,104	-	860	20,748	-	-
Compensated absences payable	-	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-	-
TOTAL LIABILITIES	<u>32,104</u>	<u>-</u>	<u>860</u>	<u>20,748</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Investment in general fixed assets	-	-	-	-	-	-
Fund balance						
Reserved:						
Inventories	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Operations	166,343	390,000	-	44,250	-	-
Encumbrances	-	-	13,933	80	-	22,506
Unreserved:						
Designated for debt service	-	-	-	-	-	-
Undesignated	96,535	24,633	1,671,213	93,111	574,974	7,000
TOTAL FUND EQUITY	<u>262,878</u>	<u>414,633</u>	<u>1,685,146</u>	<u>137,441</u>	<u>574,974</u>	<u>29,506</u>
	<u>\$ 294,982</u>	<u>\$ 414,633</u>	<u>\$ 1,686,006</u>	<u>\$ 158,189</u>	<u>\$ 574,974</u>	<u>\$ 29,506</u>

Compensated Absence Fund		Impact Aid Fund	Technology Fund	Flexibility Fund	Total
\$	203,778	\$ 1,068,366	\$ 373,430	\$ 130,433	\$ 4,563,516
	-	-	-	-	-
	-	-	101,332	-	154,184
	-	-	-	-	307,611
	-	-	-	-	10,318
	-	-	-	-	-
	-	243,855	-	-	243,855
	-	-	-	-	-
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SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Transportation Fund	Retirement Fund	Miscellaneous Programs Fund	Adult Education Fund	Traffic Education Fund	Lease Rental Agreement Fund
REVENUES						
District levy	\$ 654,061	\$ -	\$ -	\$ 216,157	\$ -	\$ -
Interest	2,343	161	5,229	782	2,454	5
Miscellaneous	-	-	312,053	-	-	-
Direct state aid	-	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-	-
State special education	-	-	-	-	-	-
Other state payments	22,628	-	-	-	-	-
Federal/state/local aid	-	-	4,702,892	-	64,860	-
County reimbursement	84,762	2,774,302	-	-	-	-
State reimbursement	84,762	-	-	-	-	-
Tuition and fees	-	-	150,623	9,386	99,098	38,325
Motor vehicle fees	-	-	-	-	-	-
School activity	-	-	-	-	-	-
Total	848,556	2,774,463	5,170,797	226,325	166,412	38,330
EXPENDITURES						
Current:						
Regular Programs:						
Instructional services	-	2,229,912	255,072	266,111	173,911	-
Supportive services	-	-	92,959	-	-	-
Educational media services	-	-	-	-	-	-
General administrative services	-	-	95,834	-	-	-
School administrative services	-	-	98,732	-	-	-
Business services	-	-	201,348	-	-	-
Operation and mainten- ance services	-	-	4,000	-	-	18,824
Central services	-	-	-	-	-	-
Special Programs:						
Instructional services	-	540,685	2,738,071	-	-	-
Supportive services	-	-	13,761	-	-	-
School administrative services	-	-	232,020	-	-	-
Student transportation services	242,807	-	-	-	-	-
Vocational Programs:						
Instructional services	-	-	308,471	-	-	-
Extracurricular activities	-	-	36,195	-	-	-
Student transportation services	463,261	-	-	-	-	-
School activity	-	-	-	-	-	-
Resources transferred to other districts	-	-	635,549	-	-	-
Capital outlay	-	-	88,720	-	-	-
Debt service	-	-	-	-	-	-
Total	706,068	2,770,597	4,800,732	266,111	173,911	18,824
Excess (Deficiency) of Revenues Over Expenditures	142,488	3,866	370,065	(39,786)	(7,499)	19,506
OTHER FINANCING SOURCES (USES)						
Resources transferred (to) from other funds	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Total	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	142,488	3,866	370,065	(39,786)	(7,499)	19,506
Fund Balance at July 1	120,390	410,695	1,305,539	177,202	582,473	10,000
Prior period adjustment	-	72	9,542	25	-	-
Fund Balance at July 1, as restated	120,390	410,767	1,315,081	177,227	582,473	10,000
Fund Balance at June 30	\$ 262,878	\$ 414,633	\$ 1,685,146	\$ 137,441	\$ 574,974	\$ 29,506

Compensated Absence Fund	Impact Aid Fund	Technology Fund	Flexibility Fund	Total
\$ -	\$ -	\$ 74,393	\$ -	\$ 944,611
726	7,087	573	534	19,894
-	-	-	-	312,053
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	31,161	9,300	63,089
-	76,605	-	-	4,844,357
-	-	-	-	2,859,064
-	-	-	-	84,762
-	-	-	-	297,432
-	-	-	-	-
-	-	-	-	-
<u>726</u>	<u>83,692</u>	<u>106,127</u>	<u>9,834</u>	<u>9,425,262</u>
4,908	3,966	126,615	-	3,060,495
84,887	-	-	-	177,846
-	475	-	-	475
-	350	-	-	96,184
-	-	-	-	98,732
-	-	302	-	201,650
-	55,365	-	-	78,189
-	-	-	-	-
-	26,706	-	-	3,305,462
-	-	-	-	13,761
-	-	-	-	232,020
-	-	-	-	242,807
-	-	-	-	308,471
-	-	-	-	36,195
-	-	-	-	463,261
-	-	-	-	-
-	-	-	-	635,549
-	-	-	-	88,720
-	54,813	-	-	54,813
<u>89,795</u>	<u>141,675</u>	<u>126,917</u>	<u>-</u>	<u>9,094,629</u>
<u>(89,069)</u>	<u>(57,983)</u>	<u>(20,790)</u>	<u>9,834</u>	<u>330,633</u>
70,109	-	(33,000)	-	37,109
-	-	-	-	-
-	-	-	-	-
<u>70,109</u>	<u>-</u>	<u>(33,000)</u>	<u>-</u>	<u>37,109</u>
<u>(18,960)</u>	<u>(57,983)</u>	<u>(53,790)</u>	<u>9,834</u>	<u>367,742</u>
222,738	1,370,204	380,869	120,599	4,700,709
-	-	46,351	-	55,990
<u>222,738</u>	<u>1,370,204</u>	<u>427,220</u>	<u>120,599</u>	<u>4,756,699</u>
\$ <u>203,778</u>	\$ <u>1,312,221</u>	\$ <u>373,430</u>	\$ <u>130,433</u>	\$ <u>5,124,440</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Transportation Fund			Adult Education Fund			Retirement Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
District levy	\$ 667,680	\$ 654,061	\$ (13,619)	\$ 221,338	\$ 216,157	\$ (5,181)	\$ -	\$ -	\$ -
Interest	100	2,343	2,243	125	782	657	850	161	(689)
Miscellaneous	-	-	-	-	-	-	-	-	-
Direct state aid	-	-	-	-	-	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-	-	-	-	-	-
State special education	-	-	-	-	-	-	-	-	-
Other state payments	22,628	22,628	-	-	-	-	-	-	-
Federal/state/local aid	-	-	-	-	-	-	-	-	-
County reimbursement	84,762	84,762	-	-	-	-	2,783,455	2,774,302	(9,153)
State reimbursement	84,762	84,762	-	-	-	-	-	-	-
Tuition and fees	-	-	-	-	9,386	9,386	-	-	-
Motor vehicle fees	-	-	-	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Total	859,932	848,556	(11,376)	221,463	226,325	4,862	2,784,305	2,774,463	(9,842)
EXPENDITURES									
Current:									
Regular Programs:									
Instructional services	-	-	-	338,515	266,041	72,474	2,845,000	2,229,912	615,088
Supportive services	-	-	-	-	-	-	-	-	-
Educational media services	-	-	-	-	-	-	-	-	-
General administrative services	-	-	-	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Business services	-	-	-	-	-	-	-	-	-
Operation and mainten- ance services	-	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-	-
Special Programs:									
Instructional services	-	-	-	-	-	-	-	540,685	(540,685)
Supportive services	-	-	-	-	-	-	-	-	-
School administrative services	-	-	-	-	-	-	-	-	-
Student transportation services	314,755	242,807	71,948	-	-	-	-	-	-
Vocational Programs:									
Instructional services	-	-	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	-	-
Student transportation services	560,567	463,261	97,306	-	-	-	-	-	-
School activity	-	-	-	-	-	-	-	-	-
Resources transferred to other districts	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	10,000	-	10,000	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total	875,322	706,068	169,254	348,515	266,041	82,474	2,845,000	2,770,597	74,403
Excess (Deficiency) of Revenues Over Expenditures	(15,390)	142,488	157,878	(127,052)	(39,716)	87,336	(60,695)	3,866	64,561
OTHER FINANCING SOURCES (USES)									
Resources transferred (to) from other funds	-	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-
Cash reappropriated	15,390	-	(15,390)	127,052	-	(127,052)	60,695	-	(60,695)
Total	15,390	-	(15,390)	127,052	-	(127,052)	60,695	-	(60,695)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	142,488	\$ 142,488	\$ -	(39,716)	\$ (39,716)	\$ -	3,866	\$ 3,866
Fund Balance at July 1		120,390			177,052			410,695	
Prior period adjustment		-			25			72	
Fund Balance at July 1, as restated		120,390			177,077			410,767	
Fund Balance at June 30		\$ 262,878			\$ 137,361			\$ 414,633	

Technology Fund			Flexibility Fund			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 75,000	\$ 74,393	\$ (607)	\$ -	\$ -	\$ -	\$ 964,018	\$ 944,611	\$ (19,407)
150	573	423	250	534	284	1,475	4,393	2,918
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
31,161	31,161	-	9,300	9,300	-	63,089	63,089	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,868,217	2,859,064	(9,153)
-	-	-	-	-	-	84,762	84,762	-
-	-	-	-	-	-	-	9,386	9,386
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>106,311</u>	<u>106,127</u>	<u>(184)</u>	<u>9,550</u>	<u>9,834</u>	<u>284</u>	<u>3,981,561</u>	<u>3,965,305</u>	<u>(16,256)</u>
431,311	149,335	281,976	-	-	-	3,614,826	2,645,288	969,538
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	302	(302)	-	-	-	-	302	(302)
-	-	-	130,149	-	130,149	130,149	-	130,149
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	540,685	(540,685)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	314,755	242,807	71,948
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	560,567	463,261	97,306
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,000	-	10,000
-	-	-	-	-	-	-	-	-
<u>431,311</u>	<u>149,637</u>	<u>281,674</u>	<u>130,149</u>	<u>-</u>	<u>130,149</u>	<u>4,630,297</u>	<u>3,892,343</u>	<u>737,954</u>
<u>(325,000)</u>	<u>(43,510)</u>	<u>281,490</u>	<u>(120,599)</u>	<u>9,834</u>	<u>130,433</u>	<u>(648,736)</u>	<u>72,962</u>	<u>721,698</u>
-	(33,000)	(33,000)	-	-	-	-	(33,000)	(33,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>325,000</u>	<u>-</u>	<u>(325,000)</u>	<u>120,599</u>	<u>-</u>	<u>(120,599)</u>	<u>648,736</u>	<u>-</u>	<u>(648,736)</u>
<u>325,000</u>	<u>(33,000)</u>	<u>(358,000)</u>	<u>120,599</u>	<u>-</u>	<u>(120,599)</u>	<u>648,736</u>	<u>(33,000)</u>	<u>(681,736)</u>
\$ -	(76,510)	(76,510)	\$ -	9,834	9,834	\$ -	39,962	\$ 39,962
	362,869			120,599			1,191,605	
	46,351			-			46,448	
	<u>409,220</u>			<u>120,599</u>			<u>1,238,053</u>	
\$ <u>332,710</u>			\$ <u>130,433</u>			\$ <u>1,278,015</u>		

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
CAPITAL PROJECTS FUNDS
HIGH SCHOOL DISTRICT
June 30, 2012

	Building Fund	Building Reserve Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash in treasury	\$ 370,733	\$ 5	\$ 370,738
Petty cash	-	-	-
Taxes receivable	-	19	19
Due from other governments	-	-	-
Other current assets	-	-	-
Inventories	-	-	-
Prepaid expenses	-	-	-
Land and improvements	-	-	-
Buildings and improvements	-	-	-
Machinery and equipment	-	-	-
Amount available in debt service & compensated absence funds	-	-	-
Amount to be provided to retire long-term debt	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 370,733</u>	<u>\$ 24</u>	<u>\$ 370,757</u>
LIABILITIES			
Due to other governments	\$ -	\$ -	\$ -
Other current liabilities	-	-	-
Deferred revenue	-	19	19
Compensated absences payable	-	-	-
Net OPEB obligation	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>19</u>	<u>19</u>
FUND EQUITY			
Investment in general fixed assets	-	-	-
Fund balance			
Reserved:			
Inventories	-	-	-
Prepaid expenses	-	-	-
Operations	-	-	-
Encumbrances	10,394	-	10,394
Unreserved:			
Designated for debt service	-	-	-
Undesignated	360,339	5	360,344
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>370,733</u>	<u>5</u>	<u>370,738</u>
	<u>\$ 370,733</u>	<u>\$ 24</u>	<u>\$ 370,757</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Building Fund	Building Reserve Fund	Total
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	(4,484)	9	(4,475)
Miscellaneous	14,110	-	14,110
Direct state aid	-	-	-
State guaranteed tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	-	-	-
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
School activity	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>9,626</u>	<u>9</u>	<u>9,635</u>
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	365	-	365
Supportive services	-	-	-
Educational media services	-	-	-
General administrative services	-	-	-
School administrative services	-	-	-
Business services	-	-	-
Operation and mainten- ance services	276,426	33,154	309,580
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative services	-	-	-
Student transportation services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
Student transportation services	-	-	-
School activity	-	-	-
Resources transferred to other districts	-	-	-
Capital outlay	851,279	-	851,279
Debt service	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,128,070</u>	<u>33,154</u>	<u>1,161,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,118,444)</u>	<u>(33,145)</u>	<u>(1,151,589)</u>
OTHER FINANCING SOURCES (USES)			
Resources transferred (to) from other funds	-	-	-
Sale of bonds	-	-	-
Sale of fixed assets	2,306	-	2,306
	<u>2,306</u>	<u>-</u>	<u>2,306</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(1,116,138)</u>	<u>(33,145)</u>	<u>(1,149,283)</u>
Fund Balance at July 1	1,457,013	33,150	1,490,163
Prior period adjustment	29,858	-	29,858
Fund Balance at July 1, as restated	<u>1,486,871</u>	<u>33,150</u>	<u>1,520,021</u>
Fund Balance at June 30	<u>\$ 370,733</u>	<u>\$ 5</u>	<u>\$ 370,738</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGETED CAPITAL PROJECTS FUND
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Building Reserve Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
District levy	\$ -	\$ -	\$ -
Interest	20	9	(11)
Miscellaneous	-	-	-
Direct state aid	-	-	-
State guaranteed			
tax base subsidy	-	-	-
State special education	-	-	-
Other state payments	-	-	-
Federal/state/local aid	-	-	-
County reimbursement	-	-	-
State reimbursement	-	-	-
Tuition and fees	-	-	-
Motor vehicle fees	-	-	-
School activity	-	-	-
Total	20	9	(11)
EXPENDITURES			
Current:			
Regular Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
Educational media services	-	-	-
General administrative			
services	-	-	-
School administrative			
services	-	-	-
Business services	-	-	-
Operation and mainten-			
ance services	33,170	33,154	16
Central services	-	-	-
Special Programs:			
Instructional services	-	-	-
Supportive services	-	-	-
School administrative			
services	-	-	-
Student transportation			
services	-	-	-
Vocational Programs:			
Instructional services	-	-	-
Extracurricular activities	-	-	-
Student transportation			
services	-	-	-
School activity	-	-	-
Resources transferred to other districts	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total	33,170	33,154	16
Excess (Deficiency) of			
Revenues Over Expenditures	(33,150)	(33,145)	5
OTHER FINANCING SOURCES			
Resources transferred (to) from			
other funds	-	-	-
Sale of bonds	-	-	-
Sale of fixed assets	-	-	-
Cash reappropriated	33,150	-	(33,150)
Total	33,150	-	(33,150)
Excess (Deficiency) of Revenue			
and Other Sources Over Expenditures	\$ -	(33,145)	\$ (33,145)
Fund Balance at July 1		33,150	
Prior period adjustment		-	
Fund Balance at July 1, as restated		33,150	
Fund Balance at June 30		\$ 5	

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF ASSETS, LIABILITIES AND FUND EQUITY
PRIVATE PURPOSE TRUST AND AGENCY FUNDS
HIGH SCHOOL DISTRICT
June 30, 2012

	Private Purpose Trust Funds			Agency Fund	
	Miscellaneous			Insurance	
	Endowment Fund	Trust Fund	Extracurricular Fund	Fund	Total
ASSETS					
Cash in treasury	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ -	\$ 2,423,267
Petty cash	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other current assets	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Land and improvements	-	-	-	-	-
Buildings and improvements	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Amount available in debt service & compensated absence funds	-	-	-	-	-
Amount to be provided to retire long-term debt	-	-	-	-	-
TOTAL ASSETS	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ -	\$ 2,423,267
LIABILITIES					
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Net OPEB obligation	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND EQUITY					
Investment in general fixed assets	-	-	-	-	-
Fund balance					
Reserved:					
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Operations	-	-	-	-	-
Encumbrances	-	-	-	-	-
Unreserved:					
Designated for debt service	-	-	-	-	-
Undesignated	482,587	77,005	1,863,675	-	2,423,267
TOTAL FUND EQUITY	482,587	77,005	1,863,675	-	2,423,267
	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ -	\$ 2,423,267

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PRIVATE PURPOSE TRUST FUNDS
HIGH SCHOOL DISTRICT
For the Year Ended June 30, 2012

	Private Purpose Trust Funds			Total
	Endowment Fund	Miscellaneous Trust Fund	Extracurricular Fund	
REVENUES				
District lev	\$ -	\$ -	\$ -	\$ -
Interest	2,034	509	-	2,543
Miscellaneous	-	8,000	-	8,000
Direct state aid	-	-	-	-
State guaranteed tax base subsidy	-	-	-	-
State special education	-	-	-	-
Other state payments	-	-	-	-
Federal/state/local aid	-	-	-	-
County reimbursement	-	-	-	-
State reimbursement	-	-	-	-
Tuition and fees	-	-	-	-
Motor vehicle fees	-	-	-	-
School activity	-	-	2,303,871	2,303,871
Total	2,034	8,509	2,303,871	2,314,414
EXPENDITURES				
Current:				
Regular Programs:				
Instructional services	-	-	-	-
Supportive services	-	-	-	-
Educational media services	-	-	-	-
General administrative services	5,524	14,254	-	19,778
School administrative services	-	-	-	-
Business services	-	-	-	-
Operation and mainten- ance services	-	-	-	-
Central services	-	-	-	-
Special Programs:				
Instructional services	-	-	-	-
Supportive services	-	-	-	-
School administrative services	-	-	-	-
Student transportation services	-	-	-	-
Vocational Programs:				
Instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Student transportation services	-	-	-	-
School activity	-	-	2,182,047	2,182,047
Resources transferred to other districts	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total	5,524	14,254	2,182,047	2,201,825
Excess (Deficiency) of Revenues Over Expenditures	(3,490)	(5,745)	121,824	112,589
OTHER FINANCING SOURCES (USES)				
Resources transferred (to) from other funds	-	-	-	-
Sale of bonds	-	-	-	-
Sale of fixed assets	-	-	-	-
	-	-	-	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(3,490)	(5,745)	121,824	112,589
Fund Balance at July 1	486,077	82,750	1,741,851	2,310,678
Prior period adjustment	-	-	-	-
Fund Balance at July 1, as restated	486,077	82,750	1,741,851	2,310,678
Fund Balanc	\$ 482,587	\$ 77,005	\$ 1,863,675	\$ 2,423,267

SINGLE AUDIT SECTION

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*

Board of Trustees
School District Number 1
Cascade County
Great Falls, Montana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District Number 1, Cascade County, Great Falls, Montana, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of School District Number 1, Cascade County, Great Falls, Montana is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered School District Number 1, Cascade County, Great Falls, Montana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School District Number 1, Cascade County, Great Falls, Montana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of School District Number 1, Cascade County, Great Falls, Montana's internal control over financial reporting.

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of trustees, management, the Montana Department of Administration, the Montana Office of Public Instruction, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Anderson Zuercher & Company, P.C.

Great Falls, Montana
January 21GAA, 2013

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

Board of Trustees
School District Number 1
Cascade County
Great Falls, Montana

Compliance

We have audited School District Number 1, Cascade County, Great Falls, Montana'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 its major federal programs for the year ended June 30, 2012. School District Number 1, Cascade County, Great Falls, Montana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on School District Number 1, Cascade County, Great Falls, Montana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District Number 1, Cascade County, Great Falls, Montana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on School District Number 1, Cascade County, Great Falls, Montana's compliance with those requirements.

In our opinion, School District Number 1, Cascade County, Great Falls, Montana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of School District Number 1, Cascade County, Great Falls, Montana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered School District Number 1, Cascade County, Great Falls, Montana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of School District Number 1, Cascade County, Great Falls, Montana'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.

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

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of School District Number 1, Cascade County, Great Falls, Montana's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on School District Number 1, Cascade County, Great Falls, Montana's compliance but not to provide an opinion on the effectiveness of School District Number 1, Cascade County, Great Falls, Montana's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District Number 1, Cascade County, Great Falls, Montana's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Anderson Zuercher & Company, P.C.

Great Falls, Montana
January 21, 2013

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
GREAT FALLS, MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

Project	Federal CFDA Number	Project Number	Award	Cash Balance 07/01/11	Cash Receipts	Cash Disbursements	Cash Balance 06/30/12
U. S. Department of Education							
Passed Through State of Montana							
Office of Public Instruction							
<i>Title I - Part A Cluster</i>							
Title I - Part A (Elem)	84.010	07-00-9830-06	\$ 2,729,244	\$ 12,417	\$ 11,691	\$ 1,893	\$ 22,215
Title I - Part A (Elem)	84.010	07-00-9831-11	1,192,110	(48,842)	91,321	42,479	0
Title I - Part A (Elem)	84.010	07-00-9832-11	2,623,179	(358,846)	786,462	427,616	0
Title I - Part A (Elem)	84.010	07-00-9831-12	1,018,717	0	777,062	720,115	56,947
Title I - Part A (Elem)	84.010	07-00-9832-12	3,229,991	0	1,926,876	2,431,539	(504,663)
Title Awards (Elem)	84.010	07-00-9841-12	3,897	0	0	4,081	(4,081)
ARRA - Title I - Part A & D (HS)	84.389	07-00-9991-110	2,806,607	(73,768)	348,710	274,942	0
ARRA - Title I - Schoolwide (HS)	84.389	07-00-9997-10	154,448	69,765	84,011	153,776	0
<i>Subtotal Title I - Part A Cluster</i>				<u>(399,274)</u>	<u>4,026,133</u>	<u>4,056,441</u>	<u>(429,582)</u>
<i>Special Education Cluster (IDEA)</i>							
Idea - Preschool (Elem)	84.173	07-00-9879-11	79,881	(9,431)	9,431	0	0
Idea - Preschool (Elem)	84.173	07-00-9879-12	79,542	0	76,909	79,542	(2,633)
Idea B (Elem)	84.027	07-00-9877-11	2,738,817	(314,719)	314,719	0	0
Idea B (HS)	84.027	07-00-9977-12	2,892,858	0	2,616,752	2,787,611	(170,859)
ARRA - Idea - Preschool (Elem)	84.392	07-00-9995-10	89,513	(20,570)	24,913	4,343	0
ARRA - Idea B (HS)	84.391	07-00-9992-10	2,758,540	(212,389)	346,247	134,175	(317)
<i>Subtotal Special Education Cluster (IDEA)</i>				<u>(557,109)</u>	<u>3,388,971</u>	<u>3,005,671</u>	<u>(173,809)</u>
Title I - Part D (Elem)	84.013	07-00-9831-11B	90,192	(594)	2,030	1,436	0
Title I - Part E (Elem)	84.371	07-00-9835-12	1,386,171	0	717,346	763,514	(46,168)
Title II - Part A (Elem)	84.367	07-00-9814-11	1,232,664	(3,466)	201,038	197,572	0
Title II - Part A (Elem)	84.367	07-00-9814-12	1,036,095	0	649,875	830,096	(180,221)
Title II - Part D (Elem)	84.318	07-00-9860-11	30,246	(2,653)	15,221	12,568	0
Title II - Part D (Elem)	84.318	07-00-9860-12	6,114	0	6,114	6,114	0
Title II - Part D (Elem)	84.318	07-00-9831-12B	131,253	0	79,334	84,184	(4,850)
Title III - Part A (Elem)	84.365A	07-00-9814-11	57,302	(1,737)	7,295	5,558	0
Title III - Part A (Elem)	84.365A	07-00-9814-12	84,208	0	42,473	49,767	(7,294)
Title III - Emergency Immigrant (Elem)	84.365A	07-00-9814-12I	2,424	0	0	2,619	(2,619)
Title IV - Drug Free Schools (Elem)	84.186	07-00-9916-11	37,024	(4,130)	27,133	23,003	0
Adult Basic Ed (Elem)	84.002	07-00-9856-11	13,130	(1,526)	1,526	0	0
Adult Basic Ed (Elem)	84.002	07-00-9856-11	102,839	(2,606)	4,318	1,712	0
Adult Basic Ed (Elem)	84.002	07-00-9856-12	102,564	0	98,142	102,254	(4,112)
Adult Basic Ed (Elem)	84.002	07-00-9856-12	16,710	0	15,914	16,710	(796)
Vo Ed Carl D Perkins - YPEC (HS)	84.348A	07-00-9981-11	46,564	(4,098)	11,864	7,766	0
Vo Ed Carl D Perkins - Basic (HS)	84.048	07-00-9981-11	243,217	(26,164)	42,107	15,943	0
Vo Ed Carl D Perkins - Basic (HS)	84.048	07-00-9981-12	209,332	0	182,149	209,329	(27,180)
Vo Ed Carl D Perkins - Basic (HS)	84.048	07-00-9981-12	31,642	0	20,213	31,642	(11,429)
ARRA - Education Jobs Fund (Elem)	84.410	n/a	19,243	0	19,243	19,243	0
ARRA - Education Jobs Fund (HS)	84.410	n/a	10,522	0	10,522	10,522	0
Teaching American History (HS)	84.215X	U215X-100025	332,934	(67,438)	90,066	22,628	0
Teaching American History (HS)	84.215X	U215X-100025	308,681	0	233,020	265,090	(32,070)
Indian Education (Elem)	84.060	S060A-100490	296,844	(66,289)	110,594	44,305	0
Indian Education (Elem)	84.060	S060A-100490	300,848	0	174,755	292,994	(118,239)
ARRA - McKinney Vento Education (HS)	84.387	07-00-9996-10	55,000	(4,602)	4,602	0	0
Title X - Part C (Elem)	84.196	07-00-9857-11	25,000	13,900	0	13,900	0
Title X - Part C (Elem)	84.196	07-00-9857-12	16,100	0	1,570	2,684	(1,114)
PL 81-874 (Elem)	84.041	N/A	N/A	8,894,621	668,111	533,455	9,029,277
PL 81-874 (HS)	84.041	N/A	N/A	<u>1,370,204</u>	<u>83,692</u>	<u>385,529</u>	<u>1,068,367</u>
Total U. S. Department of Education				<u>9,137,039</u>	<u>10,935,371</u>	<u>11,014,249</u>	<u>9,058,161</u>
U. S. Department of Defense							
Passed Through State of Montana							
Office of Public Instruction							
Troops Military Support	12.556	HE1254FY11001	277,411	0	165,732	245,849	(80,117)
Total U. S. Department of Defense				<u>0</u>	<u>165,732</u>	<u>245,849</u>	<u>(80,117)</u>
U. S. Department of Agriculture							
Passed Through State of Montana							
Office of Public Instruction							
National School Lunch Program							
Federal Reimbursement (Elem)	10.555	N/A	N/A	0	2,181,140	2,181,140	0
Commodities (Elem)	10.555	N/A	N/A	<u>135,432</u>	<u>262,483</u>	<u>202,965</u>	<u>194,950</u>
Total U. S. Department of Agriculture				<u>135,432</u>	<u>2,443,623</u>	<u>2,384,105</u>	<u>194,950</u>
Total Federal Awards				<u>\$ 9,272,471</u>	<u>\$ 13,544,726</u>	<u>\$ 13,644,203</u>	<u>\$ 9,172,994</u>

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

NOTE 1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance of School District Number 1, Cascade County, Great Falls, Montana. The School District's reporting entity is defined in Note 1 to the School District's basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditure of Federal Awards is presented using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. All federal financial assistance received, cash and noncash, is included as well as all federal financial assistance expended or consumed.

NOTE 3. CASH RECEIPTS

Negative balances included in the "cash receipts" totals represent excess cash returned to the State of Montana Office of Public Instruction.

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Summary of Auditor Results

1. Type of auditor report issued on financial statements: Unqualified
2. Financial statement significant deficiencies identified: None reported
3. Financial statement material weaknesses identified: None
4. Financial statement material noncompliance: None
5. Major program significant deficiencies identified: None reported
6. Type of auditor report issued on major program compliance: Unqualified
7. Audit finding required to be reported in accordance with Circular A-133, Section .510(a):
None
8. Major programs:
 - Title I (CFDA #84.010)
 - ARRA Title I (CFDA #84.389)
 - Idea Part B (CFDA #84.027/#84.173)
 - ARRA Idea Part B (CFDA #84.391)
 - ARRA Idea Preschool (CFDA #84.392)
 - Title I, Part E (CFDA #84.371)
 - Title II, Part A (CFDA #84.367)
 - Impact Aid (CFDA #84.041)
 - Federal School Lunch Reimbursement (CFDA #10.555)
9. Type A program threshold: \$409,326 in expenditures
10. Qualifications as low-risk auditee: Yes

Findings Relating to Financial Statements

None

Findings Relating to Federal Awards

None

SCHOOL DISTRICT NUMBER 1
CASCADE COUNTY
STATUS OF PRIOR YEAR FINDINGS
June 30, 2012

There were no audit findings reported in the prior year which required action to be taken by School District Number 1, Cascade County, Great Falls, Montana.