

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014



HELENA
PUBLIC SCHOOLS

Helena School District #1

Helena, Montana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Of the

HELENA SCHOOL DISTRICT #1

55 S. Rodney

Helena, MT 59601

For the Fiscal Year Ended

June 30, 2014

Libby Goldes, Chair Helena Board of Trustees

Dr. Kent Kultgen, Superintendent

Kim Harris, Business Services Administrator

Prepared by:

Kim Harris, C.P.A.

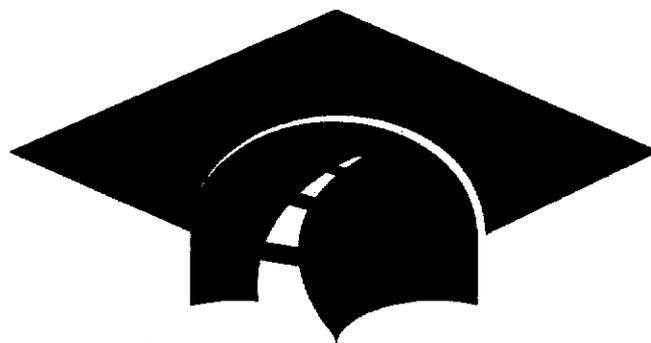


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HELENA PUBLIC SCHOOLS

I. Introductory Section



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HELENA PUBLIC SCHOOLS

**Helena School District No. 1 ■ Comprehensive Annual Financial Report ■ Fiscal Year
Ended June 30, 2014**

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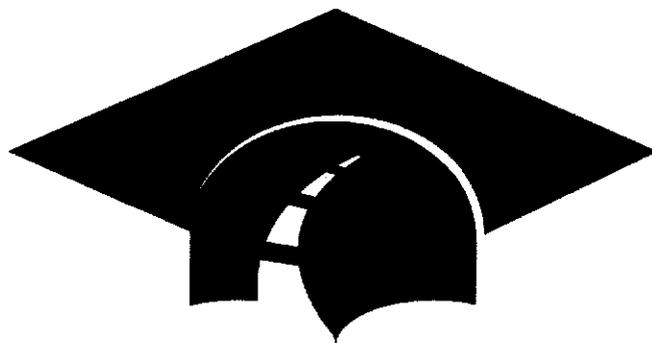
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SINGLE AUDIT

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March 30, 2015

Libby Goldes, Chair
Members of the Board of Trustees
Helena School District No. 1, Lewis and Clark County

Dear Board Chair, Members of the Board of Trustees, and Citizens of Helena School District No.1:

The Comprehensive Annual Financial Report (CAFR) of Helena School District No. 1, Lewis and Clark County (the District), for the fiscal year ended June 30, 2014, is hereby submitted. This report is issued in conjunction with the *Trustees' Financial Summary* that is required by Montana State law and is due in early September following the end of the fiscal year on June 30th. The CAFR is prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the financial activities of the District have been included.

Wipfli, LLP, have issued an unmodified ("clean") opinion on the Helena School District #1 financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the

basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the school district

The first school in the city of Helena, the state capitol of Montana, was opened in 1868, twenty-one years before the Montana territory earned statehood in 1889. Historical records indicate that the earliest graded school in the Montana Territory was opened in Helena in 1876. Financial records from 1891 indicated that the district employed 43 teachers and enrolled approximately 1,743 students who were housed in three buildings. The general fund ended FY1891 with \$1,153.72. The present day combined elementary and high school district occupies approximately 176 acres composed of 91 green space acres and 1,450,000 building gross square feet. The age of the district buildings ranges from over 100 years to 32 years with an average age of 64 years. The Helena School District is the fifth largest school district in Montana.

The major purpose of the District is to provide public education in approximately 492 classrooms. In addition the District provides services for handicapped, basic education, special needs, gifted, adult, vocational and traffic education. There are eleven elementary, two middle, and two high schools, an adult education program, and one alternative high school serving approximately 8,000 students. The District provides public education for students in grades kindergarten through twelve, for students returning to school to earn a diploma, and for adults.

The Helena School District No. 1 is comprised of two independent reporting and legal entities, unaffiliated with the City of Helena or other government jurisdictions. As required by state law, the district is comprised of an elementary district and a high school district, which are combined for financial reporting purposes. Nine non-partisan board members, elected in district-wide elections, govern the Districts and serve staggered three-year terms. The trustees are responsible for developing policy, adopting the budget, levying taxes, incurring bonded debt, approving curriculum, management of all property, and hiring all district staff.

There are no component units for which either district is financially accountable, or whose relationship with either district is such that exclusion would cause the financial statements to be misleading or incomplete.

State and federal funding effort

The funding process at the state level for Montana public schools is determined every two years by the Montana State Legislature. As a result of the combination of increased revenues and a successful lawsuit regarding adequate funding for schools, money was allocated to schools to attempt to mitigate 10 years of neglect and to avoid further legal battles. The infusion lasted one year: 2007-2008. Montana public schools then enjoyed a few years of at least a 4% growth rate.

Although impacted by the national recession and a poor economy, Montana State used stimulus dollars to lessen the direct state support in fiscal years 2011 and 2012. State funding slowed. The legislature struggled to find funding to replace the federal dollars so that the increase for schools was originally established to be only .83% in the per-student (average number belonging – ANB) and entitlement (per district) funding for FY12. The threat of a last minute return to court to reinstate state funding to include the lost federal stimulus dollars resulted in a settlement approved by the Governor and a 2% increase in funding. The state has met the obligations for funding schools based on a legally imbedded cost of living increase for FY 2013 and 2014 and an additional allocation for FY 2014.

State funding is almost 70% of the total general fund revenue. Between fiscal years 2012 and 2013, state revenues in the general fund increased by 2.5% while district tax levies remained constant.

The 2013 legislative session modified the public school funding formula by increasing the basic entitlements and per ANB (student) amounts. The elementary basic entitlement increased to \$342,000 (up from \$66,275), and created a new middle school basic entitlement of \$140,000. The high school increased from \$260,099 to \$626,000. The per ANB at each level increased by 1.7%.

The program revenues from operating grants and contributions, of which the bulk is federal dollars either directly from the federal government or via the Montana State Office of Public Instruction decreased by \$2,022,201 in 2014. During the year, a major direct federal grant, Safe Schools Healthy Schools ended. The district expects to see a stabilization of grant funding in the future.

Local Economy

Historical employment data for Lewis and Clark County indicated a 51 percent increase in employment or approximately 2.0 percent average annual growth from 1980 through 2000. The government, services and retail trade sectors account for 75% of the available jobs in the County in 2010 compared to 70% in 1980. The county is projected to increase by 14% in the ten year period ending in 2020 with the bulk of the increase in the services sector. State and local government employment is projected to increase by 14% over that same time period.

Projections indicate that population will continue to increase from 63,395 in 2010 to 67,930 by 2020 (a 7.2% ten year change) with an annual growth rate of 1.3%.

Long-term financial planning

Student demographics: Funding for public schools in Montana is based on enrollment. School district enrollment projections factor into account the changes in population, birth and employment rates. Beginning in 2002 and continuing through 2011, population growth in Lewis and Clark County increased as the county experienced in-

migration of approximately 6,389. Also, in 2006 through 2010, the county experienced a higher birth rate (15%) than the average birth rate in the previous five years. A bubble enrollment of kindergarteners is predicted for 2012 and 2013. After 2018, the elementary enrollment will begin a slow decline but is predicted to still be higher than the current enrollment. Over the next 10 years, elementary enrollment is forecasted to increase through 2017 and then decline with a negative .1% net change in ten years. The middle school enrollment is forecasted to decline through 2017-18 and then increase for an increase of 117 students in ten years. The high school enrollment is forecasted to increase by about 132 students when comparing 2012-13 to 2022-23 enrollments.

Montana State enrollment peaked in the 1995-96 school year. Since then, enrollment has decreased by more than 20,000 students. The enrollment decrease is due to the decrease in Montana live births – preferences for smaller family sizes. After declining for seven years, kindergarten enrollment began increasing again in 2003-04 and has continued to increase through 2014.

Budget: Even a slight increase in enrollment or state funding means additional budget authority for Helena schools. Although the elementary district had stable enrollments for budgeting purposes in FY14, with the funding increases from the legislature, the elementary budget increased by \$588,246. In contrast, the high school lost enrollment, but a potential decrease in budget was mitigated by the legislative basic entitlement increase explained above. The high school budget increased by \$687,336. Laws regarding ANB “Average Number (of students) Belonging” were modified to permit schools to use the average student count of the current and past two years if the resulting number was greater than the actual ANB. Both districts used averaging for FY14. The student count in school year 2013 is used to establish the general fund budgets for school year 2014.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Activities of the general fund, certain special revenue funds (transportation, tuition, retirement, adult education, and technology), the debt service fund, and the building reserve funds have legally enforceable budgets that are adopted annually. These budgets, which are adopted by resolution, propose expenditures by fund total only as required by state law. The transfers within the total budget budgeted appropriation are by line item detail and are authorized by management. By state law, expenditures may not exceed the budgeted fund total, except in rare instances.

Major initiatives

Capital Projects: The elementary district has a small obligation due (inherited from a district consolidation) of \$61,000 and the district virtually debt free. The final debt payment for the high school district is slated for July, 2017. Since the average age of the district buildings is 64 years with classrooms that typify the 60’s classroom box delivery system, the trustees embarked on an aggressive educational and facilities

study in 2011. After hours of study and analysis, public meetings, discussion, and consultation with engineers, architects, demographers, and in-house expertise, a draft plan was released. In May 2013, the electors failed the first phase of the long range capital plan – a building reserve levy. Undaunted, the trustees pursued a plan of public education and the same levy passed in November, 2013. This 10 year levy will provide \$1,250,000 and \$750,000 respectively for the elementary and high school district maintenance needs. The next phase includes an elementary bond issue in June, 2015 to address facility failings at all of the elementary schools. The high school, middle school bond elections are scheduled for the following years.

Educator and employee pay and benefits: For 2014, Helena school district educators received a \$700 per employee wage increase, other employees received a 1% cost of living increase in addition to step and lane advancements in the pay grids and a 2% increase in the district share for the cafeteria plan.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting the Helena School District #1 for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirement and we are submitting it to the GFOZ to determine its eligibility for another certificate.

The District would like to acknowledge the efforts of the bookkeepers from all of the schools for a commitment to getting it right!; to our new auditors for their expertise, and again to Ron Vaught who always comes through with assistance in implementation of the seemingly endless governmental financial accounting and reporting standards.

Respectfully submitted,



Dr. Kent Kultgen, Ph.D.
Superintendent



Kim Harris, CPA, MPA
Business Services Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

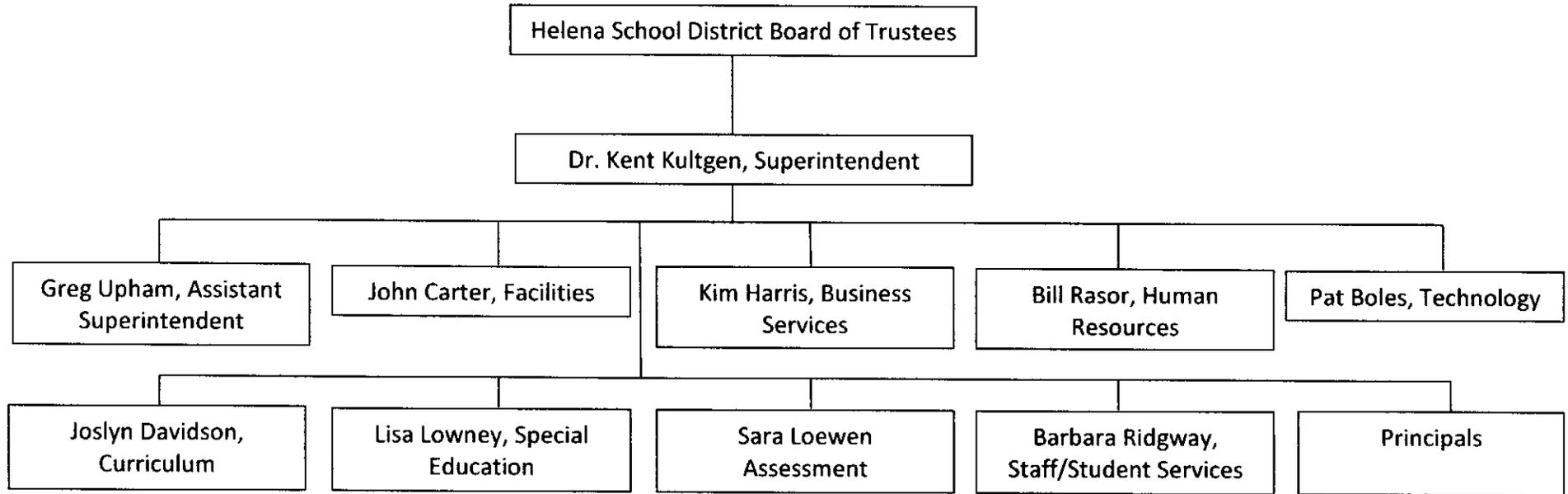
**Helena School District #1
Montana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Helena School District #1
Organizational Chart



Helena School District No. 1 ■ Comprehensive Annual Financial Report ■ Fiscal Year
Ended June 30, 2014

School District No. 1
Lewis and Clark County
Helena, Montana

Organization

Board of Trustees

Elementary and High School Trustees

| <u>Name</u> | <u>Position</u> | <u>Term Expires</u> |
|-----------------|-----------------|---------------------|
| Libby Goldes | Chairperson | 2016 |
| Aidan Myhre | Vice-chair | 2017 |
| Ellen Feaver | Trustee | 2015 |
| Terry Beaver | Trustee | 2015 |
| Cherche Prezeau | Trustee | 2017 |
| Libbi Lovshin | Trustee | 2016 |
| Betsy Baur | Trustee | 2016 |

High School Trustees

| | | |
|--------------------|-------------------------------|------|
| Kristina Huffsmith | Trustee - Capital High School | 2015 |
| Joe Cohenour | Trustee - Helena High School | 2015 |

List of Principal Officers

| | |
|------------------------|---------------------------------|
| Dr. Kent Kultgen, PhD. | Superintendent |
| Kim Harris | Business Services Administrator |
| Katrina Chaney | County Superintendent |
| Leo Gallagher | County Attorney |

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Helena School District No. 1
Helena, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, the aggregate remaining fund information and the major fund budgetary comparisons of Helena School District No. 1, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Helena School District No. 1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, the aggregate remaining fund information and the major fund budgetary comparisons of Helena School District No. 1, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 20 and Employee Group Benefits Plan – Other Postemployment Benefits (OPEB) on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Helena School District No. 1's basic financial statements. The introductory section, statistical section, combining and individual non-major fund financial statements, non-major fund budgetary comparisons, schedule of school enrollment and student extracurricular funds and the Schedule of Expenditures of Federal Awards, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, non-major fund budgetary comparisons, schedule of school enrollment and student extracurricular funds and the Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, non-major fund budgetary comparisons, schedule of school enrollment and student extracurricular funds and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

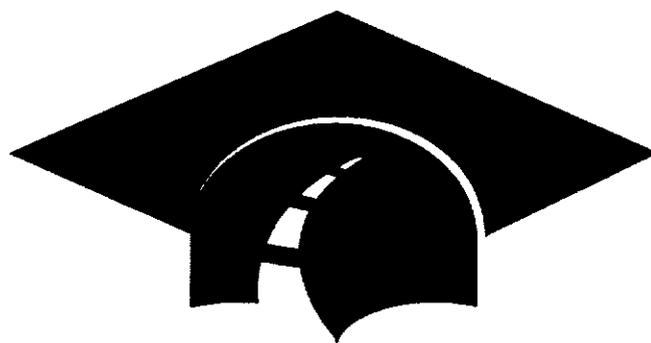
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2015 on our consideration of Helena School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Helena School District No. 1's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Helena, Montana
March 29, 2015

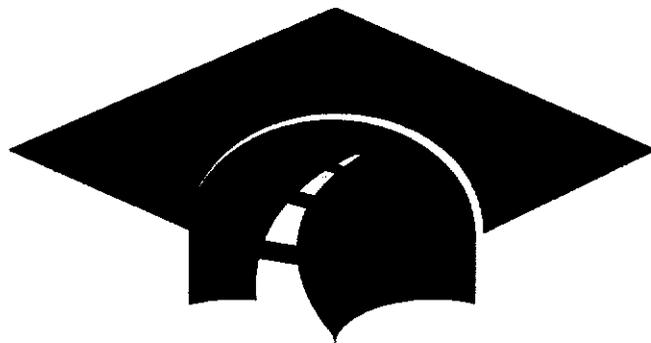


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II. Financial Section



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**Helena School District No. 1
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

The management of Helena School District No.1 (the District) has prepared this Comprehensive Annual Financial Report (CAFR) narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- Student enrollment remained stable, except for the entering kindergarten class which is a bubble class, so that any increase in general revenues for 2014 was based on funding driven by formula changes adopted by the State of Montana for schools. The kindergarten class increased by 47 students over the previous year and is expected to continue for one more year.
- The net position of the District exceeded liabilities at the close of the most recent fiscal year by \$61,504,492. Of this amount, \$11,561,281 is unrestricted and available for any purpose to meet the government's ongoing obligations.
- The total net position of the District increased by \$1,946,444. This was based on a number of factors: the broad category of general revenues continued to increase - \$4,370,465 over the previous year. In addition to an increase in taxes, the rest of the increase was from payments from other governments – the County and State. Charges for services were relatively stable. Operating grants and contributions decreased by \$2,022,201 over the previous year as direct federal grants sunset. Similarly, expenses increased to correspond to higher budget authority or by \$3,278,538 over fiscal year 2013.
- The net position of the Self-insurance fund for health services increased again by about \$1,710,314 dollars as the district group experienced no covered high cost claims.
- Moody's retained the Aa3 High School District rating on the general obligation bonds.

Fund Highlights

- As of the close of the current fiscal year, the governmental funds of the District reported combined ending fund balances of \$14,715,060, an increase of \$1,861,072 in comparison with the previous year. This change was mostly due to tax revenues and county payments to schools (in the retirement funds).
- The Montana Legislature swept retirement fund reserve balances into the State Teachers retirement fund with a corresponding increase in taxes to meet ongoing local obligations.
- At the end of the current fiscal year, assigned fund balance for the general funds was \$654,825 dedicated to English/Language Arts curriculum adoptions for all K-12 grades. There were no unassigned or restricted fund balances in the combined general funds.

Capital Asset and Long-term Debt Highlights

- The Elementary District essentially is debt free with a tiny general obligation issue (\$61,000) inherited from a school district during consolidation. The High School District will continue to pay bonds until 7/1/2017.
- The Trustees completed on a multi-year study of educational delivery models ("Instruction before Construction"), of facilities to complete an analysis of future major capital building needs. The first phase is slated to go to the voters in June, 2015 for improvements to all elementary schools, a telecommunication system and technological improvements at a \$70 million dollar price tag.
- The district investment in capital maintenance renewed with the passage of a \$1,250,000 elementary and \$750,000 high school building reserve levies with initial collections slated for November 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Helena School District. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) the combining financial statements, budgetary schedules and the other supplemental information and 4) notes to the financial statements. It, also, contains other supplementary information in addition to the basic financial statements which is intended to furnish additional detail to support the basic financial statements. These components are described below:

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the District finances, in a manner similar to a private-sector business. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to private-sector accounting. The Statement of Net position and changes in them from year to year are a measure of the financial position of the District. Over time, increases or decreases are an indicator of the financial health. Other considerations such as the change in the tax base and funding decisions by the State of Montana affect the financial health.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Most services normally associated with school government are considered governmental activities, and fall into this category including instruction, support services, general, school and business administrative services, operation and maintenance, student transportation, food services, community services, and other expenditures. The business-type activity of the District is comprised of a school-aged childcare center.

The government-wide financial statements include the financial information for the District and are reported beginning on page 21.

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

Governmental funds. *Governmental funds* are used to account for essentially the same function reported as governmental activities within the government-wide financial statements. These funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. They provide a short term view of the District's general governmental operations and the basic services that it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of*

spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The District is comprised of an elementary district and a high school district that are separate legal entities required and recognized by state law. The elementary and high school districts each maintain thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general funds of each district, the elementary retirement fund, the elementary miscellaneous programs, and the high school building reserve funds which are considered to be major funds. Data from the remaining twenty-five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general funds, select special revenue, debt service, and building reserve funds as required by state law. A budgetary comparison statement has been provided for all budgeted funds to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on page 25-29 of this report.

Proprietary funds. The District maintains two different types of proprietary funds. The *Enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprise funds to account for the School-Aged Child Care (SACC) program. *Internal service funds* are a group of accounts used to accumulate and allocate cost internally among the various functions of the school district. The District uses internal service funds to account for the warehousing of its art, office, custodial and nursing supplies, for printing services, for collecting health insurance premiums and costs for District employees, and finally to pay the liability premiums of the district. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the SACC program and when combined are considered to be a major fund (Business –Type Activities) of the District. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 29 - 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the programs of the District. The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-53 of this report.

Other information In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning federal grant audit reports. Required supplementary information can be found beginning on page 54 of this report.

The combining statements referred to earlier in connection with the non-major governmental and internal service funds are presented immediately following the Notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 54-76 of this report.

The School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the financial position of the government. In the case of the District, assets exceeded liabilities by \$61,504,492, at the close of the most recent fiscal year.

The largest portion of the net position of the District (73.3%) reflects the investment by the school district in capital assets such as land, buildings, and equipment, less related outstanding debt used to acquire those assets. The Helena School District uses these capital assets to provide educational and related services to students; and as a result, these assets are not available for future spending. Although the investment in the capital assets by the District is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets by law cannot be used to liquidate these liabilities.

A portion of the net position of Helena School District (7.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$11,561,281) may be used to meet the ongoing obligations of the school district to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in net position for the government as a whole, as well as for its separate governmental and business-type activities, as was true for the prior fiscal year.

Net Position of Helena School District No. 1

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Current and other assets | \$30,518,487 | \$31,428,112 | \$136,049 | \$270,449 | \$30,654,536 | \$32,630,173 |
| Capital assets, net | <u>46,912,043</u> | <u>47,424,755</u> | | | <u>46,912,043</u> | <u>47,424,755</u> |
| Total Assets | 77,430,530 | 78,852,867 | 136,049 | 270,449 | 77,566,579 | 79,123,316 |
| Long-term liabilities outstanding | 14,352,028 | 14,620,182 | 56,991 | 58,895 | 14,360,763 | 14,679,077 |
| Other Liabilities | <u>3,590,777</u> | <u>2,928,092</u> | <u>8,735</u> | <u>11,655</u> | <u>3,647,768</u> | <u>2,939,747</u> |
| Total liabilities | 17,942,805 | 17,548,274 | 65,726 | 70,550 | 18,008,531 | 17,618,824 |
| Net position: | | | | | | |
| Investment in capital assets, net of related debt | 43,548,343 | 45,078,755 | | | 43,548,343 | 45,078,755 |
| Restricted | 10,607,988 | 4,864,456 | | | 10,607,988 | 4,864,456 |
| Unrestricted | <u>5,331,394</u> | <u>11,361,382</u> | <u>70,323</u> | <u>199,899</u> | <u>5,401,717</u> | <u>11,561,281</u> |
| Total net position | <u>\$59,487,725</u> | <u>\$61,304,593</u> | <u>\$70,323</u> | <u>\$199,899</u> | <u>\$59,558,048</u> | <u>\$61,504,492</u> |

The net position of the school district increased by \$1,946,444 during the current fiscal year. There was an increase of \$129,576, in unrestricted net position reported in connection with the business-type activity of the District for the SACC program. This resulted from increased tuition rates.

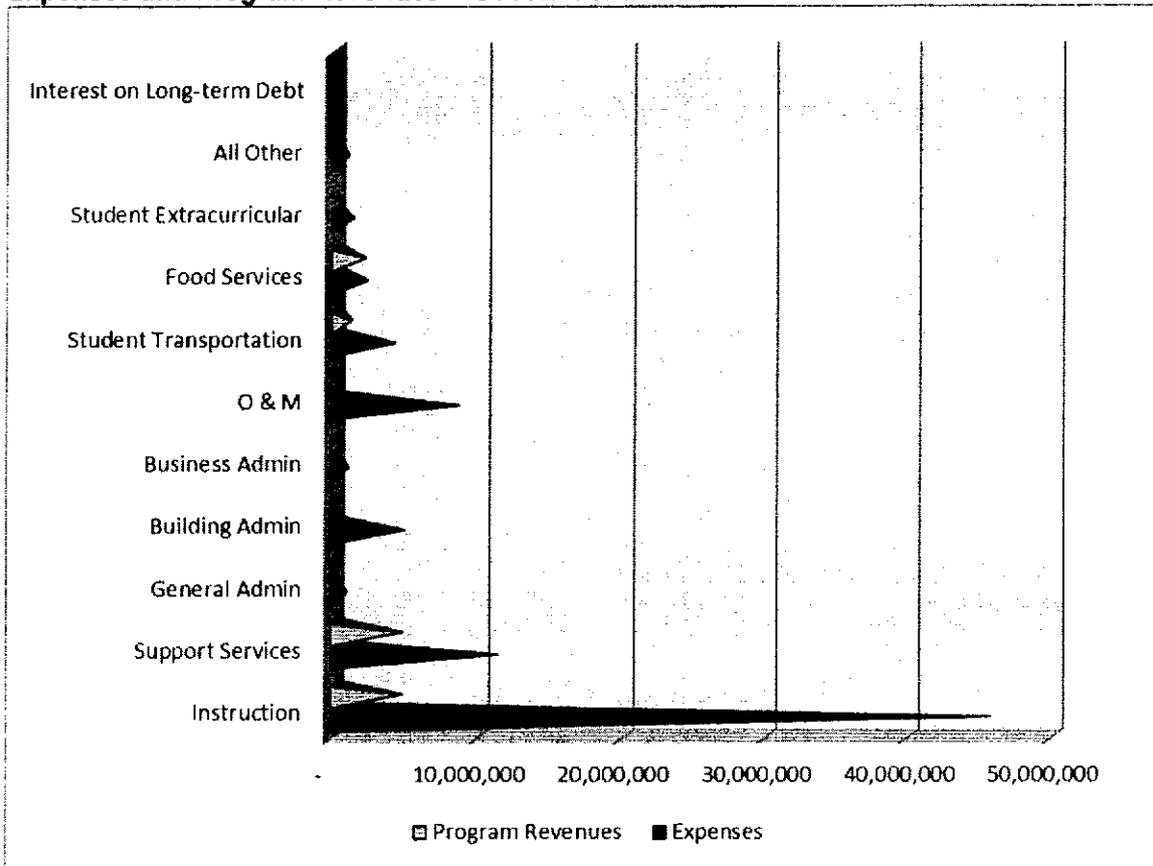
Changes in Net Activities of Helena School District No. 1

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$1,118,558 | \$1,126,979 | \$695,282 | \$752,099 | \$1,813,840 | \$1,879,078 |
| Operating grants/contributions | 14,588,703 | 12,566,504 | | | 14,588,703 | 12,566,504 |
| General revenues | | | | | | |
| District tax levies | 23,183,908 | 24,504,610 | | | 23,183,908 | 25,504,610 |
| Interest | 64,629 | 23,145 | 62 | 170 | 64,691 | 23,315 |
| State | 35,381,036 | 36,012,447 | | | 35,381,036 | 36,012,447 |
| County | 6,072,348 | 8,676,991 | | | 6,072,348 | 8,676,991 |
| All other | <u>454,951</u> | <u>310,144</u> | | | <u>454,951</u> | <u>310,144</u> |
| Total Revenues | 80,864,133 | 83,220,820 | <u>695,344</u> | <u>752,269</u> | 81,559,477 | 83,973,089 |
| Expenses: | | | | | | |
| Instruction | 44,500,054 | 45,699,482 | | | 44,500,054 | 45,699,482 |
| Support Services | 10,681,037 | 11,355,162 | 603,636 | 622,693 | 11,284,673 | 11,977,855 |
| General Administration | 720,760 | 881,099 | | | 720,760 | 881,099 |
| Building Administration | 4,825,410 | 4,842,612 | | | 4,825,410 | 4,842,612 |
| Business Administration | 1,151,440 | 978,232 | | | 1,151,440 | 978,232 |
| Operation and Maintenance | 8,431,180 | 8,670,430 | | | 8,431,180 | 8,670,430 |
| Student Transportation | 3,939,710 | 4,233,755 | | | 3,939,710 | 4,233,755 |
| Food Services | 2,145,583 | 2,336,727 | | | 2,145,583 | 2,336,727 |
| Student Extracurricular | 1,328,814 | 1,337,581 | | | 1,328,814 | 1,337,581 |
| Community Service | 131,872 | 144,546 | | | 131,872 | 144,546 |
| Interest on Long-term debt | 161,032 | 68,097 | | | 161,032 | 68,097 |
| Other | <u>108,522</u> | <u>856,229</u> | | | <u>108,522</u> | <u>856,229</u> |
| Total expenses | <u>78,125,414</u> | <u>81,403,952</u> | <u>603,636</u> | <u>622,693</u> | <u>78,729,050</u> | <u>82,026,645</u> |
| Increase/(Decrease) in net position | 2,738,721 | 1,816,868 | 91,708 | 129,576 | 2,830,429 | 1,946,444 |
| Net position, prior year | <u>56,749,004</u> | <u>59,487,725</u> | <u>(21,385)</u> | <u>70,323</u> | <u>56,727,619</u> | <u>59,558,048</u> |
| Net position, current year | <u>\$59,487,725</u> | <u>\$61,304,593</u> | <u>\$70,323</u> | <u>\$199,899</u> | <u>\$59,558,048</u> | <u>\$61,504,492</u> |

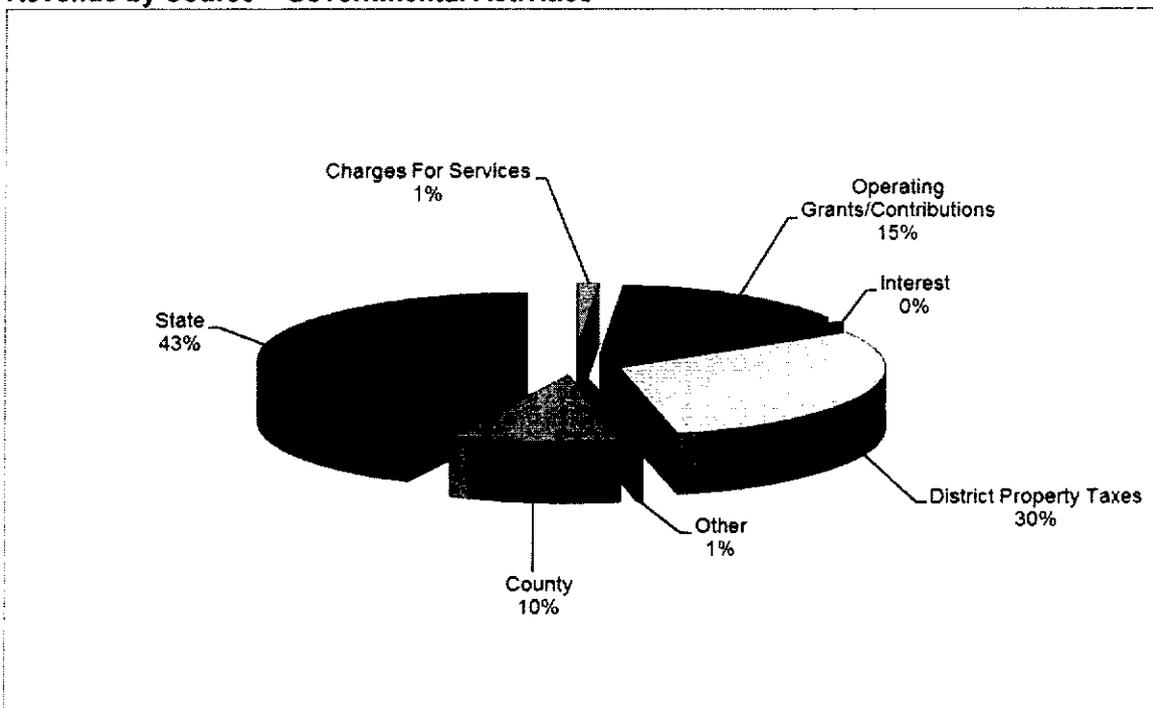
Governmental activities. Net position of the District increased from governmental activities by \$1,816,868. Key elements of this change include:

- Federal Grant revenue slowed with the completion of two major grants neared completion.
- Wages and benefits increased in most line items to reflect negotiated settlements while the cafeteria plan benefits payment to employees was increased.
- The State of Montana settled with major communication corporations and distributed protested taxes in FY2015 of about \$2.9 million.
- Capital assets (before depreciation) increased by \$1.9 million representing the continued investment in deferred maintenance projects and technology innovations in the classroom.
- Both the student population and employee FTE remained stable.
- After a major boost in state funding in the 2012-13 year, this support stabilized in 2013-14.
- The Trustees continued to transfer cash from the general funds to the (elementary) interlocal fund with a balance of \$450,218. This fund was assigned to future transitional expenses or curriculum adoptions.

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



Generally, since Montana State law requires a balanced budget in the budgeted funds, the growth in expenditures matches the growth in the revenues for these funds. The greatest increase within all of the expense functions is in the benefits and salaries for employees. The district spends on an average 91% of the elementary budget and 88% of the high school general funds for salaries and benefits. Since the non-salary expense budgets in all categories have been frozen by the Board of Trustees, in order to balance the budgets; the increases in the expense categories reflects wage and benefit increases.

Business-type activities. The net position of the District's School-Aged Child Care (SACC) program increased by \$129,576 over the previous year. This positive position was the second in two years. The program is offered at all elementary sites and staffing changes were instituted along with fee adjustments to increase staff to student efficiency and cover the cost of operations. One elementary site qualified for free funding that was financed by a grant with free tuition. This grant is accounted for in the Elementary Miscellaneous Programs fund.

Financial Analysis of the Government's Funds

Fund accounting is mandated by Montana State law and is used by the Helena School District to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the *governmental funds* of the District is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the financial requirements of the school district. In particular, *unrestricted fund balance* may serve as a useful measure of the net resources available for spending at the end of the year. There are two components to unrestricted fund balance: *assigned* which represents amounts constrained by intent to be used for a specific purpose. *Unassigned* fund balance represents amounts that are not spendable, restricted or committed – they are the residual balance.

As of the end of the current fiscal year, the governmental funds of the school district reported a combined ending fund balance of \$14,715,060, an increase of (\$1,861,072). All of this fund balance is either restricted by 1) by state law or by grant agreements for a specific purpose (\$11,193,219), 2) or by the district to pay pending purchases (\$2,035,959).

The general funds are the main operating funds of the elementary and high school districts. At the end of the current fiscal year, all of the fund balance of the general funds, \$654,825 was assigned to pending purchases for an English Language Arts curriculum adoption. Between the two districts, \$4,312,021 of property taxes was protested. In a settlement with the State of Montana, the balance of the protest was distributed in the 2015 fiscal year and amounted to \$2.9 million. As a measure of the liquidity of this fund, it may be useful to compare the total fund balance to total fund expenditures which represent less than 1 percent of the total general fund expenditures.

The debt service funds have a total balance of \$770,412, all of which is reserved for the payment of principal, interest, fiscal fees, and special assessments of the districts. The fund balances of both districts increased by \$35,862. All general obligation bonds of the district have been refunded. Over the next three years, substantially all of the general obligation debt in both the elementary and high school districts will be paid.

The capital projects funds have a total fund balance of \$2,950,496, all of which is restricted for safety, security, energy conservation, equipping, remodeling or major maintenance projects. In November 2013, district voters approved a ten year building reserve levy for \$1,250,000 at the elementary district and \$750,000 at the high school district. The first collections will be in the 2014-15 school year. The district completed several projects during the year including surveillance camera installation at the middle and high schools, wireless technology at all schools, portable classrooms at Jim Darcy and the Lincoln elementary schools, boiler

replacements at C.R.Anderson Middle School and boiler improvements at Broadwater elementary.

Proprietary funds. The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In addition to the single enterprise fund, SACC, that was discussed earlier, Helena has four internal service funds, Warehouse, Print-shop, Self (health) Insurance, and Liability Insurance. The net position of the Liability Insurance fund decreased by \$29,097 as well as the Warehouse by \$91,708. The net position of the Print-shop increased by \$35,455, and the Self-Insurance fund by \$1,710,314. The Print-shop renewed the operating lease for the fleet of school copiers and took advantage of reduced rental rates. Printing rates charged to all schools and departments were reviewed and increased. For the district insurance fund, actual premium collections covered the cost for medical, vision, prescription and dental care of employees while the district received stop loss and prescription rebates that increased the net position for the year. The net position of the warehouse decreased from repairs made to the building.

Governmental Fund Budgetary Highlights

Differences between the original and final budget resulted from the transfer of unexpended line items (generally from utilities savings and support services) to other line items for District purposes at year-end; as authorized by the Board of Trustees. Over expenditures in the instructional line item resulted from an unusually high number of termination payments for retiring teachers and for a K-12 English language arts curriculum adoption. State law generally does not permit a school district to transfer from one fund balance to another fund to increase the district budgets. Also, the funds are not permitted to exceed the budgeted expenditures in total.

Capital Asset and Debt Administration

Capital assets. The investment by the District in capital assets for the governmental and business-type activities as of June 30, 2014, was \$47,424,755 (net of accumulated depreciation.) This investment in capital assets included land, buildings, improvements, and equipment.

Capital assets increased during the current fiscal year included the following. The major ones were:

- C. R. Anderson Boiler Replacement (\$210,654)
- Surveillance Camera project for middle and high schools (\$527,542)
- Bus Cameras (\$51,160)
- Wireless Technology Improvements (\$283,443)
- Portable Classrooms for Jim Darcy and Central Elementary Schools (\$484,098)
- Front Street Learning Center Improvements (\$133,724)

Capital Assets of Helena School District No.1

| | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|---------------------|
| | <u>2013</u> | <u>2014</u> |
| Land | \$2,681,081 | \$2,692,320 |
| Construction in Progress | 294,646 | 328,855 |
| Land Improvements | 3,988,695 | 3,749,104 |
| Buildings | 38,923,271 | 39,256,794 |
| Equipment | 1,024,350 | 1,397,682 |
| Total | <u>\$46,912,043</u> | <u>\$47,424,755</u> |

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$2,346,000. All of this debt is general obligation debt, which is backed by the full faith and credit of the government.

Outstanding Debt of Helena School District No.1

| | Governmental Activities | |
|--------------------------|----------------------------|-------------|
| | <u>2013</u> | <u>2014</u> |
| General obligation bonds | \$3,316,000 | \$2,346,000 |

State law limits the amount of general obligation debt that the school district may issue up to 50 percent of its guaranteed tax base rate per student. The current debt limitation for the Elementary District is \$84,386,128, and \$113,495,643 at the High School District, both are in excess of the net amount of outstanding general obligation debt. The District received a rating from Moody's Investors Service with a general obligation refunding last fiscal year of Aa3 based on the district's moderately sized tax base that has experienced steady growth through the recent recession, slightly below average wealth levels, satisfactory financial performance and a minimal debt burden.

Other long term liabilities included compensated absences of \$4,755,814 and \$58,895 for the enterprise fund. With retirement of 23 educators and the related sick leave payments, the compensated absences liability decreased. The final component of OPEB reflects future health benefits estimated to be paid to employees for health insurance premiums in accordance with GASB 45 of \$8,488,240. Additional information regarding the long-term debt for the District can be found in note III G.

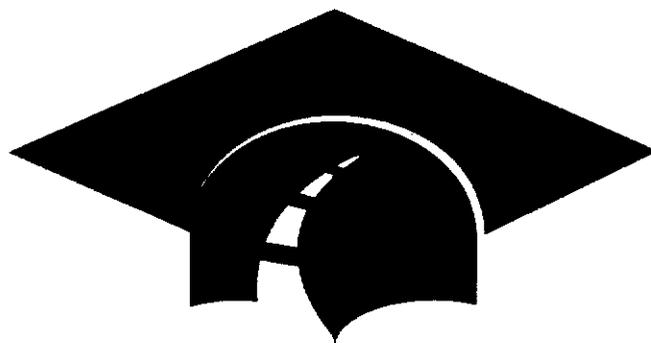
Economic Factors and Fiscal Year 2014 Budgets and Rates

- The birth rate for Lewis and Clark County for 2008 was 13.26, an increase over the previous decade but a decline from years previous to 1994. The birth rate for the State of Montana was 13.2 in 2006, while one of the lowest in the country, and was an increase over the previous years. The national rate was 14.2 for 2006. The district had increased enrollment in kindergarten in FY 2013 and 2014.
- "Empty Nest" households (without children) or school level empty nesters (left elementary or middle schools and have no more younger children) will increase. Many of these families will remain in their homes and housing units will not turn over.
- The median age of the population will increase from 40.2 in 2010 to 40.8 in 2020.
- All levels of enrollment (K-12) are projected to increase slightly in the next 10 years.
- State funding for schools increased by 2% down .5% from the previous fiscal year.
- Due to a statewide settlement with communications corporations in late 2014, the district received \$2,944,250 in protested taxes in FY 2015. As part of the settlement, the state agreed to change the assessment methods for certain property which decreased the taxable valuation of both districts in FY 2015.
- The cafeteria benefits were increased by 1% for all groups of employees.

All of these factors were considered in preparing the 2014 budgets. The general fund elementary budget for FY14 was \$32,844,243, an increase of 1.8%, while the high school general fund budget was \$21,799,855, an increase of 3.3%.

Requests for Information

These financial reports are designed to provide a general overview of the finances of the District for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Business Services Administrator, 55 S. Rodney, Helena, MT, 59601.



Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

Basic Financial Statements





Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
June 30, 2014

| | PRIMARY GOVERNMENT | | |
|---|----------------------------|-----------------------------|----------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 24,381,438 | \$ 230,593 | \$ 24,612,031 |
| Property Taxes Receivable | 5,378,593 | | 5,378,593 |
| Inventory | 170,209 | | 170,209 |
| Other Receivables | 162,480 | 39,856 | 202,336 |
| Intergovernmental Receivable | 1,335,392 | | 1,335,392 |
| Capital Assets | | | |
| Land | 2,692,320 | | 2,692,320 |
| Construction in Progress | 328,855 | | 328,855 |
| Land Improvements | 5,681,874 | | 5,681,874 |
| Buildings/Improvements | 51,037,747 | | 51,037,747 |
| Equipment | 6,502,047 | | 6,502,047 |
| Less Accumulated Depreciation | (18,818,088) | | (18,818,088) |
| Total Assets | <u>78,852,867</u> | <u>270,449</u> | <u>79,123,316</u> |
| LIABILITIES AND NET POSITION | | | |
| Liabilities: | | | |
| Accounts Payable | 1,148,679 | 2,686 | 1,151,365 |
| Unearned Revenue | 72,123 | 1,918 | 74,041 |
| Claims Payable | 507,536 | | 507,536 |
| Long-term Liabilities - due within one year | | | |
| Bonds Payable | 1,001,795 | | 1,001,795 |
| Compensated Absences | 197,959 | 7,051 | 205,010 |
| Long-term Liabilities - due in more than one year | | | |
| Bonds Payable, net | 1,376,128 | | 1,376,128 |
| Compensated Absences | 4,755,814 | 58,895 | 4,814,709 |
| Other Post Employment Benefits | 8,488,240 | | 8,488,240 |
| Capital Lease | | | - |
| Total Liabilities | <u>17,548,274</u> | <u>70,550</u> | <u>17,618,824</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 45,078,755 | | 45,078,755 |
| Restricted for: | | | |
| Capital Projects | 4,014,315 | | 4,014,315 |
| Debt Service | 850,141 | | 850,141 |
| Other Purposes | | | - |
| Unrestricted | 11,361,382 | 199,899 | 11,561,281 |
| Total Net Position | <u>\$ 61,304,593</u> | <u>\$ 199,899</u> | <u>\$ 61,504,492</u> |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS | | |
|--|---------------|----------------------|------------------------------------|---|--------------------------|-----------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental Activities: | | | | | | |
| Instruction | \$ 45,699,482 | 504,853 | 4,234,196 | \$ (40,960,433) | | \$ (40,960,433) |
| Support Services | 11,355,162 | 447,880 | 4,294,511 | (6,612,771) | | (6,612,771) |
| General Administration | 881,099 | | 69,279 | (811,820) | | (811,820) |
| Building Administration | 4,842,612 | | 65,328 | (4,777,284) | | (4,777,284) |
| Business Administration | 978,232 | | 303,368 | (674,864) | | (674,864) |
| Operations and Maintenance | 8,670,430 | 58,809 | 220,088 | (8,391,533) | | (8,391,533) |
| Student Transportation | 4,233,755 | 35,514 | 1,177,839 | (3,020,402) | | (3,020,402) |
| Food Services | 2,336,727 | 79,923 | 2,113,478 | (143,326) | | (143,326) |
| Student Extracurricular Activities | 1,337,581 | | | (1,337,581) | | (1,337,581) |
| Community Services | 144,546 | | | (144,546) | | (144,546) |
| Other | 856,229 | | 88,417 | (767,812) | | (767,812) |
| Interest, Agent, Assessments on Long-term Debt | 68,097 | | | (68,097) | | (68,097) |
| Total Governmental Activities | 81,403,952 | 1,126,979 | 12,566,504 | (67,710,469) | | (67,710,469) |
| Business-type Activities: | | | | | | |
| After School Child Care | 622,693 | 752,099 | | | \$ 129,406 | 129,406 |
| Total School District | \$ 82,026,645 | \$ 1,879,078 | \$ 12,566,504 | (67,710,469) | 129,406 | (67,581,063) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| | | | | 24,504,610 | | 24,504,610 |
| | | | | 23,145 | 170 | 23,315 |
| | | | | 310,144 | | 310,144 |
| | | | | 8,676,991 | | 8,676,991 |
| | | | | 36,012,447 | | 36,012,447 |
| | | | | 69,527,337 | 170 | 69,527,507 |
| | | | | 1,816,868 | 129,576 | 1,946,444 |
| | | | | 59,487,725 | 70,323 | 59,558,048 |
| | | | | \$ 61,304,593 | \$ 199,899 | \$ 61,504,492 |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
FUND BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2014

| | <u>General Funds</u> | <u>Elementary Miscellaneous Programs</u> | <u>Elementary Retirement</u> | <u>High School Building Reserve</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------------|--|----------------------------------|---|---|---|
| <u>ASSETS</u> | | | | | | |
| Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 3,121 | \$ 835,664 | \$ 1,161,007 | \$ 1,761,359 | \$ 7,085,257 | \$ 10,846,408 |
| Property Taxes Receivable | 3,770,031 | | | 113,240 | 1,495,322 | 5,378,593 |
| Due From Other Governments | | 1,054,286 | 71,347 | | 209,759 | 1,335,392 |
| Due From Other Funds | | | 139,941 | | | 139,941 |
| Other Receivables | 70,836 | 8,862 | | | 81,307 | 161,005 |
| Total Assets | <u>\$ 3,843,988</u> | <u>\$ 1,898,812</u> | <u>\$ 1,372,295</u> | <u>\$ 1,874,599</u> | <u>\$ 8,871,645</u> | <u>\$ 17,861,339</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 172,102 | \$ 271,920 | | \$ 5,908 | \$ 503,081 | \$ 953,011 |
| Unearned Revenue | | 25,737 | | | 46,386 | 72,123 |
| Due to Other Funds | 139,941 | | | | | 139,941 |
| Total Liabilities | <u>312,043</u> | <u>297,657</u> | | <u>5,908</u> | <u>549,467</u> | <u>1,165,075</u> |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable Revenue- Restricted | 1,391,238 | | | 42,441 | 547,525 | 1,981,204 |
| Total Deferred Inflows of Resources | <u>1,391,238</u> | | | <u>42,441</u> | <u>547,525</u> | <u>1,981,204</u> |
| Fund Balances: | | | | | | |
| Restricted | | 1,215,378 | \$ 1,372,295 | 1,826,250 | 6,783,807 | 11,197,730 |
| Unrestricted: | | | | | | |
| Assigned | 654,825 | 385,777 | | | 995,357 | 2,035,959 |
| Unassigned | 1,485,882 | | | | (4,511) | 1,481,371 |
| Total Fund Balances | <u>2,140,707</u> | <u>1,601,155</u> | <u>1,372,295</u> | <u>1,826,250</u> | <u>7,774,653</u> | <u>14,715,060</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 3,843,988</u> | <u>\$ 1,898,812</u> | <u>\$ 1,372,295</u> | <u>\$ 1,874,599</u> | <u>\$ 8,871,645</u> | <u>\$ 17,861,339</u> |

The notes to the basic financial statements are an integral part of this statement.

**Helena School District No. 1
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2014**

Total Fund Balance - Governmental Funds **\$ 14,715,060**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

| | | |
|-------------------------------|---------------------|------------|
| Governmental capital assets | \$ 66,242,843 | |
| Less accumulated depreciation | <u>(18,818,088)</u> | 47,424,755 |

| | | |
|---|--|-----------|
| Deferred revenues reported in the governmental funds are recognized as revenues for the governmental activities | | 1,981,204 |
|---|--|-----------|

| | | |
|---|--------------------|--------------|
| Long-term liabilities not reported in the governmental funds: | | |
| Bonds Payable | (2,346,000) | |
| Long-Term Compensated Absences | (4,933,400) | |
| Deferred Amount on Refunded Bonds | (31,923) | |
| Other Post Employment Benefits | <u>(8,488,240)</u> | |
| | | (15,799,563) |

| | | |
|--|--|-------------------|
| Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are reported with the governmental activities. | | <u>12,983,137</u> |
|--|--|-------------------|

Net Position of Governmental Activities **\$ 61,304,593**

The notes to the basic financial statements are an integral part of this statement.

**HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

| | <u>General Funds</u> | <u>Elementary Miscellaneous Programs</u> | <u>Elementary Retirement</u> | <u>High School Building Reserve</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|--------------------------|--|----------------------------------|---|---|---|
| Revenues: | | | | | | |
| District Tax Levies | \$ 19,035,621 | | | \$ 607,055 | \$ 7,386,764 | \$ 27,029,440 |
| Tuition and Fees | 178,228 | \$ 45,624 | | | 212,644 | 436,496 |
| Interest | 1,448 | 1,064 | \$ 625 | 2,411 | 6,250 | 11,798 |
| Other District Revenue | 12,991 | 142,879 | | | 471,099 | 626,969 |
| County | | | 5,501,459 | | 3,742,363 | 9,243,822 |
| State of Montana | 37,509,828 | 2,035,541 | | | 1,645,613 | 41,190,982 |
| Federal | | 4,569,766 | | | 2,625,029 | 7,194,795 |
| Total Revenues | <u>56,738,116</u> | <u>6,794,874</u> | <u>5,502,084</u> | <u>609,466</u> | <u>16,089,762</u> | <u>85,734,302</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Instruction | 36,019,958 | 2,855,487 | 3,669,819 | | 3,677,175 | 46,222,439 |
| Support Services | 6,014,383 | 3,439,088 | 761,050 | | 1,149,625 | 11,364,146 |
| General Administration | 674,796 | 112,821 | 29,563 | | 72,103 | 889,283 |
| School Administration | 4,005,987 | 98,452 | 429,561 | | 355,408 | 4,889,408 |
| Business Administration | 728,623 | 119,961 | 16,500 | | 78,059 | 943,143 |
| Operations and Maintenance | 5,495,099 | 460,557 | 323,502 | 107,826 | 881,004 | 7,267,988 |
| Student Transportation | | 2,557 | 40,685 | | 4,089,161 | 4,132,403 |
| Food Services | 38,926 | 20 | 10,396 | | 2,279,203 | 2,328,545 |
| Student Extracurricular Activities | 1,087,880 | 137 | 13,112 | | 124,209 | 1,225,338 |
| Community Services | 12,726 | 96,090 | 516 | | 34,434 | 143,766 |
| Other | | 171,658 | | | 20,346 | 192,004 |
| Capital Outlay | 617,580 | 212,129 | | 456,997 | 1,774,068 | 3,060,774 |
| Principal Retirement | | | | | 970,000 | 970,000 |
| Interest, Fiscal, and Assessment Charges | | | | | 243,993 | 243,993 |
| Total Expenditures | <u>54,695,958</u> | <u>7,568,957</u> | <u>5,294,704</u> | <u>564,823</u> | <u>15,748,788</u> | <u>83,873,230</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In (Out) (see Note III.E) | <u>(200,000)</u> | | | | 200,000 | |
| Total Other Financing Sources (Uses) | <u>(200,000)</u> | | | | <u>200,000</u> | |
| Net Change in Fund Balances | 1,842,158 | (774,083) | 207,380 | 44,643 | 540,974 | 1,861,072 |
| Fund Balances, Beginning of Year | 298,549 | 2,375,238 | 1,164,915 | 1,781,607 | 7,233,679 | 12,853,988 |
| Fund Balances, End of Year | <u>\$ 2,140,707</u> | <u>\$ 1,601,155</u> | <u>\$ 1,372,295</u> | <u>\$ 1,826,250</u> | <u>\$ 7,774,653</u> | <u>\$ 14,715,060</u> |

The notes to the basic financial statements are an integral part of this statement.

Helena School District No. 1
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

| | | |
|---|--------------------|----------------------------|
| Net Change in Fund Balances - total governmental funds | | \$ 1,861,072 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | (2,524,831) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives: | | |
| Expenditures for capital assets | 2,011,003 | |
| Disposal of capital assets | (78,475) | |
| Less net current year depreciation | <u>(1,419,816)</u> | 512,712 |
| The governmental funds report repayment of bond principal as an expenditures. The payment has no effect on net assets and therefore is not shown on the shown on the Statement of Activities. | | 970,000 |
| Amortization of Deferred Bond cost expense reported in the Statement of Activities does not require current financial resources and is not reported as an expenditure in governmental funds. | | 9,795 |
| The current net decrease in compensated absences and other post employment benefits payable does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | (636,844) |
| Interest expense previously reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. | | |
| Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the Internal Service Funds is reported with the governmental activities. | | <u>1,624,964</u> |
| Change in Net Position of Governmental Funds | | <u>\$ 1,816,868</u> |

The notes to the basic financial statements are an integral part of this statement.

**HELENA SCHOOL DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------------|----------------------|-------------------|---|
| | Original | Final | Amounts | Final Budget - Positive (Negative) |
| Revenues: | | | | |
| District Tax Levies | \$ 17,116,482 | \$ 17,116,482 | \$ 17,008,599 | \$ (107,883) |
| Tuition and Fees | 7,076 | 7,076 | 178,228 | 171,152 |
| Interest | 5,340 | 5,340 | 1,448 | (3,892) |
| Other District Revenue | 5,373 | 5,373 | 12,991 | 7,618 |
| State | 37,510,617 | 37,510,617 | 37,509,828 | (789) |
| Total Revenues | 54,644,888 | 54,644,888 | 54,711,094 | 66,206 |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 35,547,894 | 35,721,138 | 36,524,211 | (803,073) |
| Support Services | 5,961,074 | 6,204,375 | 5,465,136 | 739,239 |
| General Administration | 1,113,995 | 697,450 | 672,601 | 24,849 |
| Building Administration | 4,121,080 | 4,121,080 | 4,015,930 | 105,150 |
| Business Administration | 705,260 | 705,260 | 733,190 | (27,930) |
| Operations and Maintenance | 5,904,108 | 5,904,108 | 5,604,789 | 299,319 |
| Food Services | 44,751 | 44,751 | 38,926 | 5,825 |
| Student Extracurricular Activities | 1,160,667 | 1,160,667 | 1,084,019 | 76,648 |
| Community Services | 85,269 | 85,269 | 12,583 | 72,686 |
| Capital Outlay | | | 292,713 | (292,713) |
| Total Expenditures | \$ 54,644,098 | \$ 54,644,098 | 54,444,098 | \$ 200,000 |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers to Other Entities | | | (200,000) | |
| Total Other Financing Sources (Uses) | | | (200,000) | |
| Net Change in Fund Balances | | | 66,996 | |
| Fund Balances, Beginning of Year | | | (910,770) | |
| Fund Balances, End of Year | | | \$ (843,774) | |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ELEMENTARY RETIREMENT
 FOR THE YEAR ENDED JUNE 30, 2014

| | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) | |
|------------------------------------|------------------|--------------|---|------------|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Interest | | | \$ 625 | \$ 625 |
| County Taxes | \$ 3,922,923 | \$ 3,922,923 | 5,501,459 | 1,578,536 |
| Total Revenues | 3,922,923 | 3,922,923 | 5,502,084 | 1,579,161 |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 5,500,000 | 5,500,000 | 3,669,819 | 1,830,181 |
| Support Services | | | 761,050 | (761,050) |
| General Administration | | | 29,563 | (29,563) |
| Building Administration | | | 429,561 | (429,561) |
| Business Administration | | | 16,500 | (16,500) |
| Operations and Maintenance | | | 323,502 | (323,502) |
| Student Transportation | | | 40,685 | (40,685) |
| Food Services | | | 10,396 | (10,396) |
| Student Extracurricular Activities | | | 13,112 | (13,112) |
| Community Services | | | 516 | (516) |
| Total Expenditures | \$ 5,500,000 | \$ 5,500,000 | 5,294,704 | \$ 205,296 |
| Net Change in Fund Balances | | | 207,380 | |
| Fund Balances, Beginning of Year | | | 1,164,915 | |
| Fund Balances, End of Year | | | 1,372,295 | |

The notes to the basic financial statements are an integral part of this statement.

**HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2014**

| | Business-Type Activities Non-major Enterprise Fund | Governmental Activities: Internal Service Fund |
|---|---|---|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash/cash equivalents | \$ 230,593 | \$ 13,535,030 |
| Receivables (net) | 39,856 | 1,475 |
| Interfund loans receivable | | 22,008 |
| Inventories | | 170,209 |
| Total current assets | 270,449 | 13,728,722 |
| Total assets | \$ 270,449 | \$ 13,728,722 |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,686 | \$ 195,668 |
| Deferred Revenue | 1,918 | |
| Interfund loans payable | | 22,008 |
| Compensated absences | 7,051 | 7,794 |
| Claims payable | | 507,536 |
| Total current liabilities | 11,655 | 733,006 |
| Long-term liabilities: | | |
| Compensated absences payable | 58,895 | 12,579 |
| Total long-term liabilities | 58,895 | 12,579 |
| Total liabilities | 70,550 | 745,585 |
| <u>NET POSITION</u> | | |
| Invested in capital assets, net of related debt | | |
| Unrestricted | 199,899 | 12,983,137 |
| Total net position | \$ 199,899 | \$ 12,983,137 |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Business-Type Activities Non-major Enterprise Fund | Governmental Activities: Internal Service Fund |
|--|---|---|
| | <u> </u> | <u> </u> |
| Operating revenues: | | |
| Charges for services | \$ 752,099 | \$ 9,633,565 |
| Total operating revenues | <u>752,099</u> | <u>9,633,565</u> |
| Operating expenses: | | |
| Personal services | 521,849 | 216,479 |
| Contractual services | | 7,532,506 |
| Supplies/materials | <u>100,844</u> | <u>270,963</u> |
| Total operating expenses | <u>622,693</u> | <u>8,019,948</u> |
| Operating income (loss) | <u>129,406</u> | <u>1,613,617</u> |
| Nonoperating revenues (expenses): | | |
| Interest on investments | <u>170</u> | <u>11,347</u> |
| Change in net position | 129,576 | 1,624,964 |
| Total net position, beginning of year | <u>70,323</u> | <u>11,358,173</u> |
| Total net position, end of year | <u>\$ 199,899</u> | <u>\$ 12,983,137</u> |

The notes to the basic financial statements are an integral part of this statement.

**HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

| | Business-Type Activities Non-major Enterprise Fund | Governmental Activities: Internal Service Fund |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from sales and services | \$ 710,568 | \$ 9,637,178 |
| Payments to suppliers for goods/services | (100,525) | (757,203) |
| Payments for claims | | (7,128,684) |
| Payments to employees | (511,056) | (217,691) |
| Net cash from operating activities | 98,987 | 1,533,600 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 170 | 11,348 |
| Net cash provided from investing activities | 170 | 11,348 |
| Net increase (decrease) in cash and cash equivalents | 99,157 | 1,544,948 |
| Cash and cash equivalents, beginning of the year | 131,436 | 11,990,082 |
| Cash and cash equivalents, end of the year | \$ 230,593 | \$ 13,535,030 |
| Reconciliation of operating income to net cash from operating activities: | | |
| Operating income (loss) | \$ 129,406 | \$ 1,613,617 |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation | | |
| Change in assets and liabilities: | | |
| Increase in accounts receivable | (35,243) | 3,679 |
| Decrease in inventories | | (19,749) |
| Increase (decrease) in accounts payable | 319 | (62,735) |
| Increase in deferred revenue | (6,288) | |
| Increase in compensated absences payable | 10,793 | (1,212) |
| Net cash from operating activities | \$ 98,987 | \$ 1,533,600 |

The notes to the basic financial statements are an integral part of this statement.

**HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2014**

**Private
Purpose Trust**

ASSETS

| | |
|---------------------------|----------------|
| Cash and Cash Equivalents | \$ 625,909 |
| Total Assets | <u>625,909</u> |

NET POSITION

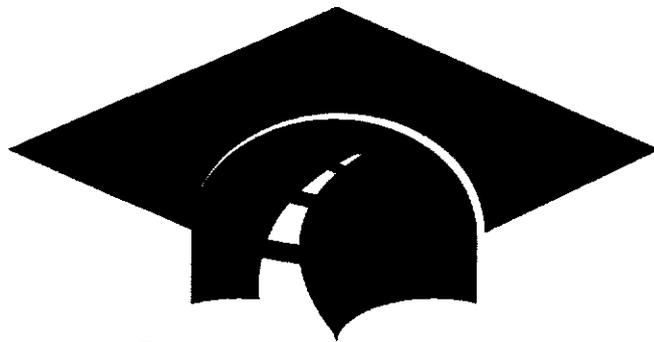
| | |
|----------------------------------|-------------------|
| Held in Trust for Scholarships | 213,035 |
| Held in Trust for Other Purposes | <u>412,874</u> |
| Total Net Position | <u>\$ 625,909</u> |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Private Purpose Trust |
|-------------------------------------|----------------------------------|
| <u>ADDITIONS</u> | |
| Extracurricular Activity | \$ 2,247,566 |
| Interest | 8,094 |
| Total Additions | 2,255,660 |
| <u>DEDUCTIONS</u> | |
| Distributions | 2,276,967 |
| Total Deductions | 2,276,967 |
| Change in Net Position | (21,307) |
| Net Position, Beginning of the Year | 647,216 |
| Net Position, End of the Year | \$ 625,909 |

The notes to the basic financial statements are an integral part of this statement.



Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

District No. 1 (the District) is a public school comprised of an elementary district that is governed by an elected seven-member board of trustees and a high school district that is governed by the seven elementary trustees and two additional elected high school only trustees. The accompanying financial statements include all of the operations of the two districts that are controlled by the combined Board of Trustees. There are no component units. The District is not a component unit of any other primary government.

In August 2002, The Helena Education Foundation, a 501c(3), was recognized by the Internal Revenue Service. The purpose of the foundation is to support education within the District. There are no overlapping directors, the Foundation is not accountable to the District Board of Trustees, and the financial statements of Foundation are not significant in relation to the District; therefore, the financial statements of the Foundation are not presented.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Fiduciary activities are reported only in the fund financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct* expenses are those that clearly are identifiable with a specific function or segment. *Program revenues* include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirement of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

Depreciation expense for capital assets that can specifically be identified with a function is included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building that is used primarily instructional and other functions such as administration) is ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line item.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

C. Deficit fund equity

In the budgetary basis financial statements, both general funds had deficit fund balances as of June 30th: the elementary general fund (\$111,003) and the high school general fund deficit was (\$732,771). Both were caused by large protested taxes from communication corporations with the State of Montana. The protest affects all budgeted funds but did not result in a deficit in any of these funds. The elementary school lunch fund had deficit fund balance as of June 30th: (\$4,511). This was caused by USDA mandated menu changes, price increases, and the resulting impact on lower student participation. The deficit is not a violation of state law.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide, proprietary, and fiduciary fund (except for agency fund) financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or agency have been met. Agency funds have no measurement focus. These funds report only assets and liabilities, recognizing receivables and payables using the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are realizable, measurable, earned, and available. Revenue is considered measurable realizable when it is probable the amount will be collected. Revenue is considered measurable and realizable if the precise amount is known because the transaction is completed, or there is enough information to provide a reasonable estimate of the net realizable revenue to be received. Revenue is considered to have been earned when the exchange of goods or services has taken place. Revenue is considered to be available if it is collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the School District considers revenue to be available if it is collected within 90 days of the end of the current fiscal period. Expenditures generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures relating to compensated absences and claims are recorded only when payment is due.

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

1) Fund Financial Statements

The District used funds to report financial position and the result of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transaction related to certain government functions or activities. The financial activities of the District are classified into fund categories as described below.

Governmental Funds

General Fund - is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources restricted or committed to expenditure for specified purposes other than major capital projects or debt.

Debt Service Funds – are used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds – are used to account for resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and procurement of equipment necessary for providing education programs for students within the District.

Permanent Funds – are used to account for resources that are permanently restricted to the extent those only earnings, not principal, may be used for the purpose of supporting the government's programs.

Proprietary Funds

Enterprise Funds – are used to account for operations 1) financed and operated similar to private business enterprises, where the intent of the Trustees is to finance or recover costs primarily through user charges; 2) where the Trustees have decided periodic determination of revenue earned, expenses incurred, or net income is appropriate, or 3) where the activity is financed solely by a pledge of the net revenues from fees and charges of the activity.

Internal Service Funds – are used to account for the financing of goods and services provided by one department or agency to other department, agencies, or other governmental entities on a cost-reimbursement basis.

Fiduciary Funds

These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments. These assets cannot be used to support the programs of the government.

Private Purpose Trust Funds – are used to account for assets held by the District in a trustee capacity, where both the principal and earnings benefit individuals, private organization or other governments. Examples include the student activities and high school scholarship funds.

2) *Major Governmental Funds*

The government reports the following major governmental funds: the *general fund* is the District's primary operative fund, as previously defined. The *elementary miscellaneous federal programs fund (Special Revenue)* accounts for the federal and state grants of the elementary district. The *elementary retirement fund (Special Revenue)* accounts for the retirement benefits of the elementary district employees. Finally, the *high school building reserve fund (Capital Projects)* accounts for construction projects in the high school district.

The government reports the following major proprietary fund: The *school aged childcare fund (SACC)* accounts for the activities of the day care of the school district.

3) *Proprietary Activity Accounting and Financial Reporting*

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants (state and federal), and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the ongoing operations of a proprietary fund. The principal operating revenues of the SACC fund and of the school district's internal service funds are charges to customers, individual schools or employees for sales, services, or insurance premiums. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses, depreciation, medical premiums and expenses and associated costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, liabilities, and net position or equity

1) Deposits and Investments

The majority of the cash of the District is held by the Lewis and Clark County Treasurer and is pooled with other County cash in an external investment pool. A portion of the Student Extracurricular Fund, (a fiduciary fund), is cash deposits in checking accounts at four different banks and is fully insured (FDIC). The High School Scholarship (a fiduciary fund) investments include a combination of Certificates of Deposits and Federal National Mortgage bonds (AAA rated) and are fully insured. The County Treasurer, at the direction of the District Trustees, invests the pooled cash pursuant to State Law (MCA 20-9-213(4)). Allowable investments include direct obligations of the United States Government and some United States Agencies, savings or time deposits in a state or national bank, building and loan associations, savings and loans associations, or credit unions insured by the FDIC or NCUA located in the State, or in a repurchase agreement. It is allowable to invest monies under the Short-term investment pool (STIP) of the State Unified Investment Program established in Title 17, Chapter 6, Montana Code Annotated.

Effective July 1, 1997, the County adopted the provisions of the Government Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the County has stated certain investments at fair value, when material.

For purposes of the Statement of Cash Flows, the account, "Cash/cash equivalents," includes all cash and investments. State statutes authorize school districts via the County Treasurer to invest in certificates of deposit, U.S. Treasury obligations, U.S. agency issues, repurchase agreements, and investments with STIP. Interest income earned is distributed pro-rata to the appropriate funds using the average monthly balance of cash in each fund. The County's cash and cash equivalents are considered to be cash on hand and demand deposits. In addition, the investment with STIP is deemed to be a "cash equivalent" since it is sufficiently liquid as to permit withdrawal of cash at any time without prior notice or penalty.

2) Receivables and Payables

The District had activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year generally referred to as "due to/from other funds." The District does not have any residual balances outstanding between the governmental activities and business-type activities.

All trade receivables, including those for the SACC, are shown as the gross charge. Property tax receivables are shown as the gross charge as entered into the system by the Lewis and Clark County Assessor/Treasurer and Clerk and Recorder. Both property taxes and payments from the County and State are not shared taxes.

Property taxes are levied as assessed on January 1 of each year. The tax levy is divided into two billings and is due November 31 of the current year and May 31 of the ensuing year. The billings are considered past due after the due date, at which time, penalty and interest charges are assessed.

3) Inventory and deferred outflows

Inventories are valued at cost using the weighted average method. Inventories reflect the balances on Internal Service Funds and are recorded as expenditures based on the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as deferred outflows in both government-wide and fund financial statements.

4) Capital assets

Capital assets, which include property, plant, construction in progress, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets purchased with grant funds comply with the specific requirements listed with each grant authorization.

The costs of normal maintenance and repairs that do not increase the capacity or efficiency of the asset or extend its useful life beyond the original estimate are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when completed. Upon disposal of capital assets, historical cost or estimated historical cost is removed. Proceeds from the sales are generally recorded as revenue in the fund that originally acquired the assets.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives. Salvage valued is not used:

| <u>Assets</u> | <u>Years</u> |
|--|--------------|
| Land Improvements | 80 |
| Buildings | 80 |
| Building Improvements | 80 |
| Vehicles | 5 |
| Instructional, Computers, Audio Visual Equipment | 3 |
| Musical, Athletic, Playground Equipment, Other | 10 |

5) Compensated absences

Non-teaching District employees earn vacation leave ranging from fifteen to twenty-four days per year depending on the employee's years of service, as required by Montana State law. Vacation leave may be accumulated not to exceed two times the maximum number of days earned annually. Sick leave is earned at a rate of one day per month for all employees with no limit on accumulation. Upon retirement or termination, non-teaching employees are paid 100% of unused vacation leave; and all non-teaching employees and teachers with at least ten years of service are paid 25% of unused sick leave. All payments are made at the current rate of pay of the employee at the time of retirement or termination and include related payroll taxes. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations and retirements.

Vested or accumulated leave for proprietary and fiduciary funds is recorded as an expense and liability of those funds in the financial statements.

6) Long-term obligations

In the government-wide financial statements, proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7) Statement of Cash Flows

In the statement of cash flows for proprietary funds, cash and cash equivalents include all assets in the cash and investment pool. This pool is similar to a demand deposit account for enterprise and internal service funds so that deposits and cash withdrawals may be made at any time without prior notice or penalty. This treatment is in conformity with GASB Statement No. 9, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

8) Use of Estimates

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

9) Net Position and Fund Balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement.

On the *Statement of Net Position* for government-wide reporting and for the proprietary funds and on the fiduciary funds' *Statement of Fiduciary Net position*, net position is segregated into three categories: net position invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

Net position invested in capital assets, net of related debt represents total capital assets less accumulated depreciation less debt directly related to capital assets less unspent bond proceeds.

Restricted net position are those whose use is not subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowments agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted surplus (deficit) net position represents amounts not included in other categories.

On the *Balance Sheet – Governmental Funds*, assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the District is bound to honor constraints on the specific purposes for which those funds can be spent. The district adopted a spending policy for restricted and unrestricted fund balances with the following order of spending: restricted, assigned, committed, and lastly assigned.

Fund balance is reported as Nonspendable when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Fund balance is reported as Restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the

District's policy is to use restricted resources first, and then unrestricted resources, as they are needed.

Fund balance is reported as Committed when the Board of Trustees passes a resolution that places specific constraints on how the resources may be used. The Trustees can modify or rescind the resolution at any time through passage of an additional resolution.

Amounts in the Assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. Action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as unspendable, restricted, or committed within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

10) Adoption of GASB Pronouncements:

During the fiscal year ended June 30, 2014, the School District implemented the following GASB Pronouncements:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Issued March 2013, this Statement moves some items from the assets and liabilities sections to the deferred outflows and deferred inflows sections of the statements. GASB No. 65 will be effective for the School District fiscal year ending June 30, 2014.

GASB Statement No. 66, *Technical Corrections – 2013 – an amendment of GASB Statements No. 10 and No. 62*. Issued March 2013, this Statement improves accounting and financial reporting by resolving conflicting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. GASB No. 66 will be effective for the School District fiscal year ending June 30, 2014.

The following GASB pronouncements have been issued, but are effective in the future:

GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* Issued June 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* Issued June 2013. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the

effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 69, *Governmental Combinations and Disposals of Government Operations* Issued June 2013. This statement covers a variety of transactions referred to as "mergers," "acquisitions," and "transfers of operations." The scope involves combinations of legally separate entities, combinations where the remaining organization is the government or activities that comprise the assets and liabilities that are less than an entire legally separate entity. This Statement is effective for financial statements for fiscal years beginning after December 15, 2013.

GASB Statement No. 70, *Accounting and financial Reporting for Non-Exchange Financial Guarantee Transactions* Issued April 2013. This statement recognizes governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors or historical data indicate that it is more likely than not that the government will make a payment on the guarantee. This Statement is effective for financial statements for fiscal years beginning after June 30, 2014.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* Issued November 2013. This statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefits pension plans prior to implementation of that Statement by employers and non-employer contributing entities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014.

Helena School District will implement the new GASB pronouncement no later than the fiscal year required by the effect date. The District is currently evaluating whether the above-listed new GASB pronouncement will have a significant financial impact to the District or in issuing its financial statements.

II. Stewardship, compliance, and accountability

A. General budgetary information

An annual appropriated operating budget is adopted each fiscal year for each school district (elementary and high school) fund in accordance with State law. These levied funds are the General Fund, Special Revenue Funds – Transportation, Tuition, Retirement, Adult Education, Technology, and Flexibility – the Debt Service, and Building Reserve Fund. The Elementary Miscellaneous Programs fund, a major fund, is not a budgeted fund; therefore, a budget to actual schedule cannot be provided. All annual appropriations lapse at fiscal year end. The legal level of budgetary control is at the fund level only. Budgetary transfers between funds are not permitted.

B. Budget Process

The District operates within the budget requirements for school districts as specified by State law. The District budgets are adopted and maintained under the following budgetary statutes and procedures:

- By March 1, the County Assessor transmits a statement of the assessed valuation and taxable valuation of all property in each school district to each district and to the County Superintendent of Schools to be used for preliminary estimates.

- By the second Monday in July, the Department of Revenue must certify the taxable value of the district including the value of new construction. Any anticipated budget increase resulting from this new construction requires public notice and formal resolution of intent to utilize this increase.
- Any increase in local property taxes, except through value from new construction, up to the cap in the general fund, must be submitted for electorate approval in May of each year. Any increase over the new construction value in the transportation, bus depreciation, and adult education funds must be submitted to the electorate for approval.
- By August 15th, the Board of Trustees must meet to legally adopt the final budgets. Tax levies to raise the appropriate revenues are fixed at that time.
- After adoption of the final budgets, the Board authorizes management to transfer budget between line items as limited to the total fund appropriation, in accordance with state law. However, an emergency, as defined by state law and adopted by resolution by the Board of Trustees, authorizes revisions that alter the total expenditures of any fund.
- Reported budget amounts represent the originally adopted budget as amended by resolution of the Board of Trustees.

Appropriations in all funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The High School Tuition fund over-spent the budget by \$2,234. This fund is used to pay tuition to private schools or other high school districts for student who are court placed for the previous fiscal year. The school district did not receive notice timely for inclusion in the 2014 budget but regardless owed the tuition. The payment did not create a deficit.

C. Budgetary/GAAP basis difference

Legally required budgets are adopted on the cash basis of accounting that is consistent with the budget laws of the State of Montana, which is a basis of accounting not in accordance with generally accepted accounting principles (GAAP). Under the budget basis of the District, certain revenues and the related assets are recognized when received rather than when susceptible to accrual or earned, and certain expenditures are recognized when disbursed as determined by the date of the expenditure rather than when the obligation was incurred. Annual appropriated budgets are legally adopted for all school district budgeted funds. GAAP require that budget to actual comparisons be presented for the general fund and all major special revenue funds for which annual budgets have been adopted.

Accounting principles used in developing data on a budgetary basis differ from those used in preparing financial statements in conformity with GAAP. The following schedule reconciles the amount on the basic governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (which is presented on a non-GAAP budgetary basis) to the amounts on the basic governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance (which is presented on a GAAP basis) for the major funds. The following schedule also reconciles the actual amount for those non-major funds budgeted to the totals shown on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major funds.

| | <u>General</u> | Elementary <u>Retirement</u> | High School <u>Building Reserve</u> | Other <u>Governmental</u> <u>Funds</u> |
|--------------------------------|--------------------|---------------------------------|--|--|
| Fund Balances-Budget Basis | \$(843,774) | \$1,372,295 | \$477,992 | 4,536,602 |
| Basis Differences: | | | | |
| Accrual of tax revenue | 2,378,793 | | 70,799 | 947,797 |
| Other/Accounts Payable | (111,503) | | (5,908) | (376,235) |
| Encumbrances, budgeted funds | 717,191 | | 1,283,367 | 1,299,387 |
| Unbudgeted Funds | | | | <u>1,367,102</u> |
| Fund Balances Modified Accrual | <u>\$2,140,707</u> | <u>\$1,372,295</u> | <u>\$1,826,250</u> | <u>\$7,774,653</u> |

III. Detailed notes on all funds

A. Deposits and investments

As noted previously, the Lewis and Clark County Treasurer holds school district cash, except a portion of the Middle and High School Extracurricular funds and a High School scholarship account. The district directs the investment of money pursuant to the provisions of State law. Cash and cash equivalents consist of:

| <u>Governmental Activities</u> | |
|--|---------------------|
| Government -wide financial statements (County) | \$24,381,438 |
| Enterprise Fund | 230,593 |
| Fiduciary Funds (County) | 407,072 |
| Fiduciary Cash in checking, savings | 29,591 |
| High School Scholarship Account | 189,246 |
| Total Cash Helena School District No. 1 | <u>\$25,237,940</u> |

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Middle and High School Extracurricular Fund cash is a combination of checking and savings accounts and is fully insured by the FDIC. The High School Scholarship account is invested in 1) four US Government Bonds, AAA rated (\$180,941); and 2) fully insured savings (\$8,605.) The account is insured for \$500,000 through FDIC and D.A. Davidson purchases additional securities protection from London insurers for a total of \$25 million for each account. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit risk quality per GASB No. 40.

The District is a member of the Lewis and Clark County Investment Pool, an external investment pool. All cash including the permanent non-expendable elementary endowment fund, and excepting the cash in checking or savings for student extracurricular funds and High School Scholarship account listed above, is invested through this pool. The pool is not registered with the Securities and Exchange Commission (SEC). This investment pool is comprised of all money belonging to the county, school districts and special districts for which there is not an immediate demand. It is managed by the County Treasurer, County Commission and an Investment Committee that is comprised of County, School district, private sector individuals, and representatives from other entities that participate in the pool. The fair value of the school district position in the pool is the same as the value of the pool shares. The County reported that as of June 30, 2013, the book value and fair value of the investments were almost the same; therefore, the County had no unrealized gain or loss to record.

The State of Montana permits the following investments by the County:

- Direct obligations of the United State Government
- Securities issued and guaranteed by agencies of the United States
- Mutual funds that invest only in government obligations
- Securities issued by agencies of the United States

- Securities guaranteed by the United States or by an agency of the United States but not issued by agencies of the United States
- Repurchase agreements
- State Short-term Investment Pool (STIP)

B. Cash and Cash Equivalents

The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, short term investments with original maturities of three months or less from the date of acquisition, including investment in the County Investment pool.

C. Inventories

Inventories are valued a cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds as revenue when received. As of year-end, the Internal Service funds had inventories valued at \$170,209.

D. Receivables

Receivables as of year-end for the individual major funds and non major, internal service, and fiduciary funds in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Elementary Miscellaneous</u> | <u>Elementary Retirement</u> | <u>High School Building Reserve</u> | <u>Non-major & Other Funds</u> | <u>Internal Service Funds</u> | <u>Total</u> |
|-------------------|--------------------|-------------------------------------|----------------------------------|---|--|-----------------------------------|--------------------|
| Receivables: | | | | | | | |
| Taxes, gross | \$3,770,031 | | | \$113,240 | \$1,495,322 | | \$5,738,593 |
| Accounts | 70,836 | \$8,862 | | | 81,307 | \$1,475 | 162,480 |
| Grants, Tuition | | <u>1,054,286</u> | <u>\$71,347</u> | | <u>209,759</u> | | <u>1,335,392</u> |
| Total Receivables | <u>\$3,840,867</u> | <u>\$1,063,148</u> | <u>\$71,347</u> | <u>\$113,240</u> | <u>\$2,718,000</u> | <u>\$1,475</u> | <u>\$7,808,077</u> |

Receivables of the School-Aged Child Care, \$39,856, are gross receivables and are included in other current assets. Any uncollected accounts over 90 days are removed and turn to collection.

E. Deferred Inflows of Resources and Unearned Revenue

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* reported in the governmental funds were as follows:

| | Deferred revenues | Unearned revenues – grants |
|---|--------------------|----------------------------|
| General Fund taxes | \$1,391,238 | |
| High School Building Reserve | 42,441 | |
| Elementary Miscellaneous | | \$25,737 |
| High School Miscellaneous | | 46,386 |
| Nonmajor governmental funds taxes | <u>1,479,137</u> | |
| Total deferred taxes for governmental funds | <u>\$2,912,816</u> | <u>\$72,123</u> |

F. Capital assets

Capital asset activity for the governmental funds for the year ended June 30, 2014 is listed below.

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases/ Adjustments</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|-----------------------------------|---------------------------|
| Governmental activity: | | | | |
| Capital assets, not depreciated: | | | | |
| Land | \$2,681,081 | \$11,239 | | \$2,692,320 |
| Construction in Progress | <u>294,646</u> | <u>328,855</u> | <u>(\$294,646)</u> | <u>328,855</u> |
| Total capital assets, not depreciated | 3,021,175 | 340,094 | (294,646) | 3,021,175 |
| Capital assets, depreciated: | | | | |
| Land Improvements | 5,721,335 | 69,532 | (108,993) | 5,681,874 |
| Buildings/improvements | 50,063,763 | 973,984 | | 51,037,747 |
| Machinery and equipment | <u>5,583,568</u> | <u>922,039</u> | <u>(3,560)</u> | <u>6,502,047</u> |
| Total capital assets, depreciated | 61,368,666 | 1,965,555 | (112,553) | 63,221,668 |
| Less: accumulated depreciation | | | | |
| Land improvements | (1,732,640) | (230,648) | 30,518 | (1,932,770) |
| Buildings/improvements | (11,140,492) | (640,461) | | (11,780,953) |
| Machinery and equipment | <u>(4,559,218)</u> | <u>(548,707)</u> | <u>3,560</u> | <u>(5,104,365)</u> |
| Total accumulated depreciation | <u>(17,432,350)</u> | <u>(1,419,816)</u> | <u>34,078</u> | <u>(18,818,088)</u> |
| Total depreciable capital assets, net | <u>43,936,316</u> | <u>545,739</u> | <u>(78,475)</u> | <u>44,403,580</u> |
| Governmental activities capital assets, net | <u>\$46,912,043</u> | <u>\$885,833</u> | <u>(\$373,121)</u> | <u>\$47,424,755</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|--------------------|
| Governmental activities: | |
| Instruction | \$ 750,930 |
| Support services | 180,419 |
| Administration | 23,823 |
| Operations and maintenance | 280,733 |
| Student transportation | 126,239 |
| Food services | 8,958 |
| Student extracurricular activities | 48,714 |
| Total depreciation expense – governmental activities | <u>\$1,419,816</u> |

The SACC program (Business-type activities) does not have capital assets.

G. Commitments

At year-end, the district had commitments outstanding, in the form of purchase orders for \$2,355,165 for construction projects. The projects included boiler replacements at the Broadwater and Jefferson Elementary Schools, the Ray Bjork Learning Center and Capital and Helena High Schools, major re-roofs at Capital High School, CRA Middle School, Helena High School and Helena Middle School. Finally, classrooms were added to the Jim Darcy Elementary. Improvements at the Vigilante stadium include a scoreboard and track resurface. These projects were funded by the Elementary and High School Building Reserve funds. In addition the district had various encumbrances: \$717,200 in the general funds, \$13,736 in the elementary miscellaneous fund, \$1,283,367 in the high school building reserve fund and \$1,335,610 in the Non-major governmental funds. Note H delineates the fund balance status.

H. Inter-fund receivables, payables, and transfers

The composition of inter-fund balances as of June 30 is as follows:

Due to/from other funds:

| | <u>Receivable Fund</u> | | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------------------|------------------------|----------------------------------|---------------------|------------------|
| Elementary Retirement Fund (major) | | High School General Fund (Major) | | \$139,941 |
| Warehouse (internal service) | | Print Shop (internal service) | | <u>22,008</u> |
| | | Total inter-fund balances | | <u>\$161,949</u> |

Both the elementary and high school general funds transferred \$50,000 and \$150,000 respectively to the Elementary Interlocal fund, a special revenue fund. This transfer is permitted by state law and expenditures are restricted to the same purpose as permitted for the originating funds.

I. Leases Obligations and Receivables

Operating Lease Obligations

The District leases driver's education cars which are expended in the High School Drivers' Education Fund. The leases have an option to convert to long-term contracts or renewal. The district generally renews the lease on the newer model vehicles. The district leases a fleet of 39 smaller copier machines for use at various district sites for approximately \$43,752 per year. The term of the lease expires in June, 2015. In addition, the district leases two high capacity Xerox copier/printers. This lease expires June 30, 2015, and has annual lease payments of \$55,683. All copier leases are paid by the Print-shop Fund, an internal service fund. The district will not purchase these machines.

The future minimum lease payments are as follows:

| <u>Year Ending June 30</u> | <u>Amount</u> |
|----------------------------|------------------|
| 2015 | \$122,935 |
| 2016 | 77,133 |
| 2017 | <u>11,880</u> |
| Totals | <u>\$211,948</u> |

J. Payables:

Payable and other accrued liabilities at June 30th, are as follows:

| | General | Elementary Miscellaneous Federal | High School Building Reserve | Other Governmental | Total |
|-------------------------------------|------------------|--|------------------------------------|-----------------------|------------------|
| Accounts to vendors and contractors | <u>\$172,102</u> | <u>\$271,920</u> | <u>\$5,908</u> | <u>\$503,081</u> | <u>\$953,011</u> |

K. Long-term debt

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition, construction, or major remodeling of school facilities. General obligation bonds have been issued for governmental activities. The original issue amount of these general obligation bonds was \$23,995,283. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued as 20-year serial bonds with varying amounts of principal due each year. General obligation bonds currently outstanding are as follows:

| | <u>Original Issue Amount</u> | <u>Original Issue Maturity Date</u> | <u>Interest Rate</u> | <u>Outstanding Balance</u> |
|--|------------------------------|-------------------------------------|----------------------|----------------------------|
| <u>Elementary</u> Kessler 1999 | 185,283 | 7/1/2019 | 4.00% | <u>61,000</u> |
| <u>High School</u> 2013, refunded - \$6,455,000 | \$9,800,000 | 7/1/2016 | 1.95%-4.00% | \$1,415,000 |
| 2009, refunded - \$2,155,000 | 4,210,000 | 7/1/2017 | 3.00% | <u>870,000</u> |
| Total High School | | | | <u>\$2,285,000</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| <u>Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|--------------------|-----------------|--------------------|
| 2015 | 992,000 | 55,705 | 1,047,705 |
| 2016 | 1,017,000 | 33,035 | 1,050,035 |
| 2017 | 312,000 | 9,765 | 321,765 |
| 2018 | 13,000 | 495 | 12,495 |
| 2019 | <u>12,000</u> | <u>225</u> | <u>13,225</u> |
| | <u>\$2,346,000</u> | <u>99,225</u> | <u>\$2,445,225</u> |

General Obligation Bond Refunding

Both High School General Obligation bonds have been refunded twice. The 1996 High School general obligation bonds were refunded and have \$1,510,000 of the original debt outstanding. The 2004 High School general obligation bonds were refunded and have \$1,415,000 of the original debt outstanding. The 1997 High School general obligation bonds were refunded and have \$955,000 of the original debt outstanding. The 2009 High School general obligation bonds were refunded and have \$870,000 outstanding.

Changes in long-term liabilities

Long-term liability activity for Fiscal Year 2014 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amount Due Within One Year</u> |
|---|--------------------------|------------------|--------------------|-----------------------|-----------------------------------|
| Governmental activities: | | | | | |
| GO Bonds | \$3,316,000 | | (\$970,000) | \$2,346,000 | \$992,000 |
| Compensated Absences | 4,763,077 | \$190,696 | | 4,953,773 | 197,959 |
| Other Post-Employment Benefits – Health Long term | <u>8,043,304</u> | <u>444,936</u> | | <u>8,488,240</u> | |
| Governmental activity long-term liabilities | <u>\$16,122,381</u> | <u>\$635,632</u> | <u>(\$970,000)</u> | <u>\$15,788,013</u> | <u>\$1,189,959</u> |
| Business-type activities: | | | | | |
| Compensated Absences | <u>\$46,418</u> | <u>\$19,528</u> | | <u>\$65,946</u> | <u>7,051</u> |
| Business-type activity long term liabilities | <u>\$46,418</u> | <u>\$19,528</u> | | <u>\$65,946</u> | <u>\$7,051</u> |

The Internal service funds (warehouse, print-shop, liability, and health insurance) service the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At June 30, \$20,373, of compensated absences of the internal service funds was included in the amount above. Payment for compensated absences of employees is from the originating fund for the employee pay. Long term liabilities for compensated absences will be financed from the related fund where the employees were charged.

L. Net Position/Fund Balances

The residual of all other elements presented in the statement of net position is *net position* on the government-wide and proprietary fund financial statements and residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of related debt), restricted and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutions provisions or enabling legislation.

The governmental fund financial statement present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports un-spendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

- **Non-spendable.** This category includes fund balance amounts that cannot be spent because they are either 1) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amount related to inventories are classified a non-spendable.
- **Restricted.** This category includes net fund resources that are subject to external constrains that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitution provisions or enabling legislation. Restricted fund balance amounts include the following:
 - a) unspent tax revenues levied for specific purposes as required by law, such as transportation, out-of- district instruction payments, retirement payments, adult education, technology, capital projects and debt service;
 - b) balances remaining for nutrition services, driver education, curriculum adoption, low income instruction, drug and mental health services, professional development, and building and maintenance projects.
- **Committed.** The committed fund balance classification includes amounts that can be used only for the specific purpose determined by formal action of the District's Board of Trustees. The Board is the highest level of decision-making authority for the District that can by resolution commit fund balance. The trustees have not committed any funds for the current year.
- **Assigned.** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but to not meet the criteria to be classified as committed. Unlike commitments, assignments generally, only exit temporarily. Assigned amounts include the following:
 - a) Used for curriculum adoption, field trip transportation, building and maintenance, technology and other general purposes.
- **Unassigned.** Residual balances in the general fund are classified as unassigned.

| | Major | | | | | | | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|-------------------------------|--------------------------------|---------------------|-----------------------------|--------------------------|---------------------------------|---------------------|--------------------------------|--------------------------------|
| | Elementary General Fund | High School General Fund | General Funds | Elementary Miscellaneous | Elementary Retirement | High School Building Reserve | | | |
| Fund Balances | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| Transportation | | | | | | | \$ 1,484,068 | \$ 1,484,068 | |
| Out of District Instruction | | | | | | | 131,314 | 131,314 | |
| Employee Retirement/Benefits | | | | \$ 1,372,295 | | | 828,028 | 2,200,323 | |
| Adult Basic Instruction and Education | | | | | | | 617,778 | 617,778 | |
| Drivers Education | | | | | | | 58,333 | 58,333 | |
| Building Operations/Maintenance | | | | | | | 50,709 | 50,709 | |
| Information Technology | | | | | | | 1,577,235 | 1,577,235 | |
| Debt Service | | | | | | | 770,412 | 770,412 | |
| Deferred Maintenance | | | | | | \$ 1,826,250 | 1,127,094 | 2,953,344 | |
| Curriculum Adoptions | | | \$ 1,214,940 | | | | 138,836 | 1,353,776 | |
| Targeted Low Income Instruction | | | 438 | | | | | 438 | |
| Assigned to: | | | | | | | | | |
| Transportation | | | | 381,851 | | | 374,251 | 756,102 | |
| Curriculum Adoptions | \$ 541,440 | \$ 13,099 | \$ 554,539 | | | | 450,218 | 1,004,757 | |
| Building Operations/Maintenance | 27,898 | 14,160 | 42,058 | | | | 56,210 | 98,268 | |
| Information Technology | 7,377 | 36,966 | 44,343 | 3,926 | | | | 48,269 | |
| Business Purposes | 5,453 | 8,432 | 13,885 | | | | 114,678 | 128,563 | |
| Unassigned: | 862,393 | 623,489 | 1,485,882 | | | | (4,511) | 1,481,371 | |
| Total Fund Balances | \$ 1,444,561 | \$ 696,146 | \$ 2,140,707 | \$ 1,601,155 | \$ 1,372,295 | \$ 1,826,250 | \$ 7,774,653 | \$ 14,716,060 | |

IV. Other information

A. Risk management

The District is exposed to various risks of loss related to torts; damage to, theft of, or destruction of assets; professional liability, i.e. errors and omissions; environmental damage and natural disasters; 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, employee torts and professional liability coverage. Coverage limits and the deductibles on the commercial policies have been relatively constant for the last several years, except for property and content coverage where the guaranteed values have been increased to approximate replacement cost of the assets. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past. Given the lack of coverage available, the District has no coverage for potential losses from environmental damages and a pool limit for earthquake and flood damages.

The District participates in a statewide public entity risk pool, Montana Schools Group Workers' Compensation Risk Retention Program (WCRRP), for workers' compensation coverage. This group operates for the benefit of 248 individual governmental units within the state. The School District pays a quarterly premium for the workers' compensation coverage, which is allocated to the employer funds based on total salaries and wages. All of the participating districts are jointly and severally liable for the liabilities of the pool. The pool has reinsurance for individual claims in excess of \$500,000 to an unlimited maximum. The pool has assets of \$43,000,768; estimated claims incurred but not reported liability of \$23,282,000 and net member equity of \$18,411,793.

Employee medical insurance is provided through an internally administered, self-funded plan. The District provides medical and dental coverage for employees through an Internal Service Fund that is administered by Allegiance Administrators for the period that ends on October 1, 2015. Rates for the employees and employer are determined in consultation with the administrator for the ensuing year. An excess coverage insurance policy is purchased by the District.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of these items. The balances of claims liabilities during the past two fiscal years are as follows:

| | <u>Fiscal Year 2013</u> | <u>Fiscal Year 2014</u> |
|----------------------------------|-------------------------|-------------------------|
| Unpaid claims, July 1 | \$ 838,318 | \$727,931 |
| Incurred claims (including IBNR) | 7,929,171 | 6,248,308 |
| Claim payments | <u>(8,039,558)</u> | <u>(6,468,703)</u> |
| Unpaid claims, June 30 | <u>\$ 727,931</u> | <u>\$507,536</u> |

B. Subsequent events

The School District had several events subsequent to year end with a financial impact as listed below:

- The District requested a legal opinion regarding the legality of contributing to the Helena Education Foundation. The HEF is a 503(c) non-profit organization dedicated to furthering education in Helena.
- The district received \$2,943,402 from a protested tax settlement between the State of Montana and various communication corporations. The money was distributed in July, 2014 with the following fund detail: General Funds - \$2,059,708, High School Building Reserve - \$60,610, and Other Government Funds - \$823,084.
- The Board of Trustees passed a Call for an Elementary Bond election to be held in the Summer, 2015. It includes renovations/new construction for all elementary schools for approximately \$70 million dollars. Central School, which was closed in 2013, is included for a complete rebuild.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Montana and the federal government. Any disallowed claim, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial. The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government. The costs associated with this are covered through District insurance.

D. Other post-employment benefits

Health Insurance

The district provides 18 to 36 months optional post employment health care benefits in accordance with Public Law 99-272, known as the Consolidated Omnibus Budget Reconciliation Act (COBRA), to the following employees and dependents who elect to continue and pay administratively established premiums: (1) employees who were covered by the District health insurance plan at the time they discontinued employment, and (2) spouses or other dependents who lose dependent eligibility. At June 30, there were no individual who elected to have COBRA coverage through the district.

In accordance with section 2-18-704, MCA, the district also provides optional post-employment health care benefits to the following employees and dependents who elect to continue coverage and pay administratively established premiums: (1) employees and dependents who retire under applicable retirement policy and (2) surviving dependents of deceased employees. Retirement eligibility differs by retirement system. Administratively established premiums vary from \$222 to \$1,256 depending on the coverage selected. The district acts as a secondary payor for retired Medicare-eligible claimants. As of June 30, 103 retirees and their dependents were covered for health care benefits.

Annual OPEB Cost and Net OPEB Obligation:

The District's annual other postemployment benefit cost (OPEB) is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following table shows the components of the School District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School District's OPEB obligation to the plan.

| | |
|--|-------------------------------|
| Net OPEB Obligation | Health Insurance Continuation |
| Annual Required Contribution | \$949,047 |
| Interest on net OPEB obligation | 241,299 |
| Adjustment to Annual Required Contribution | <u>(398,410)</u> |
| Annual OPEB Cost (Expense) | 791,936 |
| Contributions Made | <u>(347,000)</u> |
| Increase in Net OPEB Obligation | 444,936 |
| Net OPEB Obligation – Beginning of Year | <u>8,043,304</u> |
| Net OPEB Obligation – End of Year | <u>\$8,488,240</u> |

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014, the date of the most recent actuarial valuation was as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Health Insurance Continuation</u> | |
|--------------------------|-------------------------|---|----------------------------|
| | | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
| 06/30/09 | \$4,419,561 | 17.58% | \$3,642,561 |
| 06/30/10 | \$4,588,823 | 20.33% | \$7,298,484 |
| 06/30/11 | \$465,105 | 94.17% | \$7,325,589 |
| 06/30/12 | \$476,591 | 53.92% | \$7,545,180 |
| 06/30/13 | \$764,124 | 34.81% | \$8,043,304 |
| 06/30/14 | \$791,936 | 43.82% | \$8,488,240 |

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2013 (the date of the most recent actuarial valuation), was as follows:

| | |
|--|--------------------------------------|
| <u>Funded Status Schedule</u> | <u>Health Insurance Continuation</u> |
| Actuarial accrued liability (AAL) | <u>\$9,106,773</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$9,106,773</u> |
| Funded ratio (actuarial value of plan assets (AAL) | 0% |
| Covered payroll (active plan members) | \$54,254,348 |
| UAAL as a percentage of covered payroll | 16.78% |

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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return and an annual healthcare cost trend rate ranging from 4.6 to 7.6 percent for health insurance coverages. The UAAL is amortized over an open period of 30 years using the level dollar payments. The full report, "Helena School District #1 Actuarial Valuation of GASB 45 Benefits as of June 30, 2013" is available at the District business office. The district utilizes the findings of the valuation for guidance in setting premium, but has not established a plan to fund based on these results.

Other Employee Benefits

The District operates an Internal Revenue Code Section 125 plan for medical, day care, health insurance, and life insurance expenses. Employees can contribute pretax dollars up to \$2,400 per year for medical expenses and up to \$5,000 per year for day care expenses. The entire health and life insurance premiums are tax sheltered.

E. Employee benefit plans

Employees of the District participate in one of two state-wide cost sharing multiple-employer retirement benefits plans. Contributions to the plans are as required by state statute. Information about each plan is as follows:

Teachers' Retirement System (TRS)

This system is governed by Title 19, Chapter 20 of MCA, and provides retirement services to all individuals employed as educators, para-professionals, or professional staff of the District. Member and employer contributions are 7.15% and 7.47% respectively, of earned compensation. Benefit eligibility is age 60 with at least 5 years of creditable service, or at any age with at least 25 years of creditable service. The formula for annual benefits is 1.6667% times creditable service years times the average final compensation. Rights are vested after five years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Contributions by the district for the years ending June 30th 2012, 2013, and 2014 were \$5,643,555, \$5,716,922, and \$6,570,284 respectively. One hundred percent of the required contributions were made. The State of Montana, by law, is required to contribute 2.49% into the TRS plan on behalf of the employees of the District or \$966,746 in 2014. The authority to establish, amend and provide cost of living adjustments for the plan rests with the State legislature. The TRS financial information is reported in the Teachers' Retirement Division Comprehensive Annual Financial Report for the fiscal year end published by the board. It is available from the TRS at 1500 Sixth Avenue, P.O. Box 200139, Helena, MT 59620-0131, 406-444-3134. The findings of the 7/1/2010 actuarial valuation show the system is not actuarially sound, contrary to the Montana Constitution.

Public Employees' Retirement System (PERS)

This system is governed by Title 19, Chapters 2 and 3 of the MCA, and provides retirement services to all individuals employed by the District who are not covered by another public system. Member and employer contributions are 6.9% and 7.07%, respectively, of PERS covered payroll. The State contributes .1% from the general fund. Benefit eligibility is age 60 with at least 5 years of service, age 65 regardless of service, or 30 years of service regardless of age. Actuarially reduced benefits may be taken with 25 years of service to age 50 with at least five years of service. Monthly retirement benefits are determined by taking 2% times the number of years of service times the highest average compensation times any early retirement reduction, if necessary. Members' rights vest after five years of membership service. Contributions by the district for the years ended June 30th 2012, 2013, and 2014 were \$839,177, \$840,713, and \$957,597 respectively. One hundred percent of the required contributions were made.

The State of Montana, by law, is required to contribute .1% into the PERS plan or \$6,100 in 2014 on behalf of the employees of the District. The authority to establish, amend and provide cost of living adjustments for the plan rests with the State legislature. The PERS financial information is reported in the Public employees' Retirement Division Comprehensive Annual Financial Report for the fiscal year end published by the board. It is available from the PERD at 100 North Park Avenue, P.O. Box 200131, Helena, MT 59620-0131, 406-444-3154. The findings of the 6/30/2010 actuarial valuation show the system is not actuarially sound, contrary to the Montana Constitution.

Required Supplementary Information



Graduation Starts Now!
HELENA PUBLIC SCHOOLS

Helena School District No. 1 ■ Comprehensive Annual Financial Report ■ Fiscal Year Ended June 30, 2014

Helena School District No.1 Required Supplementary Information For the Fiscal Year Ended June 30, 2014

A. Other postemployment benefits:

School District Employees Health Continuation Plan Other Postemployment Retirement Benefits Plan

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Unfunded AAL Unit Credit (b - a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b - a) / c) |
|--------------------------------|--|---|----------------------------|---------------------------|---|
| 7/1/2008 | \$ 0 | \$ 47,944,433 | 0% | N/A | N/A |
| 7/1/2010 | \$ 0 | 5,588,287 | 0% | N/A | N/A |
| 7/1/2011 | \$ 0 | 5,617,267 | 0% | \$45,099,288 | 12.46% |
| 7/1/2012 | \$ 0 | 8,647,515 | 0% | \$49,478,377 | 17.48% |
| 7/1/2013 | \$ 0 | 9,106,773 | 0% | \$52,875,838 | 17.22% |

N/A = not applicable

Combining Statements Major and Non-Major Governmental Funds



Graduation Starts Now!
HELENA PUBLIC SCHOOLS

Special Revenue Funds

Special Revenue Funds account for proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

BUDGETED FUNDS:

Transportation: Accounts for activity relating to student transportation to and from school.

Tuition: Accounts for tuition payments for students who are residents of Helena but attend school in another district.

Retirement: Accounts for the District portion of pension contributions for employee retirements, social security, Medicaid, and unemployment taxes.

Adult Education: Accounts for the activity relating to the education of adults and the GED programs.

Technology: Accounts for State payments dedicated for the purchase and maintenance of technological equipment.

NONBUDGETED FUNDS:

Food Service: Accounts for the activity of the lunch program.

Traffic Education: Accounts for the activity relating driver education program.

Miscellaneous: Accounts for the Federal and State grants and indirect cost received to administer these grants and any other miscellaneous accounts not required to be deposited into another fund and for donations and expendable trusts for scholarships or other purposes that support district programs.

Rental: Accounts for the activity from the rental of district facilities.

Interlocal: Accounts for the activity of funds transferred from the High School and Elementary General Funds

Metal Mines: Accounts for revenues collected from hard rock mines.

Debt Service Fund

Debt Service Funds account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Funds

The Capital Projects Funds are used for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

BUDGETED FUNDS:

Building Reserve: Accounts for the voter approved elementary and high school district building or technology projects.

NONBUDGETED FUNDS:

Building: Accounts for the resources received and expended for the District's long-range building program.

**HELENA SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

| | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | TOTALS |
|--|----------------------------|-------------------------|-----------------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 5,432,230 | \$ 635,137 | \$ 1,017,890 | \$ 7,085,257 |
| Property Taxes Receivable | 1,037,351 | 215,004 | 242,967 | 1,495,322 |
| Due From Other Governments | 209,759 | | | 209,759 |
| Other Receivables | 81,307 | | | 81,307 |
| Total Assets | \$ 6,760,647 | \$ 850,141 | \$ 1,260,857 | \$ 8,871,645 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 456,236 | | \$ 46,845 | \$ 503,081 |
| Unearned Revenue | 46,386 | | | 46,386 |
| Total Liabilities | 502,622 | | 46,845 | 549,467 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Reveue- Restricted | 378,030 | \$ 79,729 | 89,766 | 547,525 |
| Total Deferred Inflows of Resources | 378,030 | 79,729 | 89,766 | 547,525 |
| Fund Balances: | | | | |
| Restricted | 4,889,149 | 770,412 | 1,124,246 | 6,783,807 |
| Unrestricted: | | | | |
| Assigned | 995,357 | | | 995,357 |
| Unassigned | (4,511) | | | (4,511) |
| Total Fund Balances | 5,879,995 | 770,412 | 1,124,246 | 7,774,653 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 6,760,647 | \$ 850,141 | \$ 1,260,857 | \$ 8,871,645 |

HELENA SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | <u>TOTALS</u> |
|---|----------------------------|-------------------------|-----------------------------|---------------------|
| Revenues: | | | | |
| District Tax Levies | \$ 5,531,535 | \$ 727,120 | \$ 1,128,109 | \$ 7,386,764 |
| Tuition and Fees | 212,644 | | | 212,644 |
| Interest | 4,298 | 781 | 1,171 | 6,250 |
| Other District Revenue | 464,323 | - | 6,776 | 471,099 |
| County | 3,742,363 | | | 3,742,363 |
| State of Montana | 1,123,659 | 521,954 | | 1,645,613 |
| Federal | 2,625,029 | | | 2,625,029 |
| Total Revenues | <u>13,703,851</u> | <u>1,249,855</u> | <u>1,136,056</u> | <u>16,089,762</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 3,660,299 | | 16,876 | 3,677,175 |
| Support Services | 1,149,543 | | 82 | 1,149,625 |
| General Administration | 72,103 | | | 72,103 |
| School Administration | 355,233 | | 175 | 355,408 |
| Business Administration | 78,059 | | | 78,059 |
| Operations and Maintenance | 577,008 | | 303,996 | 881,004 |
| Student Transportation | 4,089,161 | | | 4,089,161 |
| Food Services | 2,279,203 | | | 2,279,203 |
| Student Extracurricular Activities | 124,209 | | | 124,209 |
| Community Services | 34,434 | | | 34,434 |
| Other | 20,346 | | | 20,346 |
| Capital Outlay | 906,553 | | 867,515 | 1,774,068 |
| Principal Retirement | | 970,000 | | 970,000 |
| Interest, Fiscal, and Assessment Charges | | 243,993 | | 243,993 |
| Total Expenditures | <u>13,346,151</u> | <u>1,213,993</u> | <u>1,188,644</u> | <u>15,748,788</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer In | 200,000 | | | 200,000 |
| Total Other Financing Sources (Uses) | <u>200,000</u> | <u>-</u> | | <u>200,000</u> |
| Net Change in Fund Balances | 557,700 | 35,862 | (52,588) | 540,974 |
| Fund Balances, Beginning of Year | 5,322,295 | 734,550 | 1,176,834 | 7,233,679 |
| Fund Balances, End of Year | <u>\$ 5,879,995</u> | <u>\$ 770,412</u> | <u>\$ 1,124,246</u> | <u>\$ 7,774,653</u> |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2014

| | <u>Elementary Transportation</u> | <u>Elementary Food Services</u> | <u>Elementary Tuition</u> | <u>Elementary Adult Education</u> | <u>Elementary Interlocal</u> | <u>Elementary Rental</u> | <u>Elementary Technology</u> |
|---|--------------------------------------|-------------------------------------|-------------------------------|---|----------------------------------|------------------------------|----------------------------------|
| ASSETS | | | | | | | |
| Assets: | | | | | | | |
| Cash and Cash Equivalents | \$ 893,394 | \$ 98,643 | \$ 41,694 | \$ 207,991 | \$ 450,218 | \$ 11,845 | \$ 892,375 |
| Property Taxes Receivable | 453,932 | | 5,918 | 76,523 | | | 126,570 |
| Due From Other Governments | | 6,604 | | | | | |
| Other Receivables | | 25,772 | | | | 18,057 | |
| Total Assets | <u>\$ 1,347,326</u> | <u>\$ 131,019</u> | <u>\$ 47,612</u> | <u>\$ 284,514</u> | <u>\$ 450,218</u> | <u>\$ 29,902</u> | <u>\$ 1,018,945</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 142,032 | \$ 100,511 | \$ 2,380 | \$ 644 | | \$ 15 | \$ 80,778 |
| Unearned Revenue | | 35,019 | | | | | |
| Total Liabilities | <u>142,032</u> | <u>135,530</u> | <u>2,380</u> | <u>644</u> | | <u>15</u> | <u>80,778</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable Revenue- Restricted | 163,948 | | 2,477 | 26,352 | | | 46,847 |
| Total Deferred Inflows of Resources | <u>163,948</u> | | <u>2,477</u> | <u>26,352</u> | | | <u>46,847</u> |
| Fund balances: | | | | | | | |
| Restricted | 1,041,346 | | 42,755 | 257,518 | | 29,887 | 891,320 |
| Unrestricted: | | | | | | | |
| Assigned | | | | | \$ 450,218 | | |
| Unassigned | | (4,511) | | | | | |
| Total Fund Balances | <u>1,041,346</u> | <u>(4,511)</u> | <u>42,755</u> | <u>257,518</u> | <u>450,218</u> | <u>29,887</u> | <u>891,320</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,347,326</u> | <u>\$ 131,019</u> | <u>\$ 47,612</u> | <u>\$ 284,514</u> | <u>\$ 450,218</u> | <u>\$ 29,902</u> | <u>\$ 1,018,945</u> |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2014

| | High School Transportation | High School Retirement | High School Tuition | High School Miscellaneous Programs | High School Adult Education | High School Traffic Education | High School Rental | High School Technology | High School Metal Mines | Totals |
|---|-------------------------------|---------------------------|------------------------|--|-----------------------------------|-------------------------------------|-----------------------|---------------------------|----------------------------|---------------------|
| ASSETS | | | | | | | | | | |
| Assets: | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 395,355 | \$ 803,289 | \$ 85,812 | \$ 542,883 | \$ 292,509 | \$ 9,880 | \$ 18,052 | \$ 632,080 | \$ 56,210 | \$ 5,432,230 |
| Property Taxes Receivable | 141,466 | | 12,080 | | 105,713 | | | 115,149 | | 1,037,351 |
| Due From Other Governments | | 15,206 | | 126,949 | | 61,000 | | | | 209,759 |
| Other Receivables | | 9,533 | | 25,175 | | | 2,770 | | | 81,307 |
| Total Assets | \$ 536,821 | \$ 828,028 | \$ 97,892 | \$ 695,007 | \$ 398,222 | \$ 70,880 | \$ 20,822 | \$ 747,229 | \$ 56,210 | \$ 6,760,647 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ 40,895 | | \$ 5,180 | \$ 24,165 | \$ 58 | \$ 2,157 | | \$ 57,421 | | \$ 456,236 |
| Unearned Revenue | | | | 977 | | 10,390 | | | | 46,386 |
| Total Liabilities | 40,895 | | 5,180 | 25,142 | 58 | 12,547 | | 57,421 | | 502,622 |
| Deferred Inflows of Resources: | | | | | | | | | | |
| Unavailable Revenue- Restricted | 53,204 | | 4,153 | | 37,904 | | | 43,145 | | 378,030 |
| Total Deferred Inflows of Resources | 53,204 | | 4,153 | | 37,904 | | | 43,145 | | 378,030 |
| Fund balances: | | | | | | | | | | |
| Restricted | 442,722 | \$ 828,028 | 88,559 | 180,936 | 360,260 | 58,333 | \$ 20,822 | 646,663 | | 4,889,149 |
| Unrestricted: | | | | | | | | | | |
| Assigned | | | | 488,929 | | | | | \$ 56,210 | 995,357 |
| Unassigned | | | | | | | | | | (4,511) |
| Total Fund Balances | 442,722 | 828,028 | 88,559 | 669,865 | 360,260 | 58,333 | 20,822 | 646,663 | 56,210 | 5,879,995 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 536,821 | \$ 828,028 | \$ 97,892 | \$ 695,007 | \$ 398,222 | \$ 70,880 | \$ 20,822 | \$ 747,229 | \$ 56,210 | \$ 6,760,647 |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2014

| | <u>Elementary Debt Service</u> | <u>High School Debt Service</u> | <u>Totals</u> |
|--|------------------------------------|-------------------------------------|-------------------|
| <u>ASSETS</u> | | | |
| Assets: | | | |
| Cash and Cash Equivalents | \$ 105,405 | \$ 529,732 | \$ 635,137 |
| Property Taxes Receivable | 82,878 | 132,126 | 215,004 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 188,283 | \$ 661,858 | \$ 850,141 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u> | | | |
| Deferred Inflows of Resources: | | | |
| Unavailable Revenue- Restricted | \$ 30,510 | \$ 49,219 | \$ 79,729 |
| Total Deferred Inflows of Resources | 30,510 | 49,219 | 79,729 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balances: | | | |
| Restricted | 157,773 | 612,639 | 770,412 |
| Total Fund Balances | 157,773 | 612,639 | 770,412 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 188,283 | \$ 661,858 | \$ 850,141 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 June 30, 2014

| | <u>Elementary Building</u> | <u>Elementary Building Reserve</u> | <u>High School Building</u> | <u>Totals</u> |
|--|--------------------------------|--|---------------------------------|-------------------------|
| <u>ASSETS</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 30,695 | \$ 931,612 | \$ 55,583 | \$ 1,017,890 |
| Property Taxes Receivable | | 242,967 | | 242,967 |
| Total Assets | <u>\$ 30,695</u> | <u>\$ 1,174,579</u> | <u>\$ 55,583</u> | <u>\$ 1,260,857</u> |
| <u>LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts Payable | | \$ 46,845 | | \$ 46,845 |
| Total Liabilities | | <u>46,845</u> | | <u>46,845</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Reveue- Restricted | | \$ 89,766 | | \$ 89,766 |
| Total Deferred Inflows of Resources | | <u>89,766</u> | | <u>89,766</u> |
| Fund Balances: | | | | |
| Restricted | \$ 30,695 | 1,037,968 | \$ 55,583 | 1,124,246 |
| Total Fund Balances | <u>30,695</u> | <u>1,037,968</u> | <u>\$ 55,583</u> | <u>\$ 1,124,246</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 30,695</u> | <u>\$ 1,174,579</u> | <u>\$ 55,583</u> | <u>\$ 1,260,857</u> |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | Elementary Transportation | Elementary Food Services | Elementary Tuition | Elementary Adult Education | Elementary Interlocal | Elementary Rental | Elementary Technology |
|--|------------------------------|-----------------------------|-----------------------|----------------------------------|--------------------------|----------------------|--------------------------|
| Revenues: | | | | | | | |
| District Tax Levies | \$ 2,444,881 | | \$ 82,899 | \$ 342,519 | | | \$ 586,767 |
| Tuition and Fees | 33,654 | | | | | | |
| Interest | 733 | \$ 137 | 20 | 185 | \$ 218 | \$ 28 | 674 |
| Other District Revenue | | 79,923 | | 147 | | 42,645 | 123,462 |
| County | 412,945 | | | | | | |
| State of Montana | 497,245 | 6,604 | | | | | 184,204 |
| Federal | | 2,106,874 | | | | | |
| Total Revenues | <u>3,389,458</u> | <u>2,193,538</u> | <u>82,919</u> | <u>342,851</u> | <u>218</u> | <u>42,673</u> | <u>895,107</u> |
| Expenditures: | | | | | | | |
| Current - | | | | | | | |
| Instruction | | | | 106,616 | | | 42,483 |
| Support Services | | | 50,926 | 207,891 | | | 276,030 |
| General Administration | | | | | | | |
| Building Administration | 63,219 | | | | | | |
| Business Administration | | | | | | | 618 |
| Operations and Maintenance | 23,128 | | | 863 | | 17,813 | 110,941 |
| Student Transportation | 3,054,412 | | | | | | |
| Food Services | | 2,279,203 | | | | | |
| Student Extracurricular Activities | | | | | | | |
| Community Services | | | | | | 33,782 | |
| Other | | | | | | | |
| Capital Outlay | 26,008 | | | 39,947 | | | 444,004 |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In (Out) | | | | | 200,000 | | |
| Sale of Equipment | | | | | | | |
| Net Change in Fund Balances | 222,691 | (85,665) | 31,993 | (12,466) | 200,218 | (8,922) | 21,031 |
| Fund Balances, End of Year | <u>\$ 1,041,346</u> | <u>\$ (4,511)</u> | <u>\$ 42,755</u> | <u>\$ 257,518</u> | <u>\$ 450,218</u> | <u>\$ 29,887</u> | <u>\$ 891,320</u> |

HELENA SCHOOL DISTRICT NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | High School Tuition | High School Miscellaneous Programs | High School Adult Education | High School Traffic Education | High School Rental | High School Technology | High School Metal Mines | Totals |
|------------------------------------|------------------------|--|-----------------------------------|-------------------------------------|-----------------------|---------------------------|----------------------------|---------------------|
| Revenues: | | | | | | | | |
| District Tax Levies | \$ 10,468 | | \$ 476,403 | | | \$ 617,222 | | \$ 5,531,535 |
| Tuition and Fees | | \$ 37,295 | | \$ 141,695 | | | | 212,644 |
| Interest | 83 | 536 | 216 | 24 | \$ 16 | 518 | \$ 52 | 4,298 |
| Other District Revenue | | 115,144 | | | 14,610 | 71,700 | | 464,323 |
| County | | | | | | | 8,997 | 3,742,363 |
| State of Montana | | 71,792 | | 69,502 | | 108,289 | | 1,123,659 |
| Federal | | 518,155 | | | | | | 2,625,029 |
| Total Revenues | <u>10,551</u> | <u>742,922</u> | <u>476,619</u> | <u>211,221</u> | <u>14,626</u> | <u>797,729</u> | <u>9,049</u> | <u>13,703,851</u> |
| Expenditures: | | | | | | | | |
| Current - | | | | | | | | |
| Instruction | 7,940 | 555,045 | 320,258 | 232,307 | | 31,829 | | 3,660,299 |
| Support Services | | 48,230 | | | | 274,940 | | 1,149,543 |
| General Administration | | 37,732 | | | | | | 72,103 |
| Building Administration | | 43,994 | | | 120 | 315 | | 355,233 |
| Business Administration | | 33,577 | | | 1,200 | 550 | | 78,059 |
| Operations and Maintenance | | | 19,071 | | 7,051 | 107,333 | | 577,008 |
| Student Transportation | | | | | | | | 4,089,161 |
| Food Services | | | | | | | | 2,279,203 |
| Student Extracurricular Activities | | | | | | | | 124,209 |
| Community Services | | | | | | | | 34,434 |
| Other | | 20,346 | | | | | | 20,346 |
| Capital Outlay | | 63,768 | 21,910 | | - | 284,908 | | 906,553 |
| Other Financing Sources (Uses): | | | | | | | | |
| Operating Transfers In (Out) | | | | | | | | 200,000 |
| Sale of Equipment | | | | | | | | - |
| Net Change in Fund Balances | 2,611 | (59,770) | 115,380 | (21,086) | 6,255 | 97,854 | 9,049 | 557,700 |
| Fund Balances, End of Year | <u>\$ 88,559</u> | <u>\$ 669,865</u> | <u>\$ 360,260</u> | <u>\$ 58,333</u> | <u>\$ 20,822</u> | <u>\$ 646,663</u> | <u>\$ 56,210</u> | <u>\$ 5,879,995</u> |

continued

**HELENA SCHOOL DISTRICT NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

| | <u>Elementary Debt Service</u> | <u>High School Debt Service</u> | <u>Totals</u> |
|--|------------------------------------|-------------------------------------|-------------------|
| Revenues: | | | |
| District Tax Levies | \$ 80,047 | \$ 647,073 | \$ 727,120 |
| Interest | 132 | 649 | 781 |
| State of Montana | 5,795 | 516,159 | 521,954 |
| Total Revenues | <u>85,974</u> | <u>1,163,881</u> | <u>1,249,855</u> |
| Expenditures: | | | |
| Principal Retirement | 10,000 | 960,000 | 970,000 |
| Interest, Fiscal, and Assessment Charges | 104,475 | 139,518 | 243,993 |
| Total Expenditures | <u>114,475</u> | <u>1,099,518</u> | <u>1,213,993</u> |
| Net Change in Fund Balances | (28,501) | 64,363 | 35,862 |
| Fund Balances, Beginning of Year | 186,274 | 548,276 | 734,550 |
| Fund Balances, End of Year | <u>\$ 157,773</u> | <u>\$ 612,639</u> | <u>\$ 770,412</u> |

**HELENA SCHOOL DISTRICT NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

| | Elementary Building | Elementary Building Reserve | High School Building | Totals |
|----------------------------------|--------------------------------|--|---------------------------------|---------------------|
| Revenues: | | | | |
| District Tax Levies | | \$ 1,128,109 | | \$ 1,128,109 |
| Interest | \$ 22 | 1,095 | \$ 54 | 1,171 |
| Other District Revenue | 5,222 | | 1,554 | 6,776 |
| Total Revenues | <u>5,244</u> | <u>1,129,204</u> | <u>1,608</u> | <u>1,136,056</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 2,514 | 12,509 | 1,853 | 16,876 |
| Support Services | | 82 | | 82 |
| School Administration | | 175 | | 175 |
| Operations and Maintenance | | 303,996 | | 303,996 |
| Capital Outlay | | 865,867 | 1,648 | 867,515 |
| Total Expenditures | <u>2,514</u> | <u>1,182,629</u> | <u>3,501</u> | <u>1,188,644</u> |
| Net Change in Fund Balances | 2,730 | (53,425) | (1,893) | (52,588) |
| Fund Balances, Beginning of Year | 27,965 | 1,091,393 | 57,476 | 1,176,834 |
| Fund Balances, End of Year | <u>\$ 30,695</u> | <u>\$ 1,037,968</u> | <u>\$ 55,583</u> | <u>\$ 1,124,246</u> |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 ELEMENTARY TRANSPORTATION FUND
 FOR THE YEAR ENDED JUNE 30, 2014

| | ELEMENTARY TRANSPORTATION | | |
|----------------------------------|---------------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | |
| District Tax Levies | \$ 2,234,365 | \$ 2,192,581 | \$ (41,784) |
| Tuition and Other | 36,785 | 33,654 | (3,131) |
| Interest | 1,000 | 733 | (267) |
| County | 525,196 | 412,945 | (112,251) |
| State of Montana | 609,496 | 497,245 | (112,251) |
| Total Revenues | 3,406,842 | 3,137,158 | (269,684) |
| Expenditures: | | | |
| Current - | | | |
| Building Administration | 106,000 | 63,219 | 42,781 |
| Operations and Maintenance | 35,000 | 22,898 | 12,102 |
| Student Transportation | 3,274,000 | 3,025,487 | 248,513 |
| Capital Outlay | 35,000 | 27,505 | 7,495 |
| Total Expenditures | \$ 3,450,000 | 3,139,109 | \$ 310,891 |
| Net Change in Fund Balances | | (1,951) | |
| Fund Balances, Beginning of Year | | 733,156 | |
| Fund Balances, End of Year | | \$ 731,205 | |

The notes to the basic financial statements are an integral part of this statement.

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 ELEMENTARY TUITION AND ADULT EDUCATION FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | ELEMENTARY TUITION | | | ELEMENTARY ADULT EDUCATION | | |
|----------------------------------|-----------------------|-------------------|---|----------------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | | | | |
| District Tax Levies | \$ 85,620 | \$ 79,458 | \$ (6,162) | \$ 295,370 | \$ 300,763 | \$ 5,393 |
| Interest | 150 | 25 | (125) | 180 | 185 | 5 |
| Other District Revenue | | | | | 147 | 147 |
| Total Revenues | <u>85,770</u> | <u>79,483</u> | <u>(6,287)</u> | <u>295,550</u> | <u>301,095</u> | <u>5,545</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Instruction | | | | 400,069 | 109,746 | 290,323 |
| Support Services | 96,532 | 48,546 | 47,986 | 1,000 | 207,891 | (206,891) |
| Operations and Maintenance | | | | 131 | 884 | (753) |
| Capital Outlay | | | | | 20,694 | (20,694) |
| Total Expenditures | <u>\$ 96,532</u> | <u>48,546</u> | <u>\$ 47,986</u> | <u>\$ 401,200</u> | <u>339,215</u> | <u>\$ 61,985</u> |
| Net Change in Fund Balances | | 30,937 | | | (38,120) | |
| Fund Balances, Beginning of Year | | 10,762 | | | 246,070 | |
| Fund Balances, End of Year | | <u>\$ 41,699</u> | | | <u>\$ 207,950</u> | |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 ELEMENTARY TECHNOLOGY FUND
 FOR THE YEAR ENDED JUNE 30, 2014

| ELEMENTARY TECHNOLOGY | | | |
|----------------------------------|-----------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | |
| District Tax Levies | \$ 520,000 | \$ 518,282 | \$ (1,718) |
| Interest | 1,000 | 674 | (326) |
| Other District Revenue | 85,000 | 123,462 | 38,462 |
| State of Montana | 184,204 | 184,204 | |
| | 790,204 | 826,622 | 36,418 |
| Total Revenues | | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 198,000 | 32,263 | 165,737 |
| Support Services | 266,734 | 279,554 | (12,820) |
| Business Administration | | 550 | (550) |
| Operations and Maintenance | | 113,915 | (113,915) |
| Capital Outlay | 756,340 | 355,455 | 400,885 |
| | \$ 1,221,074 | 781,737 | \$ 439,337 |
| Total Expenditures | | | |
| Net Change in Fund Balances | | 44,885 | |
| Fund Balances, Beginning of Year | | 764,151 | |
| Fund Balances, End of Year | | \$ 809,036 | |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 HIGH SCHOOL TRANSPORTATION AND RETIREMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | HIGH SCHOOL TRANSPORTATION | | | HIGH SCHOOL RETIREMENT | | |
|------------------------------------|----------------------------|-------------------|--|------------------------|-------------------|--|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | | | | |
| District Tax Levies | \$ 922,340 | \$ 893,946 | \$ (28,394) | | | |
| Interest | 350 | 210 | (140) | \$ 2,500 | \$ 648 | \$ (1,852) |
| Other District Revenue | | 1,673 | 1,673 | | 15,019 | 15,019 |
| County | 172,587 | 153,886 | (18,701) | 3,182,924 | 3,166,535 | (16,389) |
| State of Montana | 204,723 | 186,023 | (18,700) | | | |
| Total Revenues | <u>1,300,000</u> | <u>1,235,738</u> | <u>(64,262)</u> | <u>3,185,424</u> | <u>3,182,202</u> | <u>(3,222)</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Instruction | | | | 2,460,000 | 2,363,821 | 96,179 |
| Support Services | | | | 303,000 | 291,526 | 11,474 |
| General Administration | | | | 35,000 | 34,371 | 629 |
| Building Administration | 17,200 | 9,589 | 7,611 | 245,000 | 237,996 | 7,004 |
| Business Administration | | | | 30,000 | 42,114 | (12,114) |
| Operations and Maintenance | 60,000 | 37,021 | 22,979 | 270,000 | 253,609 | 16,391 |
| Student Transportation | 1,211,155 | 1,045,767 | 165,388 | 15,000 | 20,452 | (5,452) |
| Student Extracurricular Activities | | | | 141,900 | 124,209 | 17,691 |
| Community Services | | | | 100 | 652 | (552) |
| Capital Outlay | 11,645 | 27,505 | (15,860) | | | |
| Total Expenditures | <u>\$ 1,300,000</u> | <u>1,119,882</u> | <u>\$ 180,118</u> | <u>\$ 3,500,000</u> | <u>3,368,750</u> | <u>\$ 131,250</u> |
| Net Change in Fund Balances | | 115,856 | | | (186,548) | |
| Fund Balances, Beginning of Year | | 203,062 | | | 1,014,575 | |
| Fund Balances, End of Year | | <u>\$ 318,918</u> | | | <u>\$ 828,027</u> | |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 HIGH SCHOOL TUITION AND ADULT EDUCATION FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | HIGH SCHOOL TUITION | | | HIGH SCHOOL ADULT EDUCATION | | |
|----------------------------------|-----------------------|-------------------|---|-----------------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | | | | |
| District Tax Levies | \$ 14,950 | \$ 2,689 | \$ (12,261) | \$ 412,885 | \$ 420,360 | \$ 7,475 |
| Interest | 50 | 83 | 33 | 350 | 216 | (134) |
| Total Revenues | <u>15,000</u> | <u>2,772</u> | <u>(12,228)</u> | <u>413,235</u> | <u>420,576</u> | <u>7,341</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Instruction | | | | 417,500 | 325,630 | 91,870 |
| Support Services | 15,000 | 2,760 | 12,240 | 15,582 | | 15,582 |
| Operations and Maintenance | | | | 15,582 | 19,071 | (3,489) |
| Capital Outlay | | | | 14,500 | 11,220 | 3,280 |
| Total Expenditures | <u>\$ 15,000</u> | <u>2,760</u> | <u>\$ 12,240</u> | <u>\$ 463,164</u> | <u>355,921</u> | <u>\$ 107,243</u> |
| Net Change in Fund Balances | | 12 | | | 64,655 | |
| Fund Balances, Beginning of Year | | 85,799 | | | 227,813 | |
| Fund Balances, End of Year | | <u>\$ 85,811</u> | | | <u>\$ 292,468</u> | |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS
 HIGH SCHOOL TECHNOLOGY FUND
 FOR THE YEAR ENDED JUNE 30, 2014

| | HIGH SCHOOL TECHNOLOGY | | |
|----------------------------------|------------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | |
| District Tax Levies | \$ 559,500 | \$ 556,824 | \$ (2,676) |
| Interest | 1,000 | 518 | (482) |
| Other District Revenue | | 71,700 | 71,700 |
| State of Montana | 108,290 | 108,289 | (1) |
| Total Revenues | 668,790 | 737,331 | 68,541 |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 6,474 | 25,662 | (19,188) |
| Support Services | 287,082 | 277,532 | 9,550 |
| Building Administration | | 300 | (300) |
| Business Administration | | 550 | (550) |
| Operations and Maintenance | 96,294 | 97,907 | (1,613) |
| Capital Outlay | 740,281 | 222,615 | 517,666 |
| Total Expenditures | \$ 1,130,131 | 624,566 | \$ 505,565 |
| Net Change in Fund Balances | | 112,765 | |
| Fund Balances, Beginning of Year | | 461,427 | |
| Fund Balances, End of Year | | \$ 574,192 | |

HELENA SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>ELEMENTARY DEBT SERVICE</u> | | | <u>HIGH SCHOOL DEBT SERVICE</u> | | |
|--------------------------------------|--------------------------------|---------------------------|---|---------------------------------|---------------------------|---|
| | <u>Original and Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> | <u>Original and Final</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
| Revenues: | | | | | | |
| District Tax Levies | \$ 12,380 | \$ 29,795 | \$ 17,415 | \$ 574,300 | \$ 577,989 | \$ 3,689 |
| Interest | 750 | 132 | (618) | 1,200 | 649 | (551) |
| State of Montana | | 5,795 | 5,795 | 534,450 | 516,159 | (18,291) |
| Total Revenues | <u>13,130</u> | <u>35,722</u> | <u>22,592</u> | <u>1,109,950</u> | <u>1,094,797</u> | <u>(15,153)</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Principal Retirement | 10,000 | 10,000 | | 960,000 | 960,000 | |
| Interest, Fiscal, Assessment Charges | 137,740 | 104,475 | 33,265 | 149,950 | 164,477 | (14,527) |
| Total Expenditures | <u>\$ 147,740</u> | <u>114,475</u> | <u>\$ 33,265</u> | <u>\$ 1,109,950</u> | <u>1,124,477</u> | <u>\$ (14,527)</u> |
| Net Change in Fund Balances | | (78,753) | | | (29,680) | |
| Fund Balances, Beginning of Year | | 184,158 | | | 559,412 | |
| Fund Balances, End of Year | | <u>\$ 105,405</u> | | | <u>\$ 529,732</u> | |

HELENA SCHOOL DISTRICT NO. 1
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NONMAJOR AND MAJOR CAPITAL PROJECTS FUNDS
 BUILDING RESEVE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

| | ELEMENTARY BUILDING RESERVE | | | HIGH SCHOOL BUILDING RESERVE | | |
|----------------------------------|-----------------------------|-------------------|---|------------------------------|-------------------|---|
| | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) | Original and Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
| Revenues: | | | | | | |
| District Tax Levies | \$ 1,000,000 | \$ 996,502 | \$ (3,498) | \$ 550,000 | \$ 547,656 | \$ (2,344) |
| Interest | 1,000 | 1,095 | 95 | 4,500 | 2,411 | (2,089) |
| Total Revenues | <u>1,001,000</u> | <u>997,597</u> | <u>(3,403)</u> | <u>554,500</u> | <u>550,067</u> | <u>(4,433)</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| Instruction | | 16,391 | (16,391) | | | |
| Support Services | | 82 | (82) | | | |
| Building Administration | | 175 | (175) | | | |
| Business Administration | | 138 | (138) | | | |
| Operations and Maintenance | | 264,758 | (264,758) | | 115,334 | (115,334) |
| Capital Outlay | 1,975,747 | 1,678,639 | 297,108 | 2,240,360 | 1,642,600 | 597,760 |
| Total Expenditures | <u>\$ 1,975,747</u> | <u>1,960,183</u> | <u>\$ 15,564</u> | <u>\$ 2,240,360</u> | <u>1,757,934</u> | <u>\$ 482,426</u> |
| Net Change in Fund Balances | | (962,586) | | | (1,207,867) | |
| Fund Balances, Beginning of Year | | 974,745 | | | 1,685,859 | |
| Fund Balances, End of Year | | <u>\$ 12,159</u> | | | <u>\$ 477,992</u> | |

Non-Major Internal Service Funds



Helena School District No. 1 ■ Comprehensive Annual Financial Report

■ Fiscal Year Ended June 30, 2014

Internal Service Funds

Internal Service funds are used to account for operations that provide goods or service to other departments or programs of the district on a cost-reimbursement basis.

Warehouse: Accounts for the sales of art, office, custodial, forms, and nursing supplies to schools and departments within the district.

Printshop: Accounts for the sales of printing for schools and departments within the district.

Self-Insurance: Accounts for employee withholding and District contributions to the medical self-insurance plan. The District contracted with Allegiance Insurance Company to oversee the administrative functions of this program.

Liability Insurance – Accounts for financial activities for liability insurance on a self insured basis.

**HELENA SCHOOL DISTRICT NO.1
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2014**

| | <u>Warehouse</u> | <u>Printshop</u> | <u>Liability</u> | <u>Self-Insurance</u> | <u>Totals</u> |
|---|-------------------|------------------|-------------------|-----------------------|----------------------|
| <u>ASSETS</u> | | | | | |
| Current assets: | | | | | |
| Cash/cash equivalents | \$ 137,633 | | \$ 200,028 | \$ 13,197,369 | \$ 13,535,030 |
| Receivables (net) | | | | 1,475 | 1,475 |
| Interfund loans receivable | 22,008 | | | | 22,008 |
| Inventories | 104,315 | 65,894 | | | 170,209 |
| Total current assets | <u>263,956</u> | <u>65,894</u> | <u>200,028</u> | <u>13,198,844</u> | <u>13,728,722</u> |
| Total assets | <u>\$ 263,956</u> | <u>\$ 65,894</u> | <u>\$ 200,028</u> | <u>\$ 13,198,844</u> | <u>\$ 13,728,722</u> |
| <u>LIABILITIES</u> | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 22,933 | \$ 644 | | \$ 172,091 | \$ 195,668 |
| Interfund loans payable | | 22,008 | | | 22,008 |
| Compensated Absences | 1,506 | 2,767 | | 3,521 | 7,794 |
| Claims Payable | | | | 507,536 | 507,536 |
| Total current liabilities | <u>24,439</u> | <u>25,419</u> | <u>-</u> | <u>683,148</u> | <u>733,006</u> |
| Long-term liabilities: | | | | | |
| Compensated absences payable | 7,766 | 3,534 | | 1,279 | 12,579 |
| Total long-term liabilities | <u>7,766</u> | <u>3,534</u> | | <u>1,279</u> | <u>12,579</u> |
| Total liabilities | <u>32,205</u> | <u>28,953</u> | | <u>684,427</u> | <u>745,585</u> |
| <u>NET POSITION</u> | | | | | |
| Invested in capital assets, net of related debt | | | | | |
| Unrestricted | 231,751 | 36,941 | 200,028 | 12,514,417 | 12,983,137 |
| Total net position | <u>\$ 231,751</u> | <u>\$ 36,941</u> | <u>\$ 200,028</u> | <u>\$ 12,514,417</u> | <u>\$ 12,983,137</u> |

HELENA SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Warehouse</u> | <u>Printshop</u> | <u>Liability</u> | <u>Self-Insurance</u> | <u>Totals</u> |
|---------------------------------------|-------------------|------------------|-------------------|-----------------------|----------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 69,839 | \$ 265,955 | \$ 423,000 | \$ 8,874,771 | \$ 9,633,565 |
| Total operating revenues | <u>69,839</u> | <u>265,955</u> | <u>423,000</u> | <u>8,874,771</u> | <u>9,633,565</u> |
| Operating expenses: | | | | | |
| Personal services/benefits | 63,695 | 71,624 | | 81,160 | 216,479 |
| Contractual services | | | 452,126 | 7,080,380 | 7,532,506 |
| Supplies/materials | <u>98,040</u> | <u>158,885</u> | | <u>14,038</u> | <u>270,963</u> |
| Total operating expenses | <u>161,735</u> | <u>230,509</u> | <u>452,126</u> | <u>7,175,578</u> | <u>8,019,948</u> |
| Operating income (loss) | <u>(91,896)</u> | <u>35,446</u> | <u>(29,126)</u> | <u>1,699,193</u> | <u>1,613,617</u> |
| Nonoperating revenues: | | | | | |
| Interest on investments | <u>188</u> | <u>9</u> | <u>29</u> | <u>11,121</u> | <u>11,347</u> |
| Change in net position | (91,708) | 35,455 | (29,097) | 1,710,314 | 1,624,964 |
| Total net position, beginning of year | <u>323,459</u> | <u>1,486</u> | <u>229,125</u> | <u>10,804,103</u> | <u>11,358,173</u> |
| Total net position, end of year | <u>\$ 231,751</u> | <u>\$ 36,941</u> | <u>\$ 200,028</u> | <u>\$ 12,514,417</u> | <u>\$ 12,983,137</u> |

**HELENA SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

| | <u>Warehouse</u> | <u>Printshop</u> | <u>Liability</u> | <u>Self-Insurance</u> | <u>Totals</u> |
|---|--------------------|------------------|--------------------|-----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from sales and services | \$ 69,839 | \$ 265,955 | \$ 423,000 | \$ 8,878,384 | \$ 9,637,178 |
| Payments to suppliers for goods/services | (101,555) | (189,484) | (452,126) | (14,038) | (757,203) |
| Payments to other funds | | | | | |
| Payments for claims | | | | (7,128,684) | (7,128,684) |
| Payments to employees | (63,544) | (72,871) | | (81,276) | (217,691) |
| Net cash from operating activities | <u>(95,260)</u> | <u>3,600</u> | <u>(29,126)</u> | <u>1,654,386</u> | <u>1,533,600</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Due to/(from) other funds | (22,008) | 22,008 | | | |
| Net cash provided by (used for) noncapital financing activities | <u>(22,008)</u> | <u>22,008</u> | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on investments | 189 | 9 | 29 | 11,121 | 11,348 |
| Net cash provided from investing activities | <u>189</u> | <u>9</u> | <u>29</u> | <u>11,121</u> | <u>11,348</u> |
| Net increase (decrease) in cash and cash equivalents | (117,079) | 25,617 | (29,097) | 1,665,507 | 1,544,948 |
| Cash and cash equivalents, beginning of the year | 254,712 | (25,617) | 229,125 | 11,531,862 | 11,990,082 |
| Cash and cash equivalents, end of the year | <u>\$ 137,633</u> | <u>\$ -</u> | <u>\$ 200,028</u> | <u>\$ 13,197,369</u> | <u>\$ 13,535,030</u> |
| Reconciliation of operating income to net cash from operating activities: | | | | | |
| Operating income (loss) | \$ (91,896) | \$ 35,446 | \$ (29,126) | \$ 1,699,193 | \$ 1,613,617 |
| Adjustments to reconcile operating income to net cash from operating activities: | | | | | |
| Change in assets and liabilities: | | | | | |
| (Increase) decrease in receivables | | 66 | | 3,613 | 3,679 |
| (Increase) decrease in inventories | 1,994 | (21,743) | | | (19,749) |
| Increase (decrease) in accounts/claims payable | (5,509) | (8,922) | | (48,304) | (62,735) |
| Increase (decrease) in compensated absences payable | 151 | (1,247) | | (116) | (1,212) |
| Net cash provided from operating activities | <u>\$ (95,260)</u> | <u>\$ 3,600</u> | <u>\$ (29,126)</u> | <u>\$ 1,654,386</u> | <u>\$ 1,533,600</u> |



Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

Private Purpose Trust Funds



Helena School District No. 1 ■ Comprehensive Annual Financial Report

■ Fiscal Year Ended June 30, 2014

Private Purpose Trust Funds

Private Purpose Trust funds are funds used to account for assets held by the School District in a trustee capacity or as an agent for an individual, private organization, other governmental unit and/or fund.

Elementary/High School Student Activities: Accounts for the transactions that are restricted to Middle and High School student clubs, organizations, and sporting activities.

Elementary/High School Scholarship (permanent): Accounts for bequests dedicated to scholarships that are restricted to the extent that only earnings and not principal, may be used for scholarships.

HELENA SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS
FIDUCIARY FUNDS
June 30, 2014

| | Elementary Student Activities | High School Interlocal | High School Student Activities | High School Scholarship | Private Purpose Trust Totals |
|----------------------------------|--|-----------------------------------|---|------------------------------------|---|
| <u>ASSETS</u> | | | | | |
| Cash and Cash Equivalents | \$ 162,108 | <u> </u> | \$ 250,766 | \$ 213,035 | \$ 625,909 |
| Total Assets | <u>162,108</u> | <u> </u> | <u>250,766</u> | <u>213,035</u> | <u>625,909</u> |
| <u>NET POSITION</u> | | | | | |
| Held in Trust for Scholarships | | | | 213,035 | 213,035 |
| Held in Trust for Other Purposes | 162,108 | <u> </u> | 250,766 | | 412,874 |
| Total Net Position | <u>\$ 162,108</u> | <u> </u> | <u>\$ 250,766</u> | <u>\$ 213,035</u> | <u>\$ 625,909</u> |

HELENA SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - PRIVATE PURPOSE TRUST FUNDS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

| | Elementary Student Activities | High School Interlocal | High School Student Activities | High School Scholarship | Private Purpose Trust Totals |
|-------------------------------------|--|-----------------------------------|---|------------------------------------|---|
| <u>ADDITIONS</u> | | | | | |
| Extracurricular Activity | \$ 236,881 | \$ 76,875 | \$ 1,915,521 | \$ 18,289 | \$ 2,247,566 |
| Interest | 261 | | 974 | 6,859 | 8,094 |
| Total Additions | <u>237,142</u> | <u>76,875</u> | <u>1,916,495</u> | <u>25,148</u> | <u>2,255,660</u> |
| <u>DEDUCTIONS</u> | | | | | |
| Distributions | <u>238,465</u> | <u>77,291</u> | <u>1,954,211</u> | <u>7,000</u> | <u>2,276,967</u> |
| Total Deductions | <u>238,465</u> | <u>77,291</u> | <u>1,954,211</u> | <u>7,000</u> | <u>2,276,967</u> |
| Change in Net Position | (1,323) | (416) | (37,716) | 18,148 | (21,307) |
| Net Position, Beginning of the Year | <u>163,431</u> | <u>416</u> | <u>288,482</u> | <u>194,887</u> | <u>647,216</u> |
| Net Position, End of the Year | <u>\$ 162,108</u> | <u>\$ -</u> | <u>\$ 250,766</u> | <u>\$ 213,035</u> | <u>\$ 625,909</u> |

Other Supplemental Information



Graduation Starts Now!
HELENA PUBLIC SCHOOLS

HELENA SCHOOL DISTRICT NO. 1
Supplemental Schedule of School Enrollment
for the Year Ended June 30, 2014

| | <u>Per Audit of District Records</u> | <u>Per Enrollment Report</u> |
|---|--|----------------------------------|
| <u>Fall Enrollment Report, October 2013</u> | | |
| <u>Elementary District</u> | | |
| Grades K – 6 | 3,977 | 3,977 |
| Grades 7 – 8 | <u>1,152</u> | <u>1,152</u> |
| Total Elementary | <u>5,129</u> | <u>5,129</u> |
| <u>High School District</u> | | |
| Grades 9 – 12 | <u>2,934</u> | <u>2,934</u> |
| <u>Winter Enrollment Report, December 2013</u> | | |
| <u>Elementary District</u> | | |
| Grades K – 6 | 4,003 | 4,003 |
| Grades 7 – 8 | <u>1,143</u> | <u>1,143</u> |
| Total Elementary | <u>5,146</u> | <u>5,146</u> |
| <u>High School District</u> | | |
| Grades 9 – 12 | <u>2,914</u> | <u>2,914</u> |
| <u>Spring Enrollment Report, February 2014</u> | | |
| <u>Elementary District</u> | | |
| Grades 1 – 6 | 3,982 | 3,982 |
| Grades 7 – 8 | <u>1,135</u> | <u>1,135</u> |
| Total Elementary | <u>5,117</u> | <u>5,117</u> |
| <u>High School District</u> | | |
| Grades 9-12 | <u>2,896</u> | <u>2,896</u> |
| ANB for budgeting purposes FY2013 | Elementary: 5,287 | High School: 3,045 |

Average Number Belonging (ANB) is a calculation of the number of students enrolled and averaged as of the three count dates for all eligible students at 187 for 180 days enrolled. ANB for 7th and 8th grades is paid at the high school rate for accredited middle schools. For 2014, the high school district received more funding by implementing the 3 year averaging rules. Preschool students are not included in the ANB calculations. Helena School District #1 has accredited middle schools. The ANB numbers for the general fund budgets for FY 2015 are based on the actual enrollment in FY 2014.

HELENA SCHOOL DISTRICT NO. 1
 SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
 For the Fiscal Year Ended June 30, 2014
 C. R. Anderson Middle School

| <u>Activity</u> | <u>Beginning Activity Balance 7/01/13</u> | <u>Revenues/ Transfers In</u> | <u>Expenditures/ Transfers Out</u> | <u>Ending Activity Balance 6/30/14</u> |
|-----------------------|---|-----------------------------------|--|--|
| Activity Acct | | \$ 28,565 | \$ (28,565) | |
| Builder's Club | \$ 824 | 425 | (781) | \$ 468 |
| Chorus | 487 | 3,968 | (3,792) | 663 |
| Fines & Breakage | | 244 | (244) | |
| SNAP | 2 | 407 | (313) | 96 |
| Band Rental | 1,451 | 1,298 | (2,749) | |
| Interest Account | 61 | 642 | (703) | |
| Cub Corner Garden | 1,200 | | (234) | 966 |
| Library | | 82 | (82) | |
| Yearbook | 9,640 | 9,193 | (7,778) | 11,055 |
| Orchestra Rental | | 1,737 | (1,737) | |
| Orchestra Account | 2,980 | 3,498 | (4,150) | 2,328 |
| Music Tech Activities | 39 | 5 | (40) | 4 |
| Band Activities | 3,056 | 7,110 | (8,406) | 1,760 |
| PE Activities | 606 | 11,483 | (11,449) | 640 |
| PE Fitness Account | | 700 | (143) | 557 |
| Tech Ed | | 1,417 | (1,417) | |
| Industrial Tech | 283 | 799 | (1,064) | 18 |
| Spanish Club | 82 | 341 | | 423 |
| Student Council | 8,752 | 13,303 | (14,178) | 7,877 |
| District Student | 5,737 | | (4,341) | 1,396 |
| Pop Accounts | | 803 | (803) | |
| Change of Heart | 321 | 661 | (976) | 6 |
| Tennis/Rally Ball | 749 | | (749) | |
| CRA Soccer Club | | 1,095 | (976) | 119 |
| Dance Account | 2,115 | 4,259 | (6,374) | |
| WEB | | 4,460 | (1,791) | 2,669 |
| Wild Cat | 228 | 2,966 | (3,194) | |
| Science Olympiad | 32 | 1,490 | (1,471) | 51 |
| Robotics | | 2,061 | (1,629) | 432 |
| Team 1/Sheridan | 124 | 2,161 | (2,254) | 31 |
| Team 3/Fabian | | 981 | (981) | |
| Team 5/McGinley | 26 | | | 26 |
| Team 7/Gold | 178 | 1,280 | (1,168) | 290 |
| Team 8/ BiCep | 1,888 | 5,096 | (4,486) | 2,498 |
| Team 9/ Pewter | 184 | 2,525 | (2,515) | 194 |
| Team 10/Tipton | | 1,353 | (1,251) | 102 |
| Total | \$ 41,045 | \$ 116,408 | \$ (122,784) | \$ 34,669 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Helena Middle School

| Activity | Beginning Activity Balance 7/01/13 | Revenues/ Transfers In | Expenditures/ Transfers Out | Ending Activity Balance 6/30/14 |
|------------------------|---|-----------------------------------|--|--|
| Activity Tickets | \$ | 140 | \$ (140) | |
| Annual | \$ 1,729 | | | \$ 1,729 |
| Art Technology | 329 | 1,663 | (537) | 1,455 |
| Band Rental | | 2,380 | (2,380) | |
| Book Club | 2,301 | 2,777 | (3,174) | 1,904 |
| 7th Grade Leadership | 268 | 834 | (276) | 826 |
| HMS Choir | 68 | 1,322 | (777) | 613 |
| HMS Civics Club | | 16,311 | (15,745) | 566 |
| Computer Lab | 544 | | (322) | 222 |
| 7th Grade Neighborhood | 181 | 655 | (667) | 169 |
| Festival Orchestra | 1,281 | 736 | (1,809) | 208 |
| Fines and Breakage | | 1,383 | (1,383) | |
| Fishing Club | 717 | | | 717 |
| HMS Assignment Books | 3,104 | 57 | (1) | 3,160 |
| HMS Sports | | 16,100 | (16,100) | |
| Consumer Science | 6 | | | 6 |
| Interest Earnings | | 72 | (34) | 38 |
| 8th Grade Neighborhood | | 180 | (180) | |
| HMS MBI | 3,061 | 2,696 | (1,479) | 4,278 |
| Orchestra Rental | | 2,260 | (2,260) | |
| P.E. Activities | 7,266 | 9,408 | (10,000) | 6,674 |
| Band Activities | 3,161 | 10,436 | (12,739) | 858 |
| Industrial Technology | 587 | 2,826 | (2,516) | 897 |
| Science Olympiad | 986 | 535 | (970) | 551 |
| Student Council | 1,987 | 8,880 | (9,378) | 1,489 |
| Recycling | 72 | | | 72 |
| 6th Grade Neighborhood | 193 | 382 | (387) | 188 |
| Total | \$ 27,841 | \$ 82,033 | \$ (83,254) | \$ 26,620 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Helena High School

| <u>Activity</u> | <u>Beginning Activity Balance 7/01/13</u> | <u>Revenues/ Transfers In</u> | <u>Expenditures/ Transfers Out</u> | <u>Ending Activity Balance 6/30/14</u> |
|------------------------|---|-----------------------------------|--|--|
| Act Participation | | \$ 32,603 | \$ (32,603) | |
| Activity Tickets | | 29,700 | (29,700) | |
| Art Club | \$ 3,448 | | (665) | \$ 2,783 |
| Aeorobics | 6 | | | 6 |
| AP Exams | | 32,611 | (32,611) | |
| Auto Shop Funds | | 1,845 | (1,845) | |
| Band | 8,532 | 337,948 | (344,551) | 1,929 |
| Bengalettes | 292 | 2,971 | (3,090) | 173 |
| Football | 31 | 11,526 | (11,279) | 278 |
| Bengal Spirit | | 5,421 | (5,421) | |
| Biology Club | 7,606 | 200 | (4,348) | 3,458 |
| Business Company | 615 | | (167) | 448 |
| Business Professionals | 382 | 3,456 | (3,647) | 191 |
| Boys Basketball | 1,379 | 12,199 | (12,600) | 978 |
| Girls Baksetball | 832 | 7,337 | (5,536) | 2,633 |
| Cheerleaders | 5,238 | 13,527 | (18,688) | 77 |
| Chemistry-Goggles | | 554 | (554) | |
| Chorus | 432 | 1,396 | (1,490) | 338 |
| Class of 2014 | 7,235 | 81 | (7,316) | |
| Concessions | 11,928 | 36,885 | (33,247) | 15,566 |
| Class of 2015 | 400 | 8,863 | (2,282) | 6,981 |
| Class of 2016 | 200 | 424 | (373) | 251 |
| CSI Crime Lab | 1 | | (1) | |
| Culinary Catering | 6,209 | 2,059 | (1,549) | 6,719 |
| Cross Country Boys | 79 | 6,381 | (5,405) | 1,055 |
| Cross Country Girls | 415 | 2,919 | (2,081) | 1,253 |
| DECA | 2,553 | 45,752 | (47,844) | 461 |
| Drafting Resale | | 3,178 | (3,178) | |
| Green Group | 599 | 558 | (965) | 192 |
| Fitness | | 1,050 | (1,049) | 1 |
| Art Honor Society | 207 | | | 207 |
| Forensics | 1,402 | 1,686 | (2,768) | 320 |
| French Club | 2,426 | 2,500 | (1,165) | 3,761 |
| Fusion | 313 | | (313) | |
| Game Receipts | | 63,293 | (63,293) | |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Helena High School

| Activity | Beginning Activity Balance 7/01/13 | Revenues/ Transfers In | Expenditures/ Transfers Out | Ending Activity Balance 6/30/14 |
|------------------------|---|-----------------------------------|--|--|
| German Club | 587 | 13,037 | (13,510) | 114 |
| GAP | 365 | 17,670 | (18,035) | |
| Golf | 4,668 | 6,556 | (5,637) | 5,587 |
| GSA | 144 | | | 144 |
| Interact Club | 217 | | | 217 |
| The Outdoor Club | 104 | 188 | | 292 |
| HOSA | 5,079 | 971 | (3,335) | 2,715 |
| ID Cards | 29 | 35 | | 64 |
| Intramural Sports | 7 | 630 | (637) | |
| Interest Earnings | | 2,348 | (2,348) | |
| International Club | 22 | | | 22 |
| Key Club | 935 | 1,576 | (310) | 2,201 |
| JMG | 6,886 | 14,082 | (20,537) | 431 |
| Latin Club | 39 | 1 | | 40 |
| Library | 273 | 788 | (220) | 841 |
| Lifetime Sports | | 4,004 | (4,004) | |
| Link Crew | 2,002 | 1,180 | (1,384) | 1,798 |
| Locker Fee | | 50 | (50) | |
| Math Motivation | | 1,584 | (1,584) | |
| MBI | 23 | | (14) | 9 |
| MTAD | 190 | 100 | (50) | 240 |
| National Honor Society | 343 | 2,981 | (1,651) | 1,673 |
| Needy Children | | 1,287 | (1,287) | |
| Nugget | 471 | 3,157 | (3,095) | 533 |
| Orchestra | 983 | 137 | (403) | 717 |
| Pannings | 1,228 | | | 1,228 |
| Parent Link | 57 | | (57) | |
| Parking Lot | | 9,071 | (9,071) | |
| PE Locks | | 375 | (375) | |
| Photo Club | 1,821 | | (508) | 1,313 |
| Physics | 25 | 856 | (858) | 23 |
| Pottery | 1,373 | 40 | | 1,413 |
| Programs | 3,736 | 7,887 | (7,268) | 4,355 |
| Quill & Scroll | 44 | | (44) | |
| School Store | 9,956 | 48,297 | (43,449) | 14,804 |
| Science Club | 539 | 27,715 | (20,912) | 7,342 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Helena High School

| Activity | Beginning Activity Balance 7/01/13 | Revenues/ Transfers In | Expenditures/ Transfers Out | Ending Activity Balance 6/30/14 |
|---------------------------|---|-----------------------------------|--|--|
| Science Seminar | 2,618 | 7,481 | (8,317) | 1,782 |
| Softball | 2,825 | 11,852 | (10,708) | 3,969 |
| Soccer-Girls | 4,734 | 6,119 | (5,341) | 5,512 |
| Soccer-Boys | 71 | 13,976 | (13,714) | 333 |
| Spanish Club | 461 | 198 | (607) | 52 |
| Special Living | 647 | | (217) | 430 |
| Ambiance | 9 | | (9) | - |
| Student Council | 631 | 1,291 | (1,491) | 431 |
| Student Trainers | 1,412 | 3,518 | (1,927) | 3,003 |
| Swimming | 435 | 7 | (268) | 174 |
| Tennis | 227 | 8,186 | (7,685) | 728 |
| Textbooks and Fines | | 5,531 | (5,531) | |
| Thespians | 887 | 5,212 | (5,541) | 558 |
| Track-Boys | 78 | 3,674 | (3,688) | 64 |
| Girls Track | 193 | 2,835 | (2,481) | 547 |
| Transitions | 737 | | (544) | 193 |
| 3-7-77's | 436 | 512 | (474) | 474 |
| Ukulele Club | 393 | | (316) | 77 |
| Principal Vending Machine | | 18,210 | (18,212) | (2) |
| VICA Skills USA | 1,258 | 268 | (716) | 810 |
| Volleyball | 2,176 | 6,502 | (6,455) | 2,223 |
| Yearbook | 7,359 | 51,810 | (51,356) | 7,813 |
| Welding Resale | | 8,338 | (8,338) | |
| Welding Club | 5,023 | 2,228 | (3,283) | 3,968 |
| Woodshop | | 5,257 | (5,257) | |
| Word Clues | 83 | | | 83 |
| Wrestling | 3,484 | 7,166 | (6,525) | 4,125 |
| Vocational Special | 327 | 2,932 | (3,259) | |
| Youth in Government | 308 | 880 | (1,038) | 150 |
| GT-Washington DC | | 21,546 | (21,546) | |
| Total | \$ 141,718 | \$ 1,031,055 | \$ (1,037,101) | \$ 135,672 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Capital High School

| <u>Activity</u> | <u>Beginning Activity Balance 7/01/13</u> | <u>Revenues/ Transfers In</u> | <u>Expenditures/ Transfers Out</u> | <u>Ending Activity Balance 6/30/14</u> |
|------------------------|---|-----------------------------------|--|--|
| General | \$ | 86 | \$ (86) | |
| Activity Fees | | 29,788 | (29,788) | |
| Activity Tickets | | 30,180 | (30,180) | |
| AP Fund | | 17,462 | (17,462) | |
| Applied Design | | 2,953 | (2,953) | |
| Art Club | \$ 2,323 | 6 | (439) | \$ 1,890 |
| Art Travel | 1,548 | 2,253 | (1,852) | 1,949 |
| Auto Mech Resale | - | 177 | (177) | |
| Band Fund | 3,609 | 3,339 | (3,576) | 3,372 |
| Band Scholarship | 465 | - | | 465 |
| Bear Necessities | 1,690 | 26,100 | (27,790) | |
| Boys Basketball | 2,759 | 11,296 | (7,551) | 6,504 |
| Bruin Accounting | 22 | - | | 22 |
| Boys Track & Field | 100 | 2,985 | (2,708) | 377 |
| Bruins Budget | | 747 | (747) | |
| Bruin Fastpitch | 1,871 | 55 | (437) | 1,489 |
| Bruin Running Club | 4,083 | 12 | (477) | 3,618 |
| Bruin Tech | 357 | 125 | | 482 |
| Building Trades Resale | | 5,572 | (5,572) | |
| BPOA | 9,727 | 17,492 | (16,283) | 10,936 |
| Bruins Helping Bruins | | 497 | (11) | 486 |
| C-Club | 1,973 | 303 | (1,578) | 698 |
| Cadettes | 30 | 4,327 | (4,045) | 312 |
| Capital Cross Country | 1,163 | 1,604 | (916) | 1,851 |
| Capital Dome | 14,275 | 50,963 | (49,718) | 15,520 |
| Cap Football | 1,498 | 8,311 | (8,944) | 865 |
| Capital Boys Soccer | 3,113 | 4,637 | (3,373) | 4,377 |
| Capital Girls Soccer | 4,158 | 3,581 | (2,726) | 5,013 |
| Capital Swim Teams | 348 | 1,359 | (1,200) | 507 |
| Capital Volleyball | 1,085 | 7,205 | (4,067) | 4,223 |
| Ceramics Resale | | 1,376 | (1,376) | |
| Cheerleaders | 5 | 17,437 | (12,761) | 4,681 |
| Chorus | 236 | 10,093 | (10,146) | 183 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Capital High School

| Activity | Beginning Activity Balance 7/01/13 | Revenues/ Transfers In | Expenditures/ Transfers Out | Ending Activity Balance 6/30/14 |
|-----------------------------|---|-----------------------------------|--|--|
| CHS Golf | 5,426 | 11,136 | (8,547) | 8,015 |
| CHS Chess Club | 7 | | | 7 |
| CISCO | 739 | | | 739 |
| Class of 2014 | 5,302 | 76 | (5,378) | |
| Class of 2015 | 2,032 | 8,128 | (1,880) | 8,280 |
| Class of 2016 | | 728 | (619) | 109 |
| Concessions | 6,966 | 14,226 | (13,432) | 7,760 |
| DECA | 834 | 53,296 | (53,846) | 284 |
| Design Club | 3,765 | 17,632 | (17,789) | 3,608 |
| Dessert Show | 438 | 3,807 | (4,037) | 208 |
| ECO | 1,966 | 5,413 | (6,003) | 1,376 |
| Envirothon | 4 | | | 4 |
| Fairground Pond Rehab | 18 | | | 18 |
| FCA | | 719 | (280) | 439 |
| Fine Arts Resale | | 490 | (490) | |
| Fitness | 250 | 4,867 | (5,117) | |
| French Club | 2,116 | 5 | (434) | 1,687 |
| GAPP | 8 | | (8) | |
| Gate Receipts | | 62,929 | (62,929) | |
| German Club | 446 | 2,451 | (1,464) | 1,433 |
| Girls BB | 596 | 9,921 | (7,970) | 2,547 |
| Green Club | 240 | | (168) | 72 |
| Hardship Endowment | 15,507 | 1,257 | (16,764) | |
| Sport Hardship | 3,892 | 7 | (3,899) | |
| HOSA | 187 | 353 | (290) | 250 |
| Family and Consumer Science | | 3,070 | (3,070) | |
| FCCLA | 434 | 57 | (41) | 450 |
| Home Ec. Revolving | | 834 | (834) | |
| Honor Society | 1,350 | 1,347 | (1,427) | 1,270 |
| Ind. Arts Resale | | 1,838 | (1,838) | |
| Knitting | 451 | | (193) | 258 |
| Jobs for Montana Graduates | 218 | 217 | (140) | 295 |
| Key Club | 1,014 | 1,328 | (1,281) | 1,061 |
| Latin Club | 1,322 | 3 | | 1,325 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Capital High School

| <u>Activity</u> | <u>Beginning Activity Balance 7/01/13</u> | <u>Revenues/ Transfers In</u> | <u>Expenditures/ Transfers Out</u> | <u>Ending Activity Balance 6/30/14</u> |
|------------------------|---|-----------------------------------|--|--|
| Library Revolving | | 453 | (453) | |
| Lift a Thon | 211 | 271 | (177) | 305 |
| Lifetime Sports | | 6,542 | (6,542) | |
| Link Crew | 1,845 | 3,095 | (3,095) | 1,845 |
| MBI | 1,611 | 2,861 | (2,587) | 1,885 |
| Memorial Funds | 2,284 | 4 | (2,288) | |
| MTADS | 220 | | (220) | |
| Music Dept. Gala Acct. | 3,743 | 665 | (1,652) | 2,756 |
| Orchestra | 1,156 | 2 | (57) | 1,101 |
| Parking Fees | | 8,674 | (8,674) | |
| Partners Club | 56 | | (45) | 11 |
| Paw Print | 3,958 | 1,435 | (2,703) | 2,690 |
| PawsitivelyPrinting | 359 | 1,352 | (130) | 1,581 |
| Pen and Ink | 2,131 | 81 | | 2,212 |
| Photo club | 8 | 730 | (509) | 229 |
| Girls Track and Field | 16 | 1,825 | (1,826) | 15 |
| Respect | 87 | | | 87 |
| Revolving | | 619 | (619) | |
| Science Club | 604 | 10,431 | (6,115) | 4,920 |
| Science Olympiad | | 718 | (650) | 68 |
| Shop Welding | | 2,160 | (2,160) | |
| Skills USA | 1,342 | 10,336 | (8,793) | 2,885 |
| Spanish Club | 1,477 | 296 | (1,363) | 410 |
| Spanish Club Travel | 329 | 15,030 | (14,458) | 901 |
| Special Needs | 1,135 | 885 | (1,528) | 492 |
| Speech | 936 | 2,501 | (2,105) | 1,332 |
| Student Council | 1,290 | 11,103 | (5,394) | 6,999 |
| Ted Flemming Memorial | 819 | 1 | (820) | |
| Tennis | 883 | 586 | (774) | 695 |
| Textbooks and Fines | | 6,086 | (6,086) | |
| Thespians | 3,212 | 3,553 | (2,834) | 3,931 |
| Training Room | 2,834 | 612 | (633) | 2,813 |
| Vending Acct | | 4,742 | (4,742) | |
| VICA | 607 | 2,061 | (458) | 2,210 |

HELENA SCHOOL DISTRICT NO. 1
SUPPLEMENTAL SCHEDULE OF STUDENT EXTRACURRICULAR FUND
For the Fiscal Year Ended June 30, 2014
Capital High School

| <u>Activity</u> | <u>Beginning Activity Balance 7/01/13</u> | <u>Revenues/ Transfers In</u> | <u>Expenditures/ Transfers Out</u> | <u>Ending Activity Balance 6/30/14</u> |
|-------------------|---|-----------------------------------|--|--|
| Vigilante Parade | 406 | 4,005 | (3,960) | 451 |
| Wall of Fame | 370 | | | 370 |
| Welding Resale | | 14,858 | (14,858) | |
| Wrestling | 2,808 | 3,270 | (5,273) | 805 |
| Youth Alive | 95 | 407 | (290) | 212 |
| Youth Legislature | | 650 | (640) | 10 |
| Total | \$ 148,798 | \$ 591,356 | \$ (584,618) | \$ 155,536 |

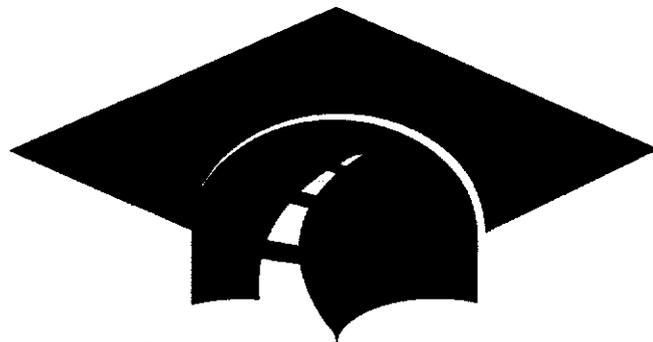


Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

Statistical Information



Graduation Starts Now!
HELENA PUBLIC SCHOOLS



Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

Schedule 1
Helena School District No. 1
Net Position by Component
Last Nine Fiscal Years
(accrual basis of accounting)

| | Fiscal Year <u>2006</u> | Fiscal Year <u>2007</u> | Fiscal Year <u>2008</u> | Fiscal Year <u>2009</u> | Fiscal Year <u>2010</u> | Fiscal Year <u>2011</u> | Fiscal Year <u>2012</u> | Fiscal Year <u>2013</u> | Fiscal Year <u>2014</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Governmental activities | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 26,192,540 | \$ 27,518,067 | \$ 30,061,462 | \$ 31,125,085 | \$ 33,134,507 | \$ 36,746,428 | \$ 40,788,151 | \$ 43,548,343 | \$ 45,078,755 |
| Restricted | 10,401,918 | 10,870,785 | 10,524,979 | 11,142,557 | 11,657,907 | 14,437,799 | 12,123,664 | 10,607,988 | 4,864,456 |
| Unrestricted | 6,819,386 | 9,466,032 | 11,261,493 | 5,873,478 | 5,560,346 | 2,346,115 | 3,837,189 | 5,331,394 | 12,292,994 |
| Total primary government net position | <u>\$ 43,413,844</u> | <u>\$ 47,854,884</u> | <u>\$ 51,847,934</u> | <u>\$ 48,141,120</u> | <u>\$ 50,352,760</u> | <u>\$ 53,530,342</u> | <u>\$ 56,749,004</u> | <u>\$ 59,487,725</u> | <u>\$ 62,236,205</u> |
| Business-type activities | | | | | | | | | |
| Unrestricted | \$ 46,033 | \$ 65,380 | \$ 140,288 | \$ 55,454 | \$ 58,773 | \$ 43,613 | \$ (21,385) | \$ 70,323 | \$ 199,899 |
| Total business-type activities net position | <u>\$ 46,033</u> | <u>\$ 65,380</u> | <u>\$ 140,288</u> | <u>\$ 55,454</u> | <u>\$ 58,773</u> | <u>\$ 43,613</u> | <u>\$ (21,385)</u> | <u>\$ 70,323</u> | <u>\$ 199,899</u> |
| Primary government | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 26,192,540 | \$ 27,518,067 | \$ 30,061,462 | \$ 31,125,085 | \$ 33,134,507 | \$ 36,746,428 | \$ 40,788,151 | \$ 43,548,343 | \$ 45,078,755 |
| Restricted | 10,401,918 | 10,870,785 | 10,524,979 | 11,142,557 | 11,657,907 | 14,437,799 | 12,123,664 | 10,607,988 | 4,864,456 |
| Unrestricted | 6,865,419 | 9,531,412 | 11,401,781 | 5,928,932 | 5,619,119 | 2,389,728 | 3,815,804 | 5,401,717 | 12,482,893 |
| Total primary government net position | <u>\$ 43,459,877</u> | <u>\$ 47,920,264</u> | <u>\$ 51,988,222</u> | <u>\$ 48,196,574</u> | <u>\$ 50,411,533</u> | <u>\$ 53,573,955</u> | <u>\$ 56,727,619</u> | <u>\$ 59,558,048</u> | <u>\$ 62,436,104</u> |

Source: District Records

Schedule 2
Helena School District No. 1
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Nine Fiscal Years
(accrual basis of accounting)

| | Fiscal Year <u>2006</u> | Fiscal Year <u>2007</u> | Fiscal Year <u>2008</u> | Fiscal Year <u>2009</u> | Fiscal Year <u>2010</u> | Fiscal Year <u>2011</u> | Fiscal Year <u>2012</u> | Fiscal Year <u>2013</u> | Fiscal Year <u>2014</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Expenses | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Instruction | \$ 35,450,193 | \$ 38,293,648 | \$ 41,098,469 | \$ 46,121,573 | \$ 46,304,123 | \$ 44,988,404 | \$ 43,692,354 | \$ 44,500,054 | \$ 45,699,482 |
| Support Services | 6,145,116 | 6,397,254 | 7,002,397 | 8,625,645 | 8,422,694 | 11,174,550 | 10,957,048 | 10,681,037 | 11,355,162 |
| General administration | 731,585 | 880,586 | 891,355 | 1,016,067 | 936,526 | 1,085,624 | 957,879 | 720,760 | 881,099 |
| Building Administration | 3,704,096 | 3,911,089 | 4,008,098 | 4,703,748 | 4,566,754 | 4,183,694 | 4,298,072 | 4,825,410 | 4,842,612 |
| Business Administration | 788,688 | 789,480 | 519,698 | 1,049,192 | 1,192,717 | 868,042 | 847,022 | 1,151,440 | 978,232 |
| Operations and Maintenance | 6,305,117 | 6,239,327 | 6,833,995 | 8,140,895 | 7,886,574 | 7,117,283 | 6,124,568 | 8,431,180 | 8,670,430 |
| Student Transportation | 2,877,050 | 3,366,288 | 3,160,901 | 3,351,276 | 3,879,188 | 3,089,568 | 4,314,008 | 3,939,710 | 4,233,755 |
| Food Services | 1,516,910 | 1,763,899 | 1,925,152 | 2,037,732 | 2,059,243 | 2,182,742 | 2,323,246 | 2,145,583 | 2,336,727 |
| Student Extracurricular Activities | 1,056,538 | 1,032,687 | 988,410 | 1,113,171 | 1,333,116 | 1,208,578 | 1,202,606 | 1,328,814 | 1,337,581 |
| Community Services | 87,996 | 28,397 | 112,244 | 41,353 | 70,910 | 72,571 | 42,966 | 131,872 | 144,546 |
| Other | 235,221 | 255,614 | 309,212 | 90,168 | | 276,616 | 178,711 | 161,032 | 856,229 |
| Interest on long-term debt | 706,247 | 239,123 | 725,182 | 720,895 | 548,891 | 455,444 | 460,506 | 108,522 | 68,097 |
| Total primary governmental activities expenses | <u>59,604,757</u> | <u>63,197,392</u> | <u>67,575,113</u> | <u>77,011,715</u> | <u>77,200,736</u> | <u>76,703,116</u> | <u>75,398,986</u> | <u>78,125,414</u> | <u>81,403,952</u> |
| Business-type activities: | | | | | | | | | |
| After School Child Care | 615,969 | 677,478 | 493,857 | 653,451 | 622,007 | 807,774 | 693,501 | 603,636 | 622,693 |
| Total business-type activities expenses | <u>615,969</u> | <u>677,478</u> | <u>493,857</u> | <u>653,451</u> | <u>622,007</u> | <u>807,774</u> | <u>693,501</u> | <u>603,636</u> | <u>622,693</u> |
| Total primary government expenses | <u>\$ 60,220,726</u> | <u>\$ 63,874,870</u> | <u>\$ 68,068,970</u> | <u>\$ 77,665,166</u> | <u>\$ 77,822,743</u> | <u>\$ 77,510,890</u> | <u>\$ 76,092,487</u> | <u>\$ 78,729,050</u> | <u>\$ 82,026,645</u> |
| Program Revenues | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| Instruction | \$ 626,256 | \$ 522,855 | \$ 538,725 | \$ 500,845 | \$ 453,944 | \$ 443,037 | \$ 445,264 | \$ 424,071 | \$ 504,853 |
| Support Services | 2,298 | 99,405 | 85,634 | 54,241 | 80,944 | 128,855 | 316,187 | 552,506 | 447,880 |
| Operations and Maintenance | 126,632 | 86,888 | 86,496 | 87,617 | 390,339 | 348,834 | 82,573 | 88,212 | 58,809 |
| Student Transportation | 66,539 | 52,970 | 48,407 | 57,097 | 103,140 | 63,602 | 24,616 | 30,738 | 35,514 |
| Food services | 822,711 | 919,165 | 1,060,891 | 1,054,589 | 1,018,398 | 289,704 | 69,705 | 23,031 | 79,923 |
| Operating grants and contributions | 8,328,648 | 10,495,203 | 9,986,890 | 10,278,639 | 12,454,823 | 15,522,883 | 13,175,631 | 14,588,705 | 12,566,504 |
| Total governmental activities program revenues | <u>9,973,084</u> | <u>12,176,486</u> | <u>11,807,043</u> | <u>12,033,028</u> | <u>14,501,588</u> | <u>16,776,915</u> | <u>14,113,976</u> | <u>15,707,263</u> | <u>13,693,483</u> |
| Business-type activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| After School Day care | 644,612 | 690,617 | 562,172 | 565,246 | 624,417 | 792,614 | 628,417 | 695,282 | 752,099 |
| Total business-type activities program revenues | <u>644,612</u> | <u>690,617</u> | <u>562,172</u> | <u>565,246</u> | <u>624,417</u> | <u>792,614</u> | <u>628,417</u> | <u>695,282</u> | <u>752,099</u> |
| Total primary government program revenues | <u>\$ 10,617,696</u> | <u>\$ 12,867,103</u> | <u>\$ 12,369,215</u> | <u>\$ 12,598,274</u> | <u>\$ 15,126,005</u> | <u>\$ 17,569,529</u> | <u>\$ 14,742,393</u> | <u>\$ 16,402,545</u> | <u>\$ 14,445,582</u> |
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental activities | | | | | | | | | |
| | \$ (49,631,673) | \$ (51,020,906) | \$ (55,768,070) | \$ (64,978,687) | \$ (62,699,148) | \$ (59,926,201) | \$ (61,285,010) | \$ (62,418,151) | \$ (67,710,469) |
| Business-type activities | | | | | | | | | |
| | 28,643 | 13,139 | 68,315 | (88,205) | 2,410 | (15,160) | (65,084) | 91,646 | 129,406 |
| Total primary government net expense | <u>\$ (49,603,030)</u> | <u>\$ (51,007,767)</u> | <u>\$ (55,699,755)</u> | <u>\$ (65,066,892)</u> | <u>\$ (62,696,738)</u> | <u>\$ (59,941,361)</u> | <u>\$ (61,350,094)</u> | <u>\$ (62,326,505)</u> | <u>\$ (67,581,063)</u> |

Source: District Records

Schedule 3
Helena School District No. 1
General Revenues and Total Change in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)

| | Fiscal Year <u>2006</u> | Fiscal Year <u>2007</u> | Fiscal Year <u>2008</u> | Fiscal Year <u>2009</u> | Fiscal Year <u>2010</u> | Fiscal Year <u>2011</u> | Fiscal Year <u>2012</u> | Fiscal Year <u>2013</u> | Fiscal Year <u>2014</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental activities | \$ (49,631,673) | \$ (51,020,906) | \$ (55,768,070) | \$ (64,978,687) | \$ (62,699,148) | \$ (59,926,202) | \$ (61,285,010) | \$ (62,418,151) | \$ 67,410,469 |
| Business-type activities | 28,643 | 13,139 | 68,315 | (88,205) | 2,410 | (15,160) | (65,084) | 91,646 | 129,406 |
| Total primary government net expense | <u>\$ (49,603,030)</u> | <u>\$ (51,007,767)</u> | <u>\$ (55,699,755)</u> | <u>\$ (65,066,892)</u> | <u>\$ (62,696,738)</u> | <u>\$ (59,941,362)</u> | <u>\$ (61,350,094)</u> | <u>\$ (62,326,505)</u> | <u>\$ 67,539,875</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Property Taxes | \$ 20,179,056 | \$ 20,155,136 | \$ 19,884,430 | \$ 22,218,650 | \$ 23,506,276 | \$ 23,619,670 | \$ 23,796,960 | \$ 23,183,908 | \$ 25,436,222 |
| Unrestricted grants from Lewis and Clark County | 4,713,733 | 4,585,858 | 5,597,443 | 6,732,000 | 7,286,474 | 7,479,478 | 5,907,810 | 6,072,348 | 8,676,991 |
| Unrestricted grants from the State of Montana | 27,800,234 | 29,405,043 | 33,064,676 | 32,633,648 | 32,436,091 | 30,917,661 | 34,580,171 | 35,381,036 | 36,012,447 |
| Insurance Reimbursements | 540,858 | | | | | | | | |
| Unrestricted grants from the Federal Government | | | | | 1,301,214 | 3,509,443 | 23,809 | | |
| Miscellaneous | 5,676 | 213,528 | 137,219 | 149,405 | 207,198 | 119,138 | 121,552 | 454,951 | 310,144 |
| Investment earnings | 786,288 | 1,102,381 | 965,289 | 414,397 | 173,535 | 80,969 | 73,370 | 64,629 | 23,145 |
| Change in capitalization threshold/Sale of Assets | (1,452,425) | | 112,063 | | | | | | |
| Total governmental activities | <u>52,573,420</u> | <u>55,461,946</u> | <u>59,761,120</u> | <u>62,148,100</u> | <u>64,910,788</u> | <u>65,726,359</u> | <u>64,503,672</u> | <u>65,156,872</u> | <u>70,458,949</u> |
| Business-type activities: | | | | | | | | | |
| Investment earnings | 3,034 | 6,208 | 6,593 | 3,371 | 909 | | 86 | 62 | 170 |
| Total business-type activities | <u>3,034</u> | <u>6,208</u> | <u>6,593</u> | <u>3,371</u> | <u>909</u> | <u>-</u> | <u>86</u> | <u>62</u> | <u>170</u> |
| Total primary government | <u>\$ 52,576,454</u> | <u>\$ 55,468,154</u> | <u>\$ 59,767,713</u> | <u>\$ 62,151,471</u> | <u>\$ 64,911,697</u> | <u>\$ 65,726,359</u> | <u>\$ 64,503,758</u> | <u>\$ 65,156,934</u> | <u>\$ 70,459,119</u> |
| Change in Net Position | | | | | | | | | |
| Governmental activities | \$ 2,941,747 | \$ 4,441,040 | \$ 3,993,050 | \$ (2,830,587) | \$ 2,211,640 | \$ 5,800,157 | \$ 3,218,662 | \$ 2,738,721 | \$ 2,748,480 |
| Business-type activities | 31,677 | 19,347 | 74,908 | (84,834) | 3,319 | (15,160) | (64,998) | 91,708 | 129,576 |
| Total primary government | <u>\$ 2,973,424</u> | <u>\$ 4,460,387</u> | <u>\$ 4,067,958</u> | <u>\$ (2,915,421)</u> | <u>\$ 2,214,959</u> | <u>\$ 5,784,997</u> | <u>\$ 3,153,664</u> | <u>\$ 2,830,429</u> | <u>\$ 2,878,056</u> |

Source: District Records

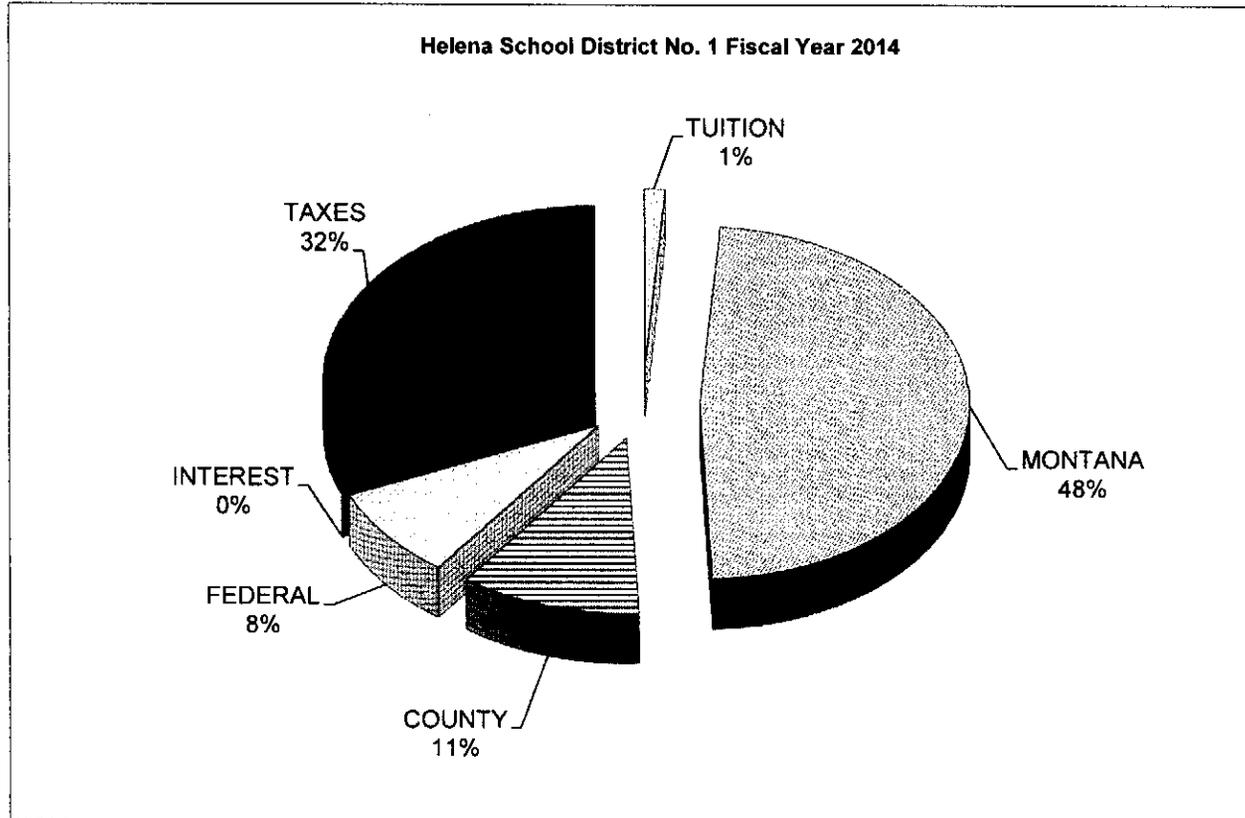
Schedule 4
Helena School District No. 1
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>Fiscal Year</u> <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|---------------------|----------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 132,917 | \$ 246,718 | \$ 622,941 | \$ 568,371 | \$ 1,028,182 | \$ 241,556 | | | | |
| Unreserved | 1,704,111 | 1,280,898 | 462,258 | 495,436 | 306,986 | 308,351 | | | | |
| Restricted | | | | | | | | | | |
| Unrestricted : Assigned | | | | | | | \$ 503,639 | \$ 186,703 | \$ 298,549 | \$ 654,825 |
| Unrestricted : Unassigned | | | | | | | 540,748 | (130,242) | | 1,485,882 |
| Total general fund | <u>\$ 1,837,028</u> | <u>\$ 1,527,616</u> | <u>\$ 1,085,199</u> | <u>\$ 1,063,807</u> | <u>\$ 1,335,168</u> | <u>\$ 549,907</u> | <u>\$ 1,044,387</u> | <u>\$ 36,461</u> | <u>\$ 298,549</u> | <u>\$ 2,140,707</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 4,019,934 | \$ 4,977,557 | \$ 5,099,665 | \$ 4,587,943 | \$ 5,104,177 | \$ 7,101,209 | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 5,444,463 | 6,375,344 | 7,982,330 | 10,216,947 | 10,322,904 | 8,951,243 | | | | |
| Restricted | | | | | | | \$ 14,437,799 | \$ 11,667,151 | \$ 10,114,595 | \$ 11,197,730 |
| Unrestricted : Assigned | | | | | | | 2,353,963 | 2,306,297 | 2,440,844 | 1,381,134 |
| Unrestricted : Unassigned | | | | | | | (20,166) | | | (4,511) |
| Total all other governmental funds | <u>\$ 9,464,397</u> | <u>\$ 11,352,901</u> | <u>\$ 13,081,995</u> | <u>\$ 14,804,890</u> | <u>\$ 15,427,081</u> | <u>\$ 16,052,452</u> | <u>\$ 16,791,762</u> | <u>\$ 13,973,448</u> | <u>\$ 12,555,439</u> | <u>\$ 12,574,353</u> |

Source: District Records

Schedule 5
 Helena School District No. 1
 Governmental Funds Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

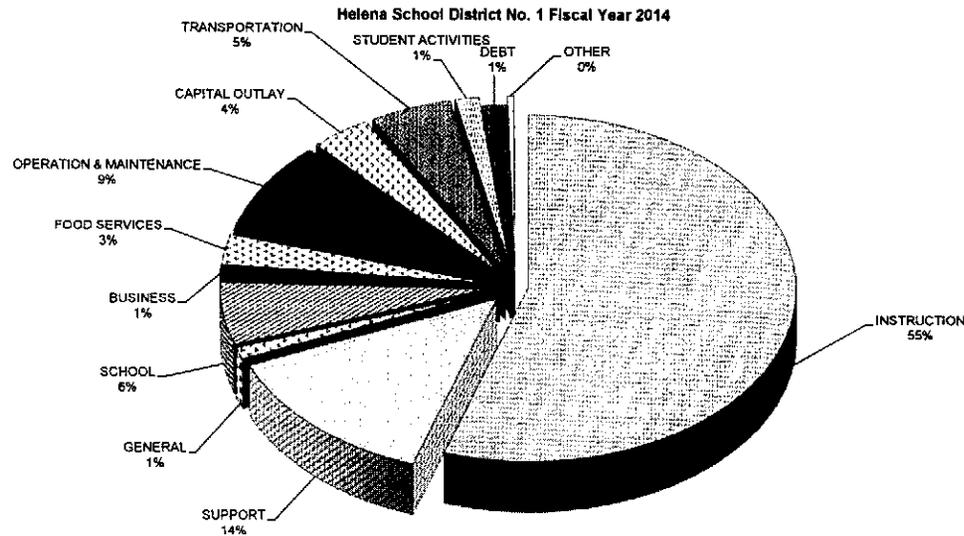
| FISCAL YEAR | OTHER & TUITION | STATE OF MONTANA | COUNTY | FEDERAL | INTEREST | DISTRICT TAXES | TOTAL REVENUES |
|-------------|-----------------|------------------|-----------|------------|----------|----------------|----------------|
| 2005 | 1,639,131 | 28,720,096 | 5,515,307 | 6,174,664 | 236,298 | 18,134,514 | 60,420,010 |
| 2006 | 1,621,781 | 30,541,293 | 5,270,803 | 5,058,850 | 511,181 | 19,403,244 | 62,407,152 |
| 2007 | 1,916,601 | 33,942,159 | 5,207,037 | 5,315,121 | 642,945 | 19,512,556 | 66,536,419 |
| 2008 | 1,948,243 | 36,894,034 | 6,251,479 | 5,512,567 | 451,716 | 18,941,505 | 69,999,544 |
| 2009 | 1,900,980 | 35,828,847 | 7,350,910 | 6,467,344 | 245,661 | 23,149,182 | 74,942,924 |
| 2010 | 2,264,798 | 36,213,320 | 7,872,209 | 9,382,238 | 98,847 | 21,824,047 | 77,655,459 |
| 2011 | 1,324,858 | 36,180,773 | 8,120,188 | 13,176,816 | 49,133 | 23,990,220 | 82,841,988 |
| 2012 | 958,463 | 39,712,957 | 6,532,868 | 7,543,029 | 42,447 | 22,617,316 | 77,407,080 |
| 2013 | 1,068,967 | 42,407,446 | 6,682,854 | 7,456,328 | 34,673 | 22,202,099 | 79,852,367 |
| 2014 | 1,063,465 | 41,190,982 | 9,243,822 | 7,194,795 | 11,798 | 27,029,440 | 85,734,302 |



Source and other information:
 Includes General, Special Revenue, and Debt Service Funds
 Helena School District No. 1 audit reports

Schedule 6
Helena School District No. 1
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)

| FISCAL YEAR | INSTRUCTION | SUPPORT | GENERAL | SCHOOL | BUSINESS | FOOD SERVICES | OPERATION & MAINTENANCE | CAPITAL OUTLAY | TRANSPORTATION | STUDENT ACTIVITIES | DEBT | OTHER | TOTAL EXPENDITURES | DEBT AS % OF NON-CAPITAL EXPENDITURES |
|-------------|-------------|------------|-----------|-----------|-----------|---------------|-------------------------|----------------|----------------|--------------------|-----------|---------|--------------------|---------------------------------------|
| 2005 | 35,070,473 | 6,290,952 | 654,464 | 3,687,285 | 664,485 | 1,421,852 | 6,021,216 | 2,281,870 | 2,765,581 | 1,039,478 | 2,688,963 | 235,649 | 62,802,268 | 4.44% |
| 2006 | 35,217,174 | 6,133,951 | 733,084 | 3,757,742 | 770,063 | 1,503,744 | 6,304,721 | 677,428 | 2,801,352 | 1,048,452 | 2,162,851 | 304,587 | 61,415,149 | 3.56% |
| 2007 | 37,333,364 | 6,396,062 | 801,583 | 3,931,006 | 767,622 | 1,761,748 | 6,150,363 | 1,498,519 | 3,141,534 | 1,028,522 | 2,232,347 | 207,072 | 65,249,742 | 3.50% |
| 2008 | 40,119,818 | 6,979,278 | 919,104 | 4,026,460 | 518,966 | 1,927,219 | 6,240,891 | 1,468,569 | 3,212,946 | 1,158,732 | 2,119,865 | 359,008 | 69,050,856 | 3.14% |
| 2009 | 42,346,107 | 7,973,825 | 849,747 | 4,342,184 | 1,014,489 | 2,032,357 | 6,619,143 | 1,364,064 | 3,172,540 | 1,154,714 | 2,166,258 | 114,518 | 73,149,946 | 3.02% |
| 2010 | 43,819,349 | 8,028,946 | 919,590 | 4,430,981 | 1,150,981 | 2,054,115 | 7,654,571 | 2,824,541 | 3,509,846 | 1,197,327 | 2,155,862 | 69,240 | 77,815,349 | 2.87% |
| 2011 | 44,333,042 | 11,192,023 | 1,091,588 | 4,196,945 | 880,948 | 2,180,775 | 7,299,443 | 3,841,107 | 2,948,910 | 1,202,333 | 2,111,772 | 349,478 | 81,628,364 | 2.71% |
| 2012 | 44,052,600 | 10,848,517 | 960,253 | 4,389,691 | 972,252 | 2,316,829 | 7,127,274 | 2,820,073 | 4,126,810 | 1,211,874 | 4,962,858 | 177,110 | 83,966,141 | 6.12% |
| 2013 | 44,922,858 | 10,627,178 | 720,665 | 4,830,677 | 1,132,661 | 2,152,422 | 7,135,707 | 2,822,208 | 3,934,459 | 1,148,963 | 1,487,545 | 92,945 | 81,008,288 | 1.90% |
| 2014 | 46,222,439 | 11,364,146 | 889,283 | 4,889,408 | 943,143 | 2,328,545 | 7,267,988 | 3,060,774 | 4,132,403 | 1,225,338 | 1,213,993 | 335,770 | 83,873,230 | 1.50% |



So
 Includes General, Special Revenue, and Debt Service Funds
 Helena School District No. 1 audit reports

Schedule 7
Helena School District No. 1
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|
| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Excess of revenues over (under) expenditures | <u>\$ (2,382,258)</u> | <u>\$ 992,003</u> | <u>\$ 1,286,677</u> | <u>\$ 1,569,903</u> | <u>\$ 879,878</u> | <u>\$ (159,890)</u> | <u>\$ 1,213,624</u> | <u>\$ (6,559,061)</u> | <u>\$ (1,155,921)</u> | <u>\$ 1,861,072</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| General long-term debt issued | | | | | | | | 2,765,000 | | |
| Premium on Sale of Bonds | | | | | | | | 93,890 | | |
| Sale of capital assets | | | | 131,600 | | | | | | |
| Capital Leases | 994,214 | 46,231 | | | | | | | | |
| Insurance Proceeds | | 540,858 | | | | | | | | |
| Transfers in (out) | | | | | | | (105,903) | | | |
| Net Bond Refunding | | | | | 13,674 | | | | | |
| Total other financing sources (uses) | <u>994,214</u> | <u>587,089</u> | <u>131,600</u> | <u>131,600</u> | <u>13,674</u> | <u>2,752,987</u> | <u>2,752,987</u> | <u>2,752,987</u> | <u>2,752,987</u> | <u>2,752,987</u> |
| Net change in fund balances | <u>\$ (1,388,044)</u> | <u>\$ 1,579,092</u> | <u>\$ 1,286,677</u> | <u>\$ 1,701,503</u> | <u>\$ 893,552</u> | <u>\$ (159,890)</u> | <u>\$ 1,213,624</u> | <u>\$ (3,806,074)</u> | <u>\$ (1,155,921)</u> | <u>\$ 1,861,072</u> |

Source: District records

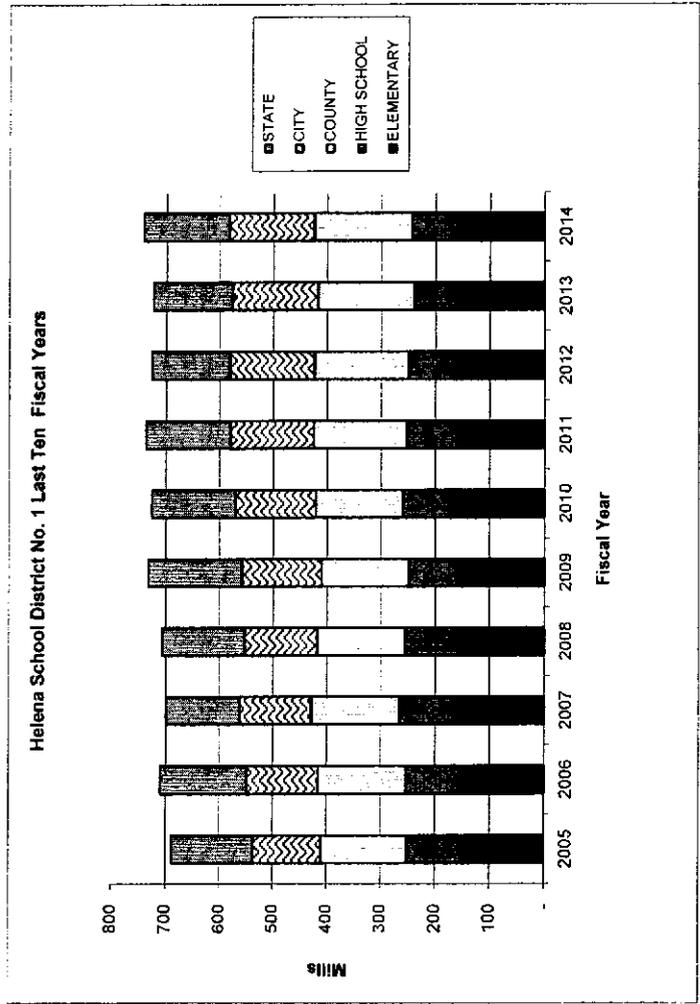
Schedule 8
 Helena School District No. 1
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

| FISCAL YEAR | ASSESSED VALUATION | ESTIMATED ACTUAL VALUE | RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE | Direct Tax Rate |
|--------------------|--------------------|------------------------|---|-----------------|
| Elementary | | | | |
| 2005 | 62,504,174 | 1,766,150,783 | 3.54% | 153.42 |
| 2006 | 64,428,519 | 1,856,964,699 | 3.47% | 154.76 |
| 2007 | 69,175,840 | 1,967,266,973 | 3.52% | 164.47 |
| 2008 | 71,650,218 | 2,077,407,957 | 3.45% | 159.07 |
| 2009 | 76,830,479 | 2,796,247,353 | 2.75% | 157.71 |
| 2010 | 78,882,731 | 2,460,054,384 | 3.21% | 166.95 |
| 2011 | 83,027,698 | 2,532,671,596 | 3.28% | 161.09 |
| 2012 | 87,967,076 | 2,822,634,896 | 3.12% | 161.27 |
| 2013 | 88,818,771 | 2,954,698,135 | 3.01% | 154.87 |
| 2014 | 91,268,261 | 3,109,067,952 | 2.94% | 157.92 |
| High School | | | | |
| 2005 | 78,928,801 | 2,204,001,123 | 3.58% | 98.34 |
| 2006 | 81,371,382 | 2,319,551,666 | 3.51% | 98.71 |
| 2007 | 87,169,925 | 2,465,483,098 | 3.54% | 100.78 |
| 2008 | 90,299,409 | 2,610,303,836 | 3.46% | 96.52 |
| 2009 | 96,262,143 | 2,237,138,768 | 4.30% | 91.14 |
| 2010 | 99,383,267 | 3,052,840,970 | 3.26% | 92.64 |
| 2011 | 103,816,296 | 3,175,300,615 | 3.27% | 92.11 |
| 2012 | 109,639,585 | 3,541,626,953 | 3.10% | 88.48 |
| 2013 | 110,845,060 | 3,701,013,592 | 2.99% | 85.02 |
| 2014 | 114,384,554 | 3,891,516,479 | 2.94% | 86.19 |

Source and other information:
 Lewis and Clark County/Department of Revenue

Schedule 9
 Helena School District No. 1
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

| FISCAL YEAR | HELENA ELEMENTARY | HELENA HIGH SCHOOL | LEWIS AND CLARK COUNTY | CITY OF HELENA | SCHOOLS AND STATE | TOTALS |
|-------------|-------------------|--------------------|------------------------|----------------|-------------------|--------|
| 2005 | 153.42 | 98.34 | 158.97 | 125.46 | 152.89 | 689.08 |
| 2006 | 154.76 | 98.71 | 162.80 | 131.77 | 161.40 | 709.44 |
| 2007 | 164.47 | 100.78 | 162.80 | 134.45 | 136.93 | 699.43 |
| 2008 | 159.07 | 96.52 | 161.74 | 135.01 | 153.82 | 706.16 |
| 2009 | 157.71 | 91.14 | 160.70 | 149.29 | 172.81 | 731.65 |
| 2010 | 166.95 | 92.64 | 160.98 | 150.69 | 153.81 | 725.07 |
| 2011 | 161.09 | 92.11 | 171.34 | 155.82 | 156.03 | 736.39 |
| 2012 | 161.27 | 88.48 | 173.90 | 157.01 | 145.55 | 726.21 |
| 2013 | 154.87 | 85.02 | 177.28 | 159.20 | 146.13 | 722.50 |
| 2014 | 157.92 | 86.19 | 179.91 | 159.10 | 157.63 | 740.75 |



Source and other information:
 Lewis and Clark County Treasurer's Office

**Schedule 10
Helena School District #1
Principal Property Tax Payers
Current Year and Nine Years Ago**

| <u>Taxpayer</u> | <u>2014</u> | | | <u>2004</u> | | |
|-----------------------------------|----------------------|-------------|---|-------------------------------|-------------|--|
| | <u>Taxable Value</u> | <u>Rank</u> | <u>Percentage of County Total Taxable Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of County Total Taxable Assessed Value</u> |
| North Western Energy LLC | \$ 12,378,687 | 1 | 10.28% | \$ 8,619,781 | 1 | 10.04% |
| Celloco Partnership DBZ Verizon | 5,439,198 | 2 | 4.51% | 2,422,248 | 2 | 2.83% |
| Qwest | 2,089,522 | 3 | 1.73% | 2,419,711 | 3 | 2.81% |
| PPL Montana LLC | 2,024,364 | 4 | 1.67% | 2,422,248 | 2 | 2.83% |
| Railways | 1,452,332 | 5 | 1.20% | 945,373 | 4 | 1.10% |
| Bresnan Communications | 1,278,966 | 6 | 1.05% | | | |
| Drumlummon LTD | 1,104,205 | 7 | 0.91% | | | |
| The Boeing Company | 951,994 | 8 | 0.78% | | | |
| Helena Federal Office Complex LLC | 479,912 | 9 | 0.39% | 394,463 | 6 | 0.45% |
| Yellowstone Pipeline | 471,073 | 10 | 0.38% | | | |
| America Smelting and Refining | | | | 425,678 | 5 | 0.49% |
| WaMart Stores Inc | | | | 303,988 | 8 | 0.35% |
| AT&T Communications | | | | 280,419 | 9 | 0.32% |
| American Chemet Corporation | | | | 261,631 | 10 | 0.30% |
| | <u>\$ 27,670,253</u> | | <u>22.90%</u> | <u>\$ 18,495,540</u> | | <u>21.52%</u> |

Source: County Property Appraiser.

**Schedule 11
Helena School District No. 1
Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------|----------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| Elementary | | | | | | |
| 2005 | 9,970,032 | 9,420,777 | 94.49% | 489,198 | 9,909,975 | 99.40% |
| 2006 | 10,828,206 | 10,016,834 | 92.51% | 376,768 | 10,393,602 | 95.99% |
| 2007 | 11,358,174 | 10,561,498 | 92.99% | 388,082 | 10,949,580 | 96.40% |
| 2008 | 11,552,905 | 10,798,850 | 93.47% | 591,032 | 11,389,882 | 98.59% |
| 2009 | 13,131,697 | 12,668,563 | 96.47% | 737,060 * | 13,405,623 | 102.09% |
| 2010 | 13,374,627 | 12,483,141 | 93.33% | N/A * | 12,483,141 | 93.33% |
| 2011 | 14,069,616 | 13,651,480 | 97.03% | N/A * | 13,651,480 | 97.03% |
| 2012 | 14,185,052 | 13,207,368 | 93.11% | N/A * | 13,207,368 | 93.11% |
| 2013 | 13,762,672 | 13,036,737 | 94.73% | N/A * | 13,036,737 | 94.73% |
| 2014 | 14,423,819 | 13,796,254 | 95.65% | N/A * | 13,796,254 | 95.65% |
| High School | | | | | | |
| 2005 | 8,069,872 | 7,476,967 | 92.65% | 369,394 | 7,846,361 | 97.23% |
| 2006 | 8,758,591 | 7,420,380 | 84.72% | 328,391 | 7,748,771 | 88.47% |
| 2007 | 9,113,444 | 7,970,733 | 87.46% | 373,529 | 8,344,262 | 91.56% |
| 2008 | 8,145,674 | 7,865,386 | 96.56% | 1,066,903 * | 8,932,289 | 109.66% |
| 2009 | 9,206,514 | 8,943,784 | 97.15% | 570,581 * | 9,514,365 | 103.34% |
| 2010 | 9,562,778 | 9,001,709 | 94.13% | N/A * | 9,001,709 | 94.13% |
| 2011 | 9,799,403 | 9,562,787 | 97.59% | N/A * | 9,562,787 | 97.59% |
| 2012 | 9,701,648 | 9,182,911 | 94.65% | N/A * | 9,182,911 | 94.65% |
| 2013 | 9,424,801 | 9,044,295 | 95.96% | N/A * | 9,044,295 | 95.96% |
| 2014 | 9,859,923 | 9,484,368 | 96.19% | N/A * | 9,484,368 | 96.19% |

* County Treasurer reports do not provide delinquent tax collections normally part of this report.

Source: County Treasurer and District Records.

**Schedule 12
Helena School District No. 1
Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year | Governmental Activities | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|----------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Capital Leases | | | |
| 2005 | 15,202,000 | 410,084 | 15,612,084 | N/A | N/A |
| 2006 | 13,839,000 | 349,700 | 14,188,700 | N/A | N/A |
| 2007 | 12,417,000 | 285,941 | 12,702,941 | N/A | N/A |
| 2008 | 10,984,000 | 218,619 | 11,202,619 | N/A | N/A |
| 2009 | 9,411,000 | 147,535 | 9,558,535 | N/A | N/A |
| 2010 | 7,856,000 | 72,479 | 7,928,479 | N/A | N/A |
| 2011 | 6,246,000 | | 6,246,000 | N/A | N/A |
| 2012 | 4,531,000 | | 4,531,000 | N/A | N/A |
| 2013 | 3,316,000 | | 3,316,000 | N/A | N/A |
| 2014 | 2,346,000 | | 2,346,000 | N/A | N/A |

Note: See the Schedule for Demographic Statistics (schedule 15) for personal income and population data.

Source: District Records

Schedule 13
 Helena School District No. 1
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2014

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | APPLICABLE TO ELEMENTARY DISTRICT | | APPLICABLE TO PORTION OF HIGH SCHOOL DISTRICT LYING OUTSIDE ELEMENTARY DISTRICT | |
|-----------------------------------|---------------------|--------------------------------------|----------------------|--|-------------------|
| | | PERCENT | AMOUNT | PERCENT | AMOUNT |
| Helena School District #1: | | | | | |
| Elementary \$ | 61,000 | 100.00% | \$ 61,000 | 0.00% | |
| High School | 2,285,000 | 79.89% | 1,825,566 | 20.11% | \$ 459,434 |
| City of Helena | 8,605,000 | 97.38% | 8,379,597 | 0.00% | |
| Total direct and overlapping debt | | | <u>\$ 10,266,163</u> | | <u>\$ 459,434</u> |

Note: Overlapping rates are those that apply to property owners within the boundaries of Helena School District. The high school rates apply to the Helena District and to other incorporated elementary districts outside of the Helena elementary boundaries.
 Source: District Records

Schedule 14
Helena School District #1
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

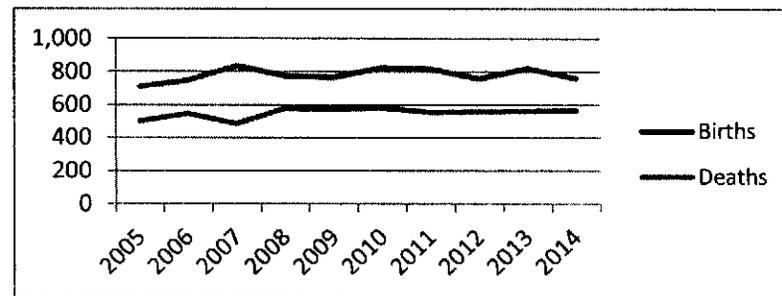
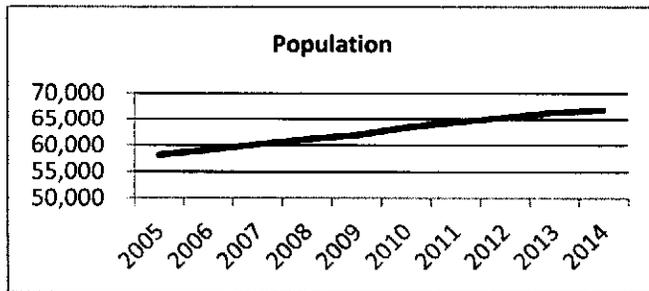
| | Elementary | High School |
|--|----------------------|-----------------------|
| Budgeted Average Number Belonging | 5,211 | 3,079 |
| 2014 GTB estimated | \$ 32,540 | \$ 75,220 |
| Percent of value applicable to limit | 50% | 50% |
| Debt Limit | \$ 84,782,970 | \$ 115,801,190 |
| General Obligation Bonds Payable | 61,000 | 2,285,000 |
| Building Reserve Levies | 520,000 | 555,000 |
| Less: Cash Available for Retirement of Bonds estimated | (184,158) | (534,453) |
| Net Amount of Liabilities Payable, Applicable to Limit | 396,842 | 2,305,547 |
| Legal Debt Margin | <u>\$ 84,386,128</u> | <u>\$ 113,495,643</u> |

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Elementary: | | | | | | | | | | |
| Debt limit | \$ 28,992,838 | \$ 31,129,128 | \$ 32,242,596 | \$ 34,573,716 | \$ 35,497,229 | \$ 37,362,464 | \$ 43,983,538 | \$ 83,931,530 | \$ 84,782,970 | \$ 84,782,970 |
| Net Amount of Liabilities Payable Applicable to Limit | 6,462,208 | 4,731,823 | 4,068,029 | 3,441,175 | 2,704,511 | 2,051,639 | 1,311,975 | 514,538 | 406,842 | 396,842 |
| Legal debt margin | <u>\$ 22,530,630</u> | <u>\$ 26,397,305</u> | <u>\$ 28,174,569</u> | <u>\$ 31,132,541</u> | <u>\$ 32,792,718</u> | <u>\$ 35,310,825</u> | <u>\$ 42,671,563</u> | <u>\$ 83,416,992</u> | <u>\$ 84,376,128</u> | <u>\$ 84,386,128</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 77.71% | 84.80% | 87.38% | 90.05% | 92.38% | 94.51% | 97.02% | 99.39% | 99.52% | 99.53% |
| High School: | | | | | | | | | | |
| Debt limit | \$ 36,617,122 | \$ 39,226,466 | \$ 40,634,734 | \$ 43,317,964 | \$ 44,722,470 | \$ 46,717,333 | \$ 54,819,793 | \$ 111,275,610 | \$ 115,801,190 | \$ 115,801,190 |
| Net Amount of Liabilities Payable Applicable to Limit | 11,168,818 | 9,253,856 | 8,519,521 | 7,709,839 | 6,964,985 | 6,069,215 | 5,244,351 | 4,301,061 | 3,265,547 | 2,305,547 |
| Legal debt margin | <u>\$ 25,448,304</u> | <u>\$ 29,972,610</u> | <u>\$ 32,115,213</u> | <u>\$ 35,608,125</u> | <u>\$ 37,857,485</u> | <u>\$ 40,648,118</u> | <u>\$ 49,575,442</u> | <u>\$ 106,974,549</u> | <u>\$ 112,535,643</u> | <u>\$ 113,495,643</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 69.50% | 76.41% | 79.03% | 82.20% | 84.65% | 87.01% | 90.43% | 96.13% | 97.18% | 98.01% |

Source: District Records

**Schedule 15
Helena School District No. 1
Demographic and Economic Statistics
Last Ten Calendar Years**

| Calendar Year | Estimated Population | Births | Deaths | Personal Income (in thousands) | Estimated Per Capita Personal Income | Civilian Employment | Unemployment Rate |
|---------------|----------------------|--------|--------|--------------------------------|--------------------------------------|---------------------|-------------------|
| 2005 | 58,126 | 711 | 498 | N/A | 31,743 | 29,940 | 3.7% |
| 2006 | 59,050 | 746 | 546 | N/A | 34,863 | 30,554 | 3.7% |
| 2007 | 60,131 | 835 | 482 | N/A | 37,031 | 31,768 | 2.1% |
| 2008 | 61,156 | 773 | 579 | N/A | 38,243 | 32,891 | 2.7% |
| 2009 | 61,942 | 766 | 575 | N/A | N/A | 34,688 | 4.3% |
| 2010 | 63,395 | 824 | 582 | N/A | N/A | 33,893 | 4.4% |
| 2011 | 64,366 | 816 | 555 | N/A | N/A | N/A | 4.8% |
| 2012 | 65,368 | 758 | 560 | N/A | N/A | N/A | 5.2% |
| 2013 | 66,392 | 819 | 561 | N/A | N/A | N/A | 4.5% |
| 2014 | 66,805 | 761 | 568 | N/A | N/A | N/A | 3.7% |



Source: Lewis and Clark County Comprehensive Annual Financial Report 2014

Schedule 16
Helena School District No. 1
Top Ten Employers in the City of Helena, Montana
Year Ended June 30, 2014

| <u>Company Name</u> | <u>Product or Service</u> | 2014 | | | 2008 | |
|-----------------------------|---------------------------|--------------------------------------|-------------|---------------------------------------|--------------------------------------|-------------|
| | | <u>Estimated Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | <u>Estimated Number of Employees</u> | <u>Rank</u> |
| State of Montana | Government | 6,565 | 1 | 19.40% | 6,704 | 1 |
| US Government | Government | 1,912 | 2 | 5.65% | 1,908 | 2 |
| St. Peter's Hospital | Health Services | 1,247 | 3 | 3.68% | 1,000 | 3 |
| Helena School District #1 | Government | 943 | 4 | 2.79% | 847 | 4 |
| Blue Cross/Blue Shield | Health Services | 480 | 5 | 1.42% | 600 | 5 |
| Wal-Mart | Retail | 435 | 6 | 1.28% | 430 | 7 |
| Lewis and Clark County | Government | 422 | 7 | 1.25% | 450 | 6 |
| Military | Military | 394 | 8 | 1.16% | 374 | 8 |
| Shodair Children's Hospital | Health Services | 315 | 9 | 0.93% | 300 | 9 |
| City of Helena | Government | 291 | 10 | 0.86% | 283 | 10 |
| | | 13,004 | | 38.42% | 12,896 | |

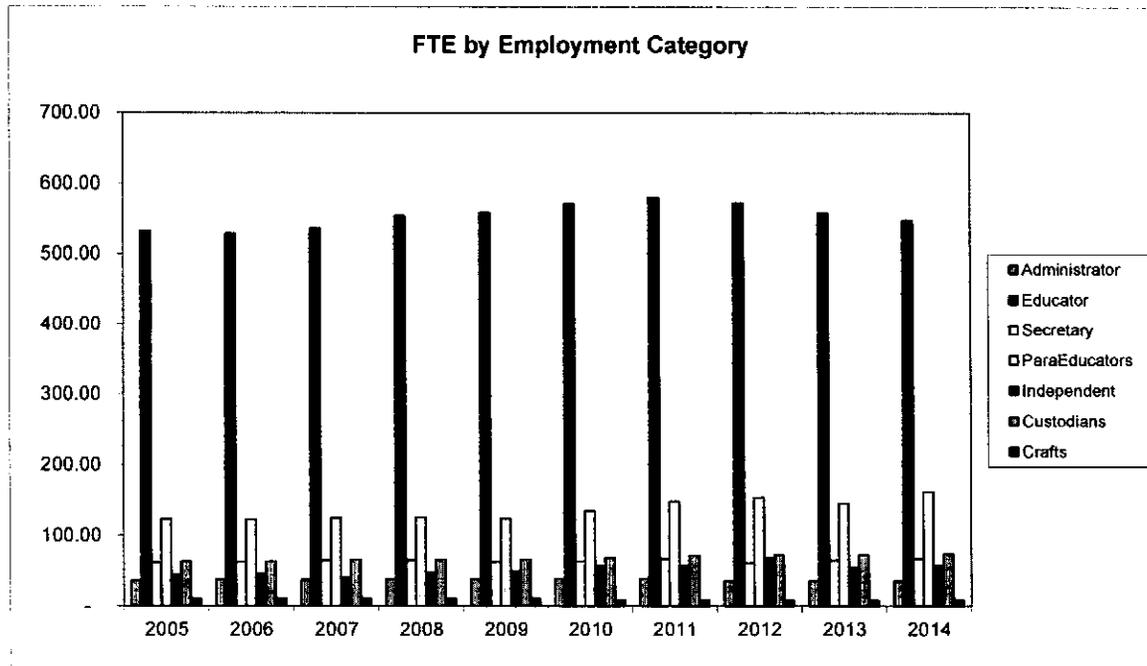
Source: City of Helena, Montana CAFR 2014

Due to confidentiality laws, top employer lists are provided in alphabetical order only. The listing cannot be ranked in order of employment and no employment data can be provided for individual businesses.

Data from nine years prior that is a normal component of this schedule is not available.

Schedule 17
Helena School District No. 1
Full-time-Equivalent District Employees General Fund by Type
Last Ten Fiscal Years

| Employee Category | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Administrator | 36.00 | 37.00 | 37.00 | 36.00 | 38.00 | 39.00 | 39.00 | 36.00 | 36.00 | 36.00 |
| Educator | 532.55 | 528.69 | 536.65 | 554.18 | 559.17 | 571.25 | 581.38 | 573.45 | 559.36 | 548.83 |
| Secretary | 62.13 | 62.60 | 65.00 | 65.00 | 62.94 | 64.21 | 67.21 | 61.68 | 65.45 | 67.63 |
| ParaEducators | 123.56 | 122.98 | 125.16 | 126.52 | 124.62 | 135.31 | 148.79 | 154.33 | 146.00 | 162.39 |
| Independent | 44.34 | 45.48 | 40.45 | 47.67 | 49.78 | 57.27 | 58.64 | 68.88 | 55.76 | 58.48 |
| Custodians | 63.50 | 63.50 | 66.00 | 66.00 | 66.00 | 69.00 | 72.00 | 73.00 | 73.00 | 74.00 |
| Crafts | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 9.00 | 9.00 | 8.00 | 8.00 | 8.00 |
| Total FTE | 872.08 | 870.25 | 880.26 | 907.37 | 910.51 | 945.04 | 976.02 | 975.34 | 943.57 | 955.33 |

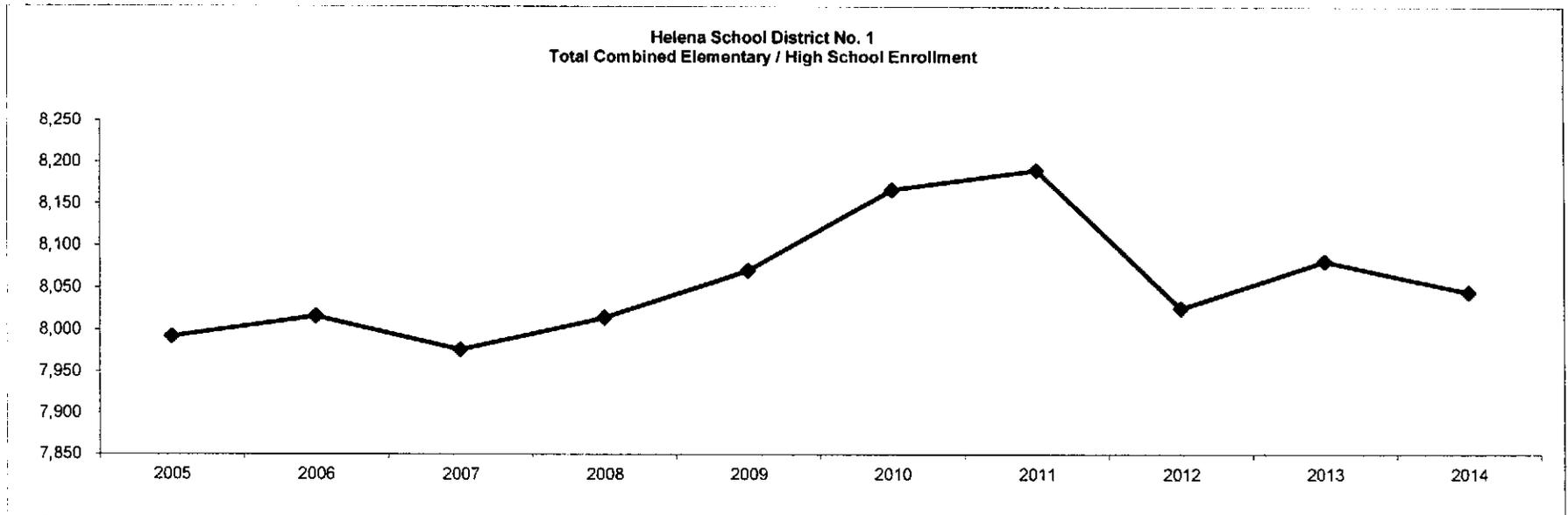


Source and other information:
Helena School District No. 1 Personnel Office
N/A - not available

**Schedule 18
Helena School District No. 1
Operating Statistics
Last Ten Fiscal Years**

| Fiscal Year | Combined Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Expenses | Cost per Pupil | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Percentage of Students Receiving Free or Reduced-Price Meals | |
|-------------|---------------------|------------------------|----------------|-------------------|------------|----------------|-------------------|----------------|---------------------|--|-------------|
| | | | | | | | | | | Elementary | High School |
| 2005 | 7,992 | 62,802,268 | 7,858 | 8% | 59,577,920 | 7,455 | 4% | 532.55 | 15.0070 | 29.2% | 12.1% |
| 2006 | 8,016 | 61,415,149 | 7,662 | -3% | 60,220,726 | 7,513 | 1% | 528.69 | 15.1620 | 31.0% | 15.6% |
| 2007 | 7,976 | 65,249,742 | 8,181 | 7% | 63,874,870 | 8,008 | 7% | 536.65 | 14.8626 | 33.2% | 16.1% |
| 2008 | 8,015 | 70,046,298 | 8,740 | 7% | 68,068,970 | 8,493 | 6% | 554.18 | 14.4619 | 31.1% | 13.6% |
| 2009 | 8,071 | 74,063,046 | 9,177 | 5% | 77,665,166 | 9,623 | 13% | 559.17 | 14.4330 | 35.0% | 20.3% |
| 2010 | 8,167 | 77,815,349 | 9,528 | 4% | 77,822,743 | 9,529 | -0.98% | 571.25 | 14.2967 | 41.7% | 26.7% |
| 2011 | 8,191 | 81,628,364 | 9,966 | 5% | 77,510,890 | 9,464 | -0.69% | 581.38 | 14.0880 | 40.0% | 24.9% |
| 2012 | 8,026 | 83,966,141 | 10,462 | 5% | 75,398,986 | 9,394 | -0.73% | 573.45 | 13.9960 | 41.0% | 27.2% |
| 2013 | 8,082 | 81,008,288 | 10,023 | -4% | 78,125,414 | 9,667 | 2.90% | 559.36 | 14.44866 | 41.7% | 26.7% |
| 2014 | 8,045 | 83,873,230 | 10,425 | 4% | 81,403,952 | 10,118 | 4.67% | 567.13 | 14.1860 | 43.0% | 43.2% |

Source: Office of Public Instruction, Nonfinancial information from district records



Sources: Office of Public Instruction, District records

* A "feeder pattern" calculation was used beginning in 2014

Schedule 19
Helena School District No. 1
School Building Information
As of June 30, 2014

| Facility | Gross Square Feet | Net Square Feet | Number of Classrooms | Total | | Gymnasium | | Library Sq. Ft. |
|--|-------------------------|--------------------|-------------------------|-----------------------------|-----------------------------|----------------|-------------------------|--------------------|
| | | | | Classroom Square Feet | Gymnasium Square Feet | + | Classroom Square Ft. | |
| Elementary | | | | | | | | |
| Broadwater | 36,460 | 29,439 | 16 | 12,767 | 4,140 | 16,907 | 1,612 | |
| Bryant | 45,136 | 29,234 | 16 | 14,025 | 3,924 | 17,949 | 1,209 | |
| Central - (Temporarily Closed) | 36,260 | 30,436 | 19 | 15,210 | 0 | 15,210 | 933 | |
| 7th Ave. Gym Building | 19,203 | 13,721 | 0 | 0 | 4,960 | 4,960 | 0 | |
| Four Georgians | 56,938 | 51,421 | 25 | 21,214 | 6,850 | 28,064 | 3,256 | |
| Hawthorne | 47,668 | 23,478 | 13 | 10,345 | 2,355 | 12,700 | 1,439 | |
| Jefferson | 34,956 | 29,728 | 14 | 13,350 | 2,975 | 16,325 | 1,735 | |
| Jim Darcy | 24,553 | 22,742 | 17 | 13,447 | 2,772 | 16,219 | 1,099 | |
| Kessler | 28,498 | 23,988 | 13 | 9,009 | 4,634 | 13,643 | 1,060 | |
| Ray Bjork | 22,294 | 19,973 | 14 | 11,650 | 2,315 | 13,965 | 0 | |
| Rossiter | 50,636 | 40,766 | 26 | 28,156 | 3,976 | 32,132 | 1,916 | |
| Smith | 47,629 | 38,109 | 17 | 16,986 | 5,880 | 22,866 | 1,960 | |
| Warren | 29,227 | 25,165 | 18 | 15,199 | 2,812 | 18,011 | 845 | |
| Elementary Total | 479,458 | 378,200 | 208 | 181,358 | 47,593 | 228,951 | 17,064 | |
| Middle School | | | | | | | | |
| C.R. Anderson | 142,404 | 110,260 | 59 | 54,316 | 11,133 | 65,449 | 3,390 | |
| Helena Middle | 197,914 | 135,272 | 55 | 50,072 | 8,249 | 58,321 | 2,831 | |
| Middle School Total | 340,318 | 245,532 | 114 | 104,388 | 19,382 | 123,770 | 6,221 | |
| Elementary & Middle Total | 819,776 | 623,732 | 322 | 285,746 | 66,975 | 352,721 | 23,285 | |
| High School | | | | | | | | |
| Capital High & Vo-Tech | 310,221 | 218,997 | 76 | 91,273 | 28,223 | 119,496 | 8,311 | |
| Helena High & Vo-Tech | 246,851 | 207,013 | 86 | 98,019 | 24,235 | 122,254 | 6,020 | |
| Lincoln Center (Temp Elem) | 40,584 | 23,425 | 22 | 13,590 | 2,516 | 16,106 | 1,250 | |
| High School Total | 597,656 | 449,435 | 184 | 202,882 | 54,974 | 257,856 | 15,581 | |
| Support and Other | | | | | | | | |
| Front St. Learning (Temp Alternative HS) | 15,548 | 14,014 | 1 | 1,012 | 0 | 1,012 | 1,379 | |
| May Butler Center | 10,302 | 7,031 | 0 | 0 | 0 | 0 | 0 | |
| Maintenance | 28,396 | | 0 | 0 | 0 | 0 | 0 | |
| Support Facilities Total | 54,246 | 21,045 | 1 | 1,012 | 0 | 1,012 | 1,379 | |
| All Schools Total | 1,417,432 | 1,073,167 | 506 | 488,628 | 121,949 | 610,577 | 38,866 | |
| All Facilities Grand Total | 1,471,678 | 1,094,212 | 507 | 489,640 | 121,949 | 611,589 | 40,245 | |

Source: 2000 Fussell Engineering Corp., Inc. Square Foot Drawings



Graduation Starts Now!
.....
HELENA PUBLIC SCHOOLS

Single Audit Section



Notes to the Schedule of Expenditures of Federal Awards

A. Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Helena School District No. 1 and the accounting policies used in preparing the schedule of federal awards are on the cash basis of accounting i.e. revenues and expenditures are recognized when cash is received or expended. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the general-purpose financial statements.

HELENA SCHOOL DISTRICT NO. 1
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-through Grantors Number | Program or Award Amount | Cash/ (Accrued) or Deferred Revenue at July 1, 2013 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Cash/ (Accrued) or Deferred Revenue at July 1, 2014 |
|---|---------------------------|------------------------------------|-------------------------------|---|--------------------------------------|--------------------------------|---|
| U.S. DEPARTMENT OF EDUCATION | | | | | | | |
| Direct Programs: | | | | | | | |
| Indian Education - Grants to Local Educational Agencies | 84.060A | S060A130856 | \$ 65,394 | | \$ 65,394 | \$ 65,394 | |
| Safe and Drug-Free Schools and Communities - National Programs | 84.184L | Q184L090210-11A and 12 | 1,431,880 | (535,478) | 1,827,343 | 1,020,170 | 271,695 |
| Total direct programs | | | <u>1,497,274</u> | <u>(535,478)</u> | <u>1,892,737</u> | <u>1,085,564</u> | <u>271,695</u> |
| U.S. DEPARTMENT OF EDUCATION | | | | | | | |
| Pass-through Montana Office of Public Instruction: | | | | | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | 254888114 | 5,065 | (4,189) | 4,189 | 4,243 | (4,243) |
| Special Education - Olympic Education Programs | 84.380W | N/A | 3,336 | | 1,620 | | 1,620 |
| Title I Grants to Local Educational Agencies | 84.010A | N/A | 7,897 | 6,005 | | | 6,005 |
| Title I Grants to Local Educational Agencies | 84.010A | 2504873114 & 2504873214 | 1,214,232 | (412,153) | 1,182,383 | 1,012,739 | (242,509) |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 5,897 | | 4,577 | 832 | 3,745 |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 2,000 | | 1,429 | 204 | 1,225 |
| Improving Teacher Quality State Grants | 84.367A | 2504881413 & 2504887414 | 485,851 | (154,487) | 518,811 | 486,330 | (122,006) |
| Improving Teacher Quality State Grants | 84.367A | 2504871411SLA & 2504871412SLA | 30,000 | 799 | | | 799 |
| Twenty-First Century Community Learning Center | 84.287 | 2504871713 | 84,600 | (14,534) | 57,544 | 53,543 | (10,533) |
| Education for Homeless Children and Youth | 84.196A | 2504875712 & 2504875714 | 4,125 | (2,218) | 5,925 | 3,721 | (14) |
| Adult Education - Basic Grants to States | 84.002A | 2504875614 | 69,425 | | 47,147 | 69,425 | (22,278) |
| Career and Technical Education - Basic Grants to States | 84.048A | 2504888113 & 2504888114 | 136,233 | (41,023) | 128,293 | 134,921 | (47,651) |
| Special Education Cluster: | | | | | | | |
| Special Education - Grants to States | 84.027 | 2504877713 & 2504877714 | 2,301,164 | (455,698) | 1,662,584 | 1,598,892 | (392,006) |
| Special Education - Preschool Grants | 84.173 | 2504877913 & 2504877914 | 44,237 | (13,994) | 51,777 | 44,237 | (6,454) |
| Total Special Education Cluster | | | <u>2,345,401</u> | <u>(469,692)</u> | <u>1,714,361</u> | <u>1,643,129</u> | <u>(398,460)</u> |
| Total pass-through Montana Office of Public Instruction | | | <u>4,394,062</u> | <u>(1,091,492)</u> | <u>3,666,279</u> | <u>3,409,087</u> | <u>(834,300)</u> |
| U.S. DEPARTMENT OF EDUCATION OF VOCATIONAL AND ADULT EDUCATION | | | | | | | |
| Pass-through Montana Board of Regents | | | | | | | |
| Career and Technical Education - National Programs | 84.051C | N/A | 38,005 | | 25,466 | 25,466 | |
| Total pass-through Montana Board of Regents | | | <u>38,005</u> | | <u>25,466</u> | <u>25,466</u> | |
| Total Department of Education, direct and pass-through programs | | | <u>5,929,341</u> | <u>(1,626,970)</u> | <u>5,584,482</u> | <u>4,520,117</u> | <u>(562,605)</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | | | |
| Pass Through Montana Department of Transportation | | | | | | | |
| State and Community Highway Safety | 20.600 | 106703 | 35,000 | (17,265) | 35,522 | 36,701 | (18,444) |
| Total pass-through Montana Department of Transportation | | | <u>35,000</u> | <u>(17,265)</u> | <u>35,522</u> | <u>36,701</u> | <u>(18,444)</u> |

Continued

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-through Grantors Number | Program or Award Amount | Cash/ (Accrued) or Deferred Revenue at July 1, 2012 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Cash/ (Accrued) or Deferred Revenue at July 1, 2013 |
|---|---------------------|------------------------------|-------------------------|---|--------------------------------|-----------------------------|---|
| NATIONAL ENDOWMENT FOR THE ARTS | | | | | | | |
| Pass Through Humanities Montana | | | | | | | |
| Promotion of the Humanities - Federal/State Partnership | 45.129 | 13R025 | 2,000 | 505 | 2,000 | 2,505 | |
| Promotion of the Arts - Partnership Agreements | 45.025 | N/A | 1,650 | (1,650) | 1,650 | | |
| | | | <u>3,650</u> | <u>(1,145)</u> | <u>3,650</u> | <u>2,505</u> | |
| NATIONAL SCIENCE FOUNDATION | | | | | | | |
| Pass Through Rutgers University | | | | | | | |
| Education and Human Resources | 47.076 | NSF-DRL-1020201 | 2,000 | 2,004 | 4,004 | 6,008 | |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Pass Through Department of Public Health and Human Services | | | | | | | |
| Drug-Free Communities Support Program Grants | 93.276 | 5H79SPO1228110 | 125,000 | (20,808) | 58,068 | 37,260 | |
| Temporary Assistance for Needy Families | 93.558 | 01302MOST0206 | 5,000 | (403) | 403 | | |
| Temporary Assistance for Needy Families | 93.558 | 1402MOST0304 | 5,000 | | 4,646 | 5,000 | (354) |
| Temporary Assistance for Needy Families | 93.558 | 1402MOST0302 | 5,000 | | 3,443 | 5,000 | (1,557) |
| Temporary Assistance for Needy Families | 93.558 | 1402MOST0301 | 5,000 | | 1,943 | 5,000 | (3,057) |
| Temporary Assistance for Needy Families | 93.558 | 1402MOST0303 | 5,000 | | 1,908 | 5,000 | (3,092) |
| Children's Health Insurance Program | 93.767 | N/A | 1,000 | | 1,000 | 1,000 | |
| Environmental Public Health and Emergency Response | 93.070 | N/A | 500 | 500 | 500 | 1,000 | |
| Total pass-through Department of Public Health and Human Services | | | <u>151,500</u> | <u>(20,711)</u> | <u>71,911</u> | <u>59,260</u> | <u>(8,060)</u> |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | | |
| Pass-Through Montana Office of Public Instruction: | | | | | | | |
| Child Nutrition Cluster: | | | | | | | |
| Non-Cash Assistance (Commodities): | | | | | | | |
| National School Lunch Program | 10.555 | N/A | | | 87,700 | 87,700 | |
| Cash Assistance: | | | | | | | |
| School Breakfast Program | 10.553 | N/A | | | 299,469 | 299,469 | |
| School Breakfast Program | 10.553 | N/A | | | 50,381 | 50,381 | |
| National School Lunch Program | 10.555 | N/A | | | 947,496 | 947,496 | |
| Total Child Nutrition Cluster | | | | | <u>-</u> | <u>1,385,046</u> | <u>1,385,046</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$ 6,121,491</u> | <u>\$ (1,664,087)</u> | <u>\$ 7,084,615</u> | <u>\$ 6,009,637</u> | <u>\$ (589,109)</u> |

**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***

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Helena School District No. 1
Helena, Montana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the major fund budgetary comparisons of Helena School District No. 1 (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies listed as 2014-001.

Compliance and Other Matters

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

Helena School District No. 1's Response to Findings

Helena School District No. 1's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. Helena School District No. 1's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Wipfli LLP

Helena, Montana
March 29, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Helena School District No. 1
Helena, Montana

Report on Compliance for Each Major Federal Program

We have audited Helena School District No. 1's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Helena School District No. 1's major federal programs for the year ended June 30, 2014. Helena School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Helena School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helena School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Helena School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, Helena School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Helena School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Helena School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helena School District No. 1's internal control over compliance.

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

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

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

Wipfli LLP

Wipfli LLP

Helena, Montana
March 29, 2015

Helena School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ending June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

| | | |
|---|--------------------------|-------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> x </u> no |
| Significant deficiency identified that is not considered to be material weakness(es)? | <u> x </u> yes | <u> </u> no |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> x </u> no |

Federal Awards

Internal control over major programs:

| | | |
|---|-----------------------|------------------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> x </u> no |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | <u> </u> yes | <u> x </u> none reported |
| Are there any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133? | <u> </u> yes | <u> x </u> no |

Type of auditor's report issued on compliance for major programs: Unmodified

Identification of major programs:

| CFDA Number: | Program Title |
|--------------|--|
| 84.184L | Safe and Drug-Free Schools and Communities |
| 84.027 / | Special Education - Grants to States / |
| 84.173 | Special Education - Preschool grants |
| 84.367A | Improving Teacher Quality State Grants |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes x no

Continued

Helena School District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ending June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

2014-001 - Student Activity Funds / Extracurricular Funds, repeat finding

Criteria: The individual schools are required to follow the accounting practices outlined in the "Helena School District No. 1 Extracurricular Accounting Manual" regarding the treatment of receipts, disbursements, transfers, and other aspects of accounting for extracurricular funds.

Condition: Several requisition order forms did not have signatures and the schools were unable to provide receipts or supporting documentation for several purchases.

Cause: The District's accounting procedures specifically related to student activity fund accounting are not being consistently followed at the schools that have these types of funds (the two middle schools and two high schools).

Effect or Potential Effect: The schools could pay for unapproved expenditures. In addition, without adequate oversight of the programs, the risk of misstatement due to error or fraud greatly increases.

Recommendation: We recommend that the District hold additional training sessions with the staff responsible for extracurricular accounting throughout the year rather than once in the beginning of the year or when a new staff is hired. We also recommend the business office staff, or someone at the individual schools be assigned to periodically review the receipts and disbursement paperwork/requisitions throughout the year to ensure proper documentation and signatures are being obtained and retained.

Responsible Official's Response: Training sessions have been held and will continue to be held for the extracurricular bookkeepers. In addition the business office has requested copies of financial reports in order to review transactions regularly.

SECTION III - FEDERAL AWARDS FINDINGS

There were no findings related to compliance with grant requirements that are required to be reported in accordance with *Government Auditing Standards*.

SECTION IV - CURRENT STATUS OF PRIOR YEAR FINDINGS

Audit Finding Reference: 2012-01 Student Activity Funds / Extracurricular Funds

Status of Prior Finding: This was not corrected, and no partial correction was accomplished during the fiscal year. See finding 2014-001.

Audit Finding Reference: 2013-01 Unrecorded Liabilities

Status of Prior Finding: The planned corrective action was completed this fiscal year.

Concluded