

**SCHOOL DISTRICT NUMBER 59  
K N E E S  
CHOUTEAU COUNTY  
FORT BENTON, MONTANA  
REPORT ON AGREED - UPON PROCEDURES  
as of  
JUNE 30, 2014**

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*Douglas Wilson & Company, P.C.*

**TABLE OF CONTENTS**

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED - UPON PROCEDURES ..... 3-5

*SCHEDULE A* SCHEDULE OF ASSETS, LIABILITIES, AND FUND  
BALANCE - ALL FUNDS AS OF JUNE 30, 2014 ..... 6

*SCHEDULE B* SCHEDULE OF CHANGES IN FUND BALANCE - ALL FUNDS  
BUDGETARY BASIS OF ACCOUNTING FOR THE YEAR ENDED JUNE 30, 2014 ..... 7

*SCHEDULE C* SCHEDULE OF SCHOOL DISTRICT ENROLLMENT PER FALL, WINTER,  
AND SPRING ENROLLMENT REPORTS AND DISTRICT RECORDS FOR THE  
YEAR ENDED JUNE 30, 2014..... 8

*SCHEDULE D* REPORT OF FINDINGS AND RECOMMENDATIONS RESULTING  
FROM PERFORMING AGREED - UPON PROCEDURES JUNE 30, 2014 ..... 9





Douglas **WILSON**  
and Company, PC

Honorable Board of Trustees  
School District Number 59 Knees  
Chouteau County  
Fort Benton, Montana

Randal J. Boysun, CPA  
Gerard K. Schmltz, CPA  
Michael A. Diekhans, CPA  
Myra L. Bakke, CPA

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Douglas N. Wilson, CPA  
Bruce H. Gaare, CPA  
Dixie L. Swanson, CPA

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED - UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by School District Number 59 Knees, Chouteau County, Fort Benton, Montana, and the State of Montana, solely to perform a financial review of the School District as of and for the year ended June 30, 2014, as required by Section 2-7-503, MCA. The School District's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We reconciled the District's cash fund balances as reported on the Trustees Financial Summary (See Schedule A) with the records of the County Treasurer, or bank accounts, if applicable.

**We found no exceptions as a result of these reconciliation procedures.**

- b. We examined the July 2014 disbursements journals and expenditures made in that month to determine if payables as recorded at June 30, 2014, (See Schedule A) were fairly stated.

**We found no exceptions in the recording of payables as a result of these procedures.**

- c. We determined whether the District maintained records of capital assets and had documentation to support the records.

**Findings resulting from this procedure are disclosed in finding number 1 in Schedule D.**

- d. We compared budgeted property tax revenues to actual property tax revenues for each budgeted fund; noted any variances in excess of 5% or \$500, whichever is greater; and determined the reasons for such variances.

**We found no exceptions as a result of this procedure.**

- e. We reconciled total District revenues and expenditures (See Schedule B) to total cash receipts and disbursements for the district as reported by the County Treasurer.

**We found no exceptions as a result of this procedure.**

- f. We observed whether:

- The District maintained accounting records, including a disbursement ledger.
- The expenditures, including payroll, are supported by appropriate documentation and coded correctly.
- The District maintained minutes of School Board meetings and whether they appeared to contain detailed statements of expenditures.
- The District maintained pupil attendance records.
- The District reconciled monthly with the reports of the county treasurer.
- The District maintains payroll records including a payroll register for each employee.
- The District reconciled its federal and state payroll reports to the annual wage and tax statements submitted to the Social Security Administration.
- The District reconciled the total cash in the Miscellaneous Programs fund with the individual projects within the fund.
- The District reconciled the student activity fund individual accounts with the total cash in the Student Extracurricular fund.

**We found no exceptions as a result of these procedures.**

- g. We reconciled the enrollment as reported on the Fall, Winter, and Spring enrollment reports to the school district's enrollment records (See Schedule C).

**We found no exceptions as a result of these reconciliation procedures.**

- h. We verified that total expenditures for each budgeted fund did not exceed the budgeted expenditures for the fund.

**Total expenditures for each budgeted fund did not exceed the budgeted expenditures for the fund.**

Accompanying are the following schedules:

- Schedule A presents the District's assets, liabilities and fund equity, by fund, as of June 30, 2014.
- Schedule B presents the District's beginning fund balance, the total revenues and other financing sources, the total expenditures and other financing uses, prior period adjustments, residual equity transfers, and the ending fund balance for each fund for the year ended June 30, 2014.
- Schedule C presents the District's enrollment as reported on the Fall and Spring pupil attendance reports.
- Schedule D presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the specified accounts and transactions, or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of School District Number 59 Knees, Chouteau County, Fort Benton, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than the specified parties.



Great Falls, Montana  
June 30, 2015

SCHOOL DISTRICT NUMBER 59  
 KNEES - CHOUTEAU COUNTY  
 FORT BENTON, MONTANA

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE - ALL FUNDS  
 AS OF JUNE 30, 2014

	General Fund	Transportation Fund	Retirement Fund	Miscellaneous Programs Fund	Technology Fund	Flexibility Fund	Building Reserve Fund	TOTALS 6/30/14
<b>Assets:</b>								
Current Assets:								
Equity in Pooled Cash and Investments	\$ 34,077	\$ 1,446	\$ 5,129	\$ 21,067	\$ 588	\$ 1,562	\$ 7,773	\$ 71,642
Taxes Receivable	986	-	-	-	-	-	-	986
Total Assets	\$ 35,063	\$ 1,446	\$ 5,129	\$ 21,067	\$ 588	\$ 1,562	\$ 7,773	\$ 72,628
<b>Deferred Outflows of Resources:</b>	\$ 8,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,079
<b>Deferred Inflow of Resources:</b>								
Unavailable Tax Revenue	986	-	-	-	-	-	-	986
Total Liabilities	986	-	-	-	-	-	-	986
<b>Fund Equity:</b>								
Fund Balances:								
Assigned to:								
Instruction	8,079	-	-	-	-	-	-	8,079
Restricted for:								
Instruction	-	-	-	21,067	-	-	-	23,217
Transportation	-	1,446	-	-	588	1,562	-	1,446
Retirement	-	-	5,129	-	-	-	-	5,129
Building Reserve	-	-	-	-	-	-	7,773	7,773
Unassigned	34,077	-	-	-	-	-	-	34,077
Total Fund Equity	42,156	1,446	5,129	21,067	588	1,562	7,773	79,721
Total Liabilities and Fund Equity	\$ 43,142	\$ 1,446	\$ 5,129	\$ 21,067	\$ 588	\$ 1,562	\$ 7,773	\$ 80,707

SCHOOL DISTRICT NUMBER 59  
KNEES - CHOUTEAU COUNTY

FORT BENTON, MONTANA

SCHEDULE OF CHANGES IN FUND BALANCE - ALL FUNDS BUDGETARY BASIS OF ACCOUNTING  
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Transportation Fund	Retirement Fund	Miscellaneous Programs Fund	Technology Fund	Flexibility Fund	Building Reserve Fund	TOTALS 6/30/14
Fund Balances, July 01, 2013	\$ 36,648	\$ 1,434	\$ 6,648	\$ 23,099	\$ 289	\$ 1,092	\$ 7,756	\$ 76,966
Total Revenues and Other Financing Sources	132,452	12	13,398	10,794	299	470	17	157,442
Total Expenditures and Other Financing Uses	126,944	-	14,917	12,826	-	-	-	154,687
Fund Balances, June 30, 2014	\$ 42,156	\$ 1,446	\$ 5,129	\$ 21,067	\$ 588	\$ 1,562	\$ 7,773	\$ 79,721

**SCHOOL DISTRICT NUMBER 59  
KNEES - CHOUTEAU COUNTY****FORT BENTON, MONTANA****SCHEDULE OF SCHOOL DISTRICT ENROLLMENT  
PER FALL, WINTER, AND SPRING ENROLLMENT REPORTS AND DISTRICT RECORDS  
FOR THE YEAR ENDED JUNE 30, 2014**

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	<u>Per Report Filed With OPI</u>	<u>Per District Enrollment Records</u>	<u>Difference</u>
School District Enrollment - Fall Report	16	16	0
School District Enrollment- Winter Report	16	16	0
School District Enrollment - Spring Report	17	17	0

SCHOOL DISTRICT NUMBER 59  
KNEES - CHOUTEAU COUNTY

FORT BENTON, MONTANA

REPORT OF FINDINGS AND RECOMMENDATIONS  
RESULTING FROM PERFORMING AGREED - UPON PROCEDURES  
JUNE 30, 2014

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Finding Number 1

The District has proper documentation to support the capital assets. However, Machinery and Equipment ledger sheets do not agree with the amount reported in the Trustee's Financial Summary Schedule of Changes in Fixed Assets, Depreciation and Net Fixed Assets, as below:

	<u>Per Ledger Cards</u>	<u>Per Trustees Financial Summary</u>
Machinery and Equipment	<u>\$37,260</u>	<u>\$37,091</u>

There is a difference of \$169.