



Financial Statements
June 30, 2024

Great Falls School District 1 & A

Letter of Transmittal	I
Board of Trustees and Officials Listing.....	VI
Independent Auditor's Report.....	VII
Management's Discussion and Analysis	XI
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	1
Statement of Activities.....	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund	7
Proprietary Funds	
Statement of Net Position - Proprietary Funds.....	8
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds.....	10
Notes to Financial Statements	11
Required Supplementary Information	
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	52
Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios	53
Schedule of Employer's Share of Net Pension Liability.....	54
Schedule of Employer's Contributions.....	55
Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions	56
Combining and Individual Fund Schedules	
General Fund	
Combining Balance Sheet - General Fund.....	61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund	62
Nonmajor Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	69

Nonmajor Proprietary Funds	
Combining Statement of Net Position Nonmajor Proprietary Funds	75
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Nonmajor Proprietary Funds.....	76
Combining Statement of Cash Flows Nonmajor Proprietary Funds	77
Other Supplementary Information	
Schedule of Revenues and Expenditures - All Fund Accounts - Extracurricular Fund	78
Schedule of Enrollment.....	79
Schedule of Expenditures of Federal Awards	80
Notes to Schedule of Expenditures of Federal Awards	81
Additional Reports	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	82
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance	84
Schedule of Findings and Questioned Costs	88



Great Falls Public Schools

Director of Business Operations • 1100 4th Street South • P.O. Box 2429, Great Falls, MT 59403 • 406.268.6051 • Fax 406.268.6022 • www.gfps.k12.mt.us

Letter of Transmittal

The Great Falls Public School District, now in its 136th year of operation, is the second largest school district in Montana and the third largest employer in Great Falls. The District employs approximately two thousand residents in various capacities, including teachers for just under 10,000 students enrolled in 21 schools. Around 600 support staff members provide essential services such as special education assistance, classroom support, meal preparation and service, building maintenance of two million square feet, boiler and plumbing repairs, and groundskeeping of 295 acres. Additionally, about 300 individuals, mostly part-time, coach students in after-school sports programs, and approximately 215 people are employed regularly as substitute teachers.

Great Falls, the seat of Cascade County operations, serves as a major business hub for the central and northern parts of the state. The area boasts excellent medical facilities and offers a range of college and vocational technology education options. Due to the community's size and the diversity of businesses located here, there is a stable source of employment. Furthermore, an increasing number of retirees are moving into the District to take advantage of the excellent healthcare system. Malmstrom Air Force Base and the Montana Air National Guard also play significant roles in the community's vitality.

The following items have been identified as topics that impact the general operations of the Great Falls Public School District.

FUNDING

Funding Assumptions

In preparing for the 2023-2024 budget, the District assumed the following:

- Rolling the 2022-2023 general educational program budget into 2023-2024 school year required an estimated additional \$3,301,686 in spending due to contractual obligations that included a four percent salary increase for staff and projected increases in health insurance premiums as well as general operational costs.
- Inflationary increases to the State funding formula along with a student enrollment decline that impacted the Average Number Belonging (ANB) calculations, resulted in additional state funding for the 2023-2024 school year of approximately \$1,456,480.
- Comparing the expected budget increase required to maintain the same programs and the additional revenue from the State, there was an anticipated \$1,845,206 deficit.

Federal Funding

All federal grants remained like past years. Title I, Title II and Title III as well as Title IV had a less than 0.3% increase in total. This brought an additional \$1,750 to our District to support all these programs.

Elementary and Secondary School Emergency Relief Fund and American Recovery and Reinvestment Act (ESSER/ARPA)

Great Falls Public Schools has used COVID funds over the course of the last four fiscal years. During 2023-2024, the District closed out the ESSER III grant. The \$17,674,766 in ESSER III funds was used. To support classroom instruction across the District. The District implemented new intervention programs in English Language Arts and, a math task force to address learning deficits and two math instructional coaches to focus on math pedagogy and different instructional techniques. The funds also helped bolster our student mental health programs and allowed our therapeutic team to grow from three to seven members. The District continued to work to support staff across the board with incentives during the pandemic and these funds were used to support incentives in previous school years. Recruitment and Retention of high-quality staff and new staff was a focus of American Rescue Plan (ARP) funds. As the District moved forward to close out these funds by the spring of 2024, the District used ARPA funds to support fresh air circulation in targeted schools as well as a classroom expansion at Meadow Lark Elementary. In the spring of 2024, the district closed out these funds and will move forward without the use of the One-Time-Only (OTO) pandemic relief funding.

Individuals with Disabilities Education Act (IDEA)

As enrollment continues to grow in our Special Education programs across the District, our funding increased slightly. During the 2023-2024 school year, the District experienced a 73-student increase in these programs. This increased the Special Education budget by \$29,962. These funds continue to be targeted towards hiring of all staff, salary increases and program needs. The program funding increases are not keeping up with the high needs of our students and causing strain for staff and programing needs. When IDEA was passed, Congress promised to cover 40% of the costs of the program. Approximately 12% of the costs are currently being covered by the Federal government. This funding does not meet the needs of our students and programs.

Perkins and Career and Technical Education Programs

These grants all had a small increase of less than \$3,000 total. This slight increase is due to the continued work of our schools as they recruit students to these programs as support the school-to-work pipeline. Our Career and Technical Education programs are state recognized, and we are growing our offerings as funding allows.

Multi-District Agreements

The District continued its participation in two existing Multi-District Agreements. The Technology-Based Agreement involves collaboration with Belt Public Schools and Vaughn Elementary School, focusing on enhancing technology initiatives to improve educational outcomes. The second agreement, between the elementary and high school districts, addresses fiscal imbalances caused by enrollment fluctuations, providing a sustainable solution to manage varying enrollment levels effectively. The District entered into a new, third, Multi-District Agreement with the Belgrade, Billings, Bozeman, Butte, Helena, Kalispell/Flathead, and Missoula County Public School Districts to explore the creation of a health insurance trust under the provisions of House Bill 332. The goal is to obtain sufficient information to decide if the AA Districts ultimately wish to participate in the trust.

The Student Services Department manages the Federal Funding and Special Education programs for the District. Their goal is to provide a comprehensive core academic program to an increasing number of students. Funding is available through a local permissive Tuition Levy. Unfortunately, the number of staff needed to adequately support this department in the schools does not exist in the current job market.

Impact Aid Funds

Malmstrom Air Force Base is located within the school district boundaries. This qualifies the District to receive on average approximately \$800,000 annually in Federal Impact Aid Funding. To receive the funding, a required threshold of students connected to Federal property must be met. This includes connected children on military bases, low-rent housing properties, or other Federal properties and to a lesser extent, for children who have parents in uniformed service or employed on eligible Federal property who do not live on Federal property. The use of these funds is flexible except for funds that are required to be designated to Special Education. For the 2022-23 school year the District received \$683,956 in funding support. In the 2023-24 fiscal year, the District received \$1,450,045 in funding support from this program.

PRE-SCHOOL PROGRAM EARLY LEARNING FAMILY CENTER

The Skyline School has served as an excellent location for the District Transitional Kindergarten Program. During the 2023 legislative session, House Bill 352 created the Early Literacy Targeted Intervention Program with the goal of targeting 3rd Grade Reading Proficiency. This legislation deleted language that allowed trustees to admit students with special permission after having been identified as children who qualify with exceptional circumstances. This change will have a negative impact on District funding as many students will not be able to be counted in the eligible student count process.

The District also leases space at Skyline. The rental income helps support the ongoing costs associated with heating and lighting.

ENROLLMENT

Student enrollment plays a crucial role in determining the District's General Fund budgets, as it is a key component of the State funding formula.

Enrollment has remained consistently above 10,120 students per year with a high of 10,554 in 2021-22. It declined slightly during COVID and has since rebounded. During the 2022-23 school year, enrollment declined by 113 students. In evaluating birth rates and other factors, the District is expecting the annual enrollment to continue to decline slightly over the next few years. The 2022-23 Average Number Belonging (ANB), which is a key factor in determining the 2023-24 budget, was 10,441.

EDUCATIONAL PROGRAMMING INFORMATION

Staffing

Positions in special education, chemistry, counseling, student support (aides, substitute teachers, crossing guards, and para-educators), and food services are traditionally challenging to fill. Over the past few years, GFPS has faced difficulties in filling all elementary teaching positions at the start of the school year due to a shortage of high-quality applicants. Contributing factors include non-competitive salaries and the shortage and high cost of housing in the community. The District continues to experience staffing shortages across all areas, significantly impacting its overall operations.

Benefits play a crucial role in the recruitment and retention of staff. The GFPS Insurance Committee analyzes trends and works to recommend a suitable health insurance plan at an affordable price for both employees and the District. Insurance costs increased by 3.5% for the 2023-24 school year. The District is now in its seventh year of operating as a self-insured fund. House Bill 332, passed in the 2023 legislative session, provides an incentive for the school district to participate in a qualifying Health Insurance Trust. Once the Trust is established, our District will determine if it is in the best interest of our employees to join the Trust.

Student Demographics

Approximately 70.6% of students attending school in Great Falls are Caucasian. Native American students comprise 16.5% of the student body, making Great Falls the third largest district in Montana for Native American students. Multiracial and Hispanic students account for 11.6% of the student population, while African Americans and Asian and Pacific Islanders make up 0.20% of the student body. Additionally, 12.50% of students are classified as needing special education services, and 4.57% are classified as Limited English Proficient. With Malmstrom Air Force Base located in Great Falls, 11.80% of students are associated with the military.

Poverty and Homeless Students

During the 2023-24 school year, just under 500 students met the definition of being homeless. Cascade County traditionally has the highest percentage of Free/Reduced Lunch eligibility students among the AA counties in Montana. Great Falls Public Schools has seven schools participating in the Community Eligibility Program (CEP), which allows all students attending these schools to participate in the school meals program at no cost.

FACILITIES ACTION PLAN AND OTHER IMPROVEMENTS

Facilities Action Plan

The Great Falls School District is renowned for the quality of care provided to its facilities. With the average age of buildings in the District being 58.4 years, there is a pressing need for millions of dollars in repairs. These repairs are necessary for heating and plumbing systems, fresh air circulation, energy conservation, and compliance with life safety requirements such as security, alarm systems, and egress/lock systems.

Funds from the American Recovery Plan Act (ARPA) were allocated to replace windows and Heating, Ventilation, and Air Conditioning (HVAC) systems at Valley View, Loy, Sacajawea, and Riverview Elementary Schools.

Completed Facility Improvements

During the 2023-24 year, the final ARPA projects were completed, including the addition of four classrooms at Meadow Lark Elementary, window replacements at Sunnyside Elementary School, and a partial air handler replacement project at CM Russell High School in the high school district. The District also prioritized safety by installing door entry systems, cameras and emergency alert systems.

Technology

The District aims to integrate modern business and research tools into the school setting by increasing student access to technology. The District receives \$225,000 annually through a Technology Levy to enhance infrastructure. Despite this, Great Falls Public Schools receives the second lowest amount on a per-pupil basis in the form of a Technology Levy compared to all AA and A Montana School Districts. Federal relief funds were utilized to provide computers and access points for students during remote learning. The District will continue addressing infrastructure and equipment needs across all schools.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD - (GASB)

The Governmental Accounting Standards Board is the source of generally accepted accounting principles used by state and local governments in the United States. Below is a brief description of the new standards the District is required to address.

GASB 54 - District Reserves

Policy 7515 implemented Governmental Accounting Standards Board (GASB) 54. This accounting standard requires districts to designate fund balances into specific categories of non-spendable, restricted, committed, assigned, and unassigned. This policy, which is required of all governmental units, helps the District provide a clearer picture of reserves and their purpose to local patrons.

GASB 84 - Financial Reporting of Fiduciary Funds

The Governmental Accounting Standards Board (GASB) 84 pertains to the accounting and financial reporting of fiduciary funds. The District determined that funds previously being reported as private-purpose trust fund met the criteria to be reported a special revenue fund. The beginning net position for the nonmajor governmental funds and the government-wide governmental activities has been restated to reflect the change from private-purpose trust funds to special revenue funds.

GASB 87 - Lease Reporting

The Governmental Accounting Standards Board (GASB) 87 pertains to the accounting and financial reporting of leases. This new requirement increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees.

GASB 96 - Subscription-Based Information Technology Arrangements

The Governmental Accounting Standards Board (GASB) 96 pertains to accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period in an exchange or exchange-like transaction. The statement requires that the total subscription liability is determined for all subscriptions that the District utilizes.

CONTACT FOR ADDITIONAL INFORMATION

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

Great Falls School District 1 & A
Board of Trustees and Officials Listing
June 30, 2024

Name	Position
Board of Trustees	
Gordon Johnson	Chairperson
Kim Skornogoski	Vice Chairperson
Bill Bronson	Trustee
Mark Finnicum	Trustee
Marlee Sunchild	Trustee
Amie Thompson	Trustee
Paige Turoski	Trustee
Officials	
Tom Moore (through June 30, 2024)	District Superintendent of Schools
Heather Hoyer (as of July 1, 2024)	District Superintendent of Schools
Diane Heikkila	County Superintendent of Schools
Joshua Racki	County Attorney
Brian Patrick	Director of Business Operations



Independent Auditor's Report

The School Board of
Great Falls School District 1 & A
Great Falls, Montana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Great Falls School District 1 & A ("the District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedule of changes in the District's total OPEB liability and related ratios; schedule of employer's share of the net pension liability; and schedule of employer's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining balance sheet-general fund; combining schedule of revenues, expenditures and changes in fund balances-general fund; combining balance sheet-nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental fund; combining statement of net position-nonmajor proprietary funds; combining statement of revenues, expenses, and changes in fund net position-nonmajor proprietary funds; combining statement of cash flows-nonmajor proprietary funds; schedule of revenues and expenditures-all fund accounts-extracurricular fund; schedule of enrollment; and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, combining balance sheet-general fund; combining schedule of revenues, expenditures and changes in fund balances-general fund; combining balance sheet-nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental fund; combining statement of net position-nonmajor proprietary funds; combining statement of revenues, expenses, and changes in net position-nonmajor proprietary funds; combining statement of cash flows-nonmajor proprietary funds; schedule of revenues and expenditures all fund accounts-extracurricular fund; schedule of enrollment; and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal and the board of trustees and officials listing but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District'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 solely 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 effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
December 16, 2024

This section of the Great Falls School District 1 & A's ("the District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the 2023-2024 fiscal year include the following:

- *General Fund* – The overall revenues were \$81,939,035 while the overall expenditures were \$76,034,258. These, along with other financing uses of \$6,173,681, decreased the fund balance by \$268,904.
- *Impact Aid Elementary Fund* – The overall revenues were \$1,614,239 while the overall expenditures were \$751,327. These increased the fund balance by \$862,912.
- *Miscellaneous Programs Elementary Fund* – The overall revenues were \$20,442,278 while the overall expenditures were \$19,953,354. These increased the fund balance by \$488,924.
- *Interlocal Agreement Elementary Fund* – The overall revenues were \$2,206,275 while the overall expenditures were \$3,740,082. These, along with other financing sources of \$5,078,681, increased the fund balance by \$3,544,874.

Overview of the Financial Statements

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources - are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statement the District's activities are shown in one category:

- *Governmental Activities* – All of the District's basic services are included here, such as regular and special education, transportation, administration, food service, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds—focusing on its most significant or “major” funds—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using revenues (e.g., federal grants).

The District has two types of funds:

- *Governmental Funds* – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information following the governmental funds statements that explains the relationship (or differences) between them.
- *Internal Service Fund* – This is an accounting device used to allocate the costs of the District's print center operations and the financial activities for health plans maintained under 20-3-331, MCA, on a self-insurance basis. Because these predominately benefits the governmental function, they have been included within governmental activities in the government-wide financial statements.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was \$7,983,078 on June 30, 2024.

Statement of Net Position June 30, 2024 and 2023

	2024	2023
Assets		
Current assets	\$ 76,468,397	\$ 67,763,332
Capital assets	114,714,707	115,663,249
Total assets	191,183,104	183,426,581
Deferred Outflows of Resources	12,911,057	18,401,827
Liabilities		
Other liabilities	2,859,958	3,413,797
Long-term liabilities	181,955,638	188,870,502
Total liabilities	184,815,596	192,284,299
Deferred Inflows of Resources	11,295,487	13,212,468
Net Position (Deficit)		
Net investment in capital assets	37,344,203	33,514,354
Restricted for specific purposes	54,169,572	52,173,388
Unrestricted	(83,530,697)	(89,356,101)
Total net position (deficit)	\$ 7,983,078	\$ (3,668,359)

Great Falls School District 1 & A
Management's Discussion and Analysis
Year Ended June 30, 2024

Changes in Net Position – The District's total revenues were approximately \$161.0 million for the year ended June 30, 2024. Property taxes and state aid accounted for 60.8% of total revenue for the year. Another 3.8% came from program revenues.

The total cost of all programs and services was approximately \$149.3 million. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 13.7% of total costs.

The total revenues exceeded expenses, increasing the net position by approximately \$11.7 million for fiscal year 2024.

Statement of Activities
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues		
Charges for service	\$ 3,911,403	\$ 14,542,256
Operating grants and contributions	2,166,347	805,850
General		
District levy	37,089,274	35,805,841
State sources	60,847,656	58,486,435
Federal sources	26,384,055	26,397,653
County retirement distribution	13,312,759	13,539,942
Miscellaneous revenues	<u>17,272,715</u>	<u>6,572,369</u>
Total revenues	<u>160,984,209</u>	<u>156,150,346</u>
Expenses		
Instruction	66,835,554	69,261,706
Support services	57,153,231	50,339,025
Non-education services	20,438,265	20,946,630
Non-transfer	258,429	284,331
Operating and maintenance	987,955	301,861
Fiscal and other fixed cost programs	<u>3,659,338</u>	<u>3,876,571</u>
Total expenses	<u>149,332,772</u>	<u>145,010,124</u>
Change in Net Position	11,651,437	11,140,222
Net Deficit - Beginning	<u>(3,668,359)</u>	<u>(14,808,581)</u>
Net Position (Deficit) - Ending	<u><u>\$ 7,983,078</u></u>	<u><u>\$ (3,668,359)</u></u>

General Fund

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12, including pupil transportation activities, buildings and grounds, and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	Year Ended June 30,		Amount of	Percent
	2024	2023	Increase (Decrease)	Increase (Decrease)
Local property taxes	\$ 21,348,004	\$ 21,411,971	\$ (63,967)	-0.3%
Other local sources	73,659	111,365	(37,706)	-33.9%
State sources	60,437,622	59,733,545	704,077	1.2%
Miscellaneous	79,750	23,164	56,586	244.3%
Total general fund revenues	<u>\$ 81,939,035</u>	<u>\$ 81,280,045</u>	<u>\$ 658,990</u>	0.8%

Basic General Fund Budget revenue is determined by a state formula that has Basic Entitlement Rates for Elementary, Middle, and High Schools along with a Per Average Number Belonging component with rates set on a per pupil amount. It also includes Funding Components in categories of Data for Achievement, Indian Education for All, American Indian Student Achievement Gap funding, At Risk Student component, and a Quality Educator payment. These are funding on a per student basis and a certified staff member basis for the Quality Educator payment. The formula guarantees that all schools in the state will meet an established Base level. Any amounts above the Base level are required to be approved by local taxpayers.

Total General Fund revenue increased by \$658,990 or 0.8% from the previous year. This is attributed to a 3% inflationary increase on the State funding components that make up the General Fund Budget. Local property taxes and Other Local Sources of revenue decreased by \$101,673. This was offset by an increase in State Sources with an increase of \$704,077.

Guaranteed Tax Base (GTB) funding in the General Fund decreased from the previous year. This was due to significantly higher assessments of property Statewide by the Department of Revenue. The inflationary increases to the individual funding components offset the decrease in GTB.

The legislature meets once every two years. Laws passed in the 2023 Session had an impact on funding for the District. Laws enacted include changes to Tuition, the addition of Charter Schools, and Targeted Intervention to Support 3rd Grade Literacy. Our District submitted an application for an elementary charter school that was approved for the 2023-24 school year.

Great Falls Public Schools has taken advantage of the Montana Innovative Tax Credit. During the 2023-24 year, over \$1,000,000 donations were made in the elementary and high school districts by taxpayers who chose to support this program.

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30,		Amount of	Percent
	2024	2023	Increase (Decrease)	Increase (Decrease)
Instruction	\$ 38,656,891	\$ 42,674,912	\$ (4,018,021)	-9.4%
Support services	33,869,905	30,627,650	3,242,255	10.6%
Non-education services	1,835,978	1,659,402	176,576	10.6%
Debt service	837,804	847,752	(9,948)	-1.2%
Capital outlay	833,680	1,041,846	(208,166)	-20.0%
Total general fund expenditures	<u>\$ 76,034,258</u>	<u>\$ 76,851,562</u>	<u>\$ (817,304)</u>	-1.1%

Total General Fund expenditures decreased by \$817,304 or 1.1% from the previous year. This overall decline reflects variability across expenditure categories, including a significant increase in support services and decreases in costs related to instruction and non-educational services.

The rise in support service expenditures was primarily driven by the implementation of enhanced systems to help students re-acclimate to a regular school environment following disruptions in recent years. Conversely, instructional expenses decreased due to staffing challenges, including difficulty attracting teachers for specific curricular areas and the replacement of retiring teachers with lower-salaried new hires.

A strategic shift of teaching salaries to other funding sources, such as One-Time-Only grant funding, temporarily reduced the burden on the General Fund Budget. This purposeful reallocation enabled the District to transfer excess General Fund resources into the Interlocal Fund, which will be utilized for future needs.

Non-educational services saw increased spending within the General Fund Budget as these services were transitioned back from other available funds. Additionally, capital expenditures increased due to the completion of projects funded by the General Fund rather than external grants or other resources.

Recognizing anticipated enrollment declines, the District proactively utilized other allowable funds to offset General Fund expenditures, ensuring financial stability and flexibility for upcoming years.

General Fund Budgetary Highlights

The District's general fund results when compared to the final budget are:

- Actual revenues were \$2,573,071 more than budget.
- Actual expenditures were \$2,926,599 less than budget.

Capital Assets

By the end of fiscal year 2024, the District had invested approximately \$180.4 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audit-visual equipment, and school vehicles. Total depreciation/amortization expense for the year was \$6,744,020. Note 4 presents the detail of the District's capital assets.

Capital Assets Governmental Activities June 30, 2024 and 2023		
	2024	2023
Land and improvements	\$ 1,467,381	\$ 1,467,381
Construction in progress	1,653,097	2,465,792
Buildings and improvements	165,978,089	160,422,491
Machinery and equipment	9,995,956	9,982,350
Right-to-use subscription IT assets	1,347,439	1,030,660
Accumulated depreciation/amortization	(65,727,255)	(59,705,425)
Total capital assets	\$ 114,714,707	\$ 115,663,249

Long-Term Liabilities

At year end the District had \$86,773,012 of long-term debt, excluding pension and OPEB liabilities. This consisted of bonded indebtedness of \$77,370,504 and compensated absences payable of \$9,402,508. Note 5 presents the detail of the District's long-term debt. The District has \$3,705,026 in liabilities for other postemployment benefits. See Note 6 for further information on OPEB obligations. The District has \$91,477,600 in net pension liability at June 30, 2024. See Note 7 for further information on pensions.

Factors Bearing on the District's Future

The declining enrollment trend will have an impact on the General Fund Operational Budgets for the District as many of the funding components are enrollment driven. The State inflationary increase of 3% is of great assistance in helping ends meet but does not keep up with the inflationary rate that the District is experiencing in all operational areas.

At the time these financial statements were prepared and audited, the District was aware of the following factors that could significantly affects its financial health in the future:

- Enrollment fluctuations can have a significant effect on the District's revenue. The District will continue to monitor enrollment closely and adjust budgets as necessary.
- The legislature meets once every two years. Laws passed in the 2023 Session will have an impact on future funding for the District. Laws enacted include changes to Tuition, the addition of Charter Schools, and Targeted Interventions to Support 3rd Grade literacy to highlight a few. Our District has been approved for a Charter School for the 2023-24 school year.

Options to increase revenue include voter-approved operational levies for the General Fund, Safety, and Technology, and Building Reserve levies that must be approved by voters. The District is dependent on the State of Montana school funding formula for its revenue authority. This formula relies heavily on student enrollment.

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finance and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Business Operations, Great Falls School Districts 1 & A, Cascade County, 1100 4th Street South, Great Falls, MT 59403.

Great Falls School District 1 & A
Statement of Net Position
June 30, 2024

Assets	
Cash and investments	\$ 71,718,239
Receivables	
Taxes	2,196,900
Accounts	208
Due from other governmental units	111,446
Prepaid items	1,786,649
Inventories	654,955
	<u>76,468,397</u>
Capital assets	
Capital assets not being depreciated	
Land and improvements	1,467,381
Construction in progress	1,653,097
Capital assets, net of accumulated depreciation/amortization	
Buildings and improvements	107,318,839
Equipment	3,589,293
Right-to-use subscription IT assets	686,097
	<u>114,714,707</u>
Total capital assets	<u>191,183,104</u>
Total assets	
Deferred Outflows of Resources	
Other postemployment benefits	1,612,895
Pension plans	11,298,162
	<u>12,911,057</u>
Total deferred inflows of resources	
Liabilities	
Accounts payable	272,509
Salaries payable	236,281
Claims incurred but not reported	2,351,168
Long-term liabilities	
Due within one year - other than pensions and other postemployment benefits	5,022,570
Due in more than one year - other than pensions and other postemployment benefits	81,750,442
Due in more than one year - other postemployment benefits	3,705,026
Due in more than one year - net pension liability	91,477,600
	<u>184,815,596</u>
Total liabilities	
Deferred Inflows of Resources	
Other postemployment benefits	4,135,128
Pension plans	7,160,359
	<u>11,295,487</u>
Total deferred inflows of resources	
Net Position	
Net investment in capital assets	37,344,203
Restricted for specific purposes	54,169,572
Unrestricted	(83,530,697)
	<u>\$ 7,983,078</u>
Total net position	

Great Falls School District 1 & A
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 66,835,554	\$ 190,909	\$ 2,166,347	\$ -	\$ (64,478,298)
Support services	57,153,231	-	-	-	(57,153,231)
Non-education services	20,438,265	2,770,809	-	-	(17,667,456)
Non-transfer	258,429	-	-	-	(258,429)
Operation and maintenance	987,955	-	-	-	(987,955)
Food services	-	949,685	-	-	949,685
Fiscal and other fixed cost programs	3,659,338	-	-	-	(3,659,338)
Total governmental activities	<u>\$ 149,332,772</u>	<u>\$ 3,911,403</u>	<u>\$ 2,166,347</u>	<u>\$ -</u>	<u>(143,255,022)</u>
General Revenues					
District levy					37,089,274
Aids and payments from state sources					60,847,656
Aids and payments from federal sources					26,384,055
Aids and payments from county sources					13,312,759
PERS and TRS support revenue					4,305,525
Unrestricted investment earnings					730,065
Loss on disposal of property and equipment					(100,690)
Miscellaneous revenues					<u>12,337,815</u>
Total general revenues					<u>154,906,459</u>
Change in Net Position					11,651,437
Net Deficit - Beginning					<u>(3,668,359)</u>
Net Position - Ending					<u>\$ 7,983,078</u>

Great Falls School District 1 & A
Balance Sheet - Governmental Funds
June 30, 2024

	General	Impact Aid Elementary	Miscellaneous Programs Elementary	Interlocal Agreement Elementary	Other Governmental Funds	Totals
Assets						
Cash and investments	\$ 8,744,109	\$ 10,994,390	\$ 737,202	\$ 13,845,704	\$ 34,017,421	\$ 68,338,826
Property taxes receivable	1,308,980	-	-	-	887,920	2,196,900
Accounts receivable	209	-	-	-	-	209
Due from other governmental units	-	-	54,206	-	57,240	111,446
Prepaid items	1,718,381	-	19,587	-	48,680	1,786,648
Inventories	519,223	-	-	-	135,732	654,955
Total assets	\$ 12,290,902	\$ 10,994,390	\$ 810,995	\$ 13,845,704	\$ 35,146,993	\$ 73,088,984
Liabilities						
Accounts payable	\$ 158,831	\$ -	\$ 23,760	\$ 89,918	\$ -	\$ 272,509
Salaries payable	169,817	-	2,057	-	62,169	234,043
Total liabilities	328,648	-	25,817	89,918	62,169	506,552
Deferred Inflows of Resources						
Unavailable revenue-property taxes	1,308,980	-	-	-	887,920	2,196,900
Fund Balance						
Nonspendable	2,237,604	-	19,587	-	184,412	2,441,603
Restricted	-	10,994,390	765,591	13,755,786	26,456,905	51,972,672
Committed	8,838,925	-	-	-	-	8,838,925
Assigned	129,570	-	-	-	7,555,587	7,685,157
Unassigned	(552,825)	-	-	-	-	(552,825)
Total fund balance	10,653,274	10,994,390	785,178	13,755,786	34,196,904	70,385,532
Total liabilities, deferred inflows of resources, and fund balance	\$ 12,290,902	\$ 10,994,390	\$ 810,995	\$ 13,845,704	\$ 35,146,993	\$ 73,088,984

Great Falls School District 1 & A
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds	\$ 70,385,532
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in the governmental funds.	114,671,728
Property taxes receivable expected to be collected in the following year, but are not not available soon enough to pay for the current period's expenditures, and therefore, are reflected as unearned revenue in the governmental funds.	2,196,900
Internal service funds are used by the District to charge the costs of purchasing services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	1,068,986
Deferred outflows and inflows of resources related to pension and other postemployment benefit plans are applicable to future periods and, therefore, are not reported in the funds.	1,615,570
Long-term liabilities, including bonds payable, compensated absences other post-employment benefits, and pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(181,955,638)</u>
Total Net Position - Governmental Activities	<u><u>\$ 7,983,078</u></u>

Great Falls School District 1 & A

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2024

	General	Impact Aid Elementary	Miscellaneous Programs Elementary	Interlocal Agreement Elementary	Other Governmental Funds	Totals
Revenues						
District property taxes	\$ 21,348,004	\$ -	\$ -	\$ -	\$ 14,515,249	\$ 35,863,253
Tuition and fees	73,659	-	-	-	1,074,229	1,147,888
Investment earnings	79,750	280,795	-	-	364,524	725,069
Other district revenue	-	40,039	904,451	-	5,882,131	6,826,621
County sources	-	-	-	2,201,275	11,111,484	13,312,759
State sources	60,437,622	-	115,276	5,000	3,964,598	64,522,496
Federal sources	-	1,293,405	19,422,551	-	5,668,099	26,384,055
Total revenues	81,939,035	1,614,239	20,442,278	2,206,275	42,580,314	148,782,141
Expenditures						
Current						
Instruction	38,656,891	40	14,006,506	7,547	12,757,956	65,428,940
Support services	33,869,905	751,287	4,364,561	2,393,835	9,781,201	51,160,789
Non-education services	1,835,978	-	-	-	7,832,171	9,668,149
Non-transfer	-	-	243,164	-	15,865	259,029
Fiscal and other fixed cost programs	-	-	-	-	1,600	1,600
Debt service						
Principal	728,391	-	-	-	4,050,000	4,778,391
Interest	109,413	-	-	-	3,548,325	3,657,738
Capital outlay	833,680	-	1,339,123	1,338,700	2,393,122	5,904,625
Total expenditures	76,034,258	751,327	19,953,354	3,740,082	40,380,240	140,859,261
Excess (Deficiency) of Revenues over (under) Expenditures	5,904,777	862,912	488,924	(1,533,807)	2,200,074	7,922,880
Other Financing Sources (Uses)						
Transfer in	-	-	-	5,078,681	1,095,000	6,173,681
Transfer out	(6,173,681)	-	-	-	-	(6,173,681)
Sale of property	-	-	-	-	8,457	8,457
Total other financing sources (uses)	(6,173,681)	-	-	5,078,681	1,103,457	8,457
Net Change in Fund Balance	(268,904)	862,912	488,924	3,544,874	3,303,531	7,931,337
Fund Balance, Beginning of Year	10,922,178	10,131,478	296,254	10,210,912	30,893,373	62,454,195
Fund Balance, End of Year	\$ 10,653,274	\$ 10,994,390	\$ 785,178	\$ 13,755,786	\$ 34,196,904	\$ 70,385,532

Great Falls School District 1 & A
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 7,931,337

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital outlay	5,904,625
Depreciation/amortization expense	(6,732,265)

The net effect of the disposal of capital assets is to decrease net position.	(109,147)
---	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,226,023
--	-----------

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(192,626)
---	-----------

In the statement of activities, other postemployment benefit liabilities are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	123,156
---	---------

In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as an expense.	(1,367,846)
---	-------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,778,391
--	-----------

Internal service funds are used by the District to charge the costs of the self-insured dental insurance pool. The net revenue of the internal service fund is reported in the governmental activities.	89,789
---	--------

Change in Position of Governmental Activities	\$ 11,651,437
---	---------------

Great Falls School District 1 & A

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
District property taxes	\$ 22,507,626	\$ 22,507,626	\$ 21,348,004	\$ (1,159,622)
Tuition and fees	72,392	72,392	73,659	1,267
Investment earnings	23,164	23,164	79,750	56,586
State sources	<u>56,762,782</u>	<u>56,762,782</u>	<u>60,437,622</u>	<u>3,674,840</u>
Total revenues	<u>79,365,964</u>	<u>79,365,964</u>	<u>81,939,035</u>	<u>2,573,071</u>
Expenditures				
Current				
Instruction	44,393,673	44,393,673	38,656,891	5,736,782
Support services	31,757,473	31,757,473	33,869,905	(2,112,432)
Non-education services	1,561,487	1,561,487	1,835,978	(274,491)
Non-transfer	25,368	25,368	-	25,368
Debt Service				
Principal	695,460	695,460	728,391	(32,931)
Interest and fiscal charges	156,396	156,396	109,413	46,983
Capital outlay	<u>371,000</u>	<u>371,000</u>	<u>833,680</u>	<u>(462,680)</u>
Total expenditures	<u>78,960,857</u>	<u>78,960,857</u>	<u>76,034,258</u>	<u>2,926,599</u>
Excess of Revenues over Expenditures	405,107	405,107	5,904,777	5,499,670
Other Financing Uses				
Transfer out	<u>(405,107)</u>	<u>(405,107)</u>	<u>(6,173,681)</u>	<u>(5,768,574)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(268,904)</u>	<u>\$ (268,904)</u>
Fund Balance, Beginning of Year			<u>10,922,178</u>	
Fund Balance, End of Year			<u>\$ 10,653,274</u>	

Great Falls School District 1 & A
Statement of Net Position - Proprietary Funds
June 30, 2024

	Governmental Activities
	<u>Internal Service Funds</u>
Assets	
Cash and cash equivalents	\$ 3,379,413
Capital assets, net of accumulated depreciation	<u>42,979</u>
Total assets	<u>3,422,392</u>
Liabilities	
Accrued salaries and liabilities	2,238
Claims incurred but not reported	<u>2,351,168</u>
Total liabilities	<u>2,353,406</u>
Net Position	
Net investment in capital assets	42,979
Unrestricted	<u>1,026,007</u>
Total net position	<u><u>\$ 1,068,986</u></u>

Great Falls School District 1 & A
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2024

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Health insurance premiums	\$ 10,751,178
Charges for services	336,528
Other district revenue	4,770
Interest income	4,997
	<hr/>
Total operating revenues	11,097,473
	<hr/>
Operating Expenses	
Health insurance payments	8,941,607
Personal services - salaries	123,219
Personal services - benefits	22,872
Stop-loss insurance	1,687,830
Other purchased services	119,323
Miscellaneous	101,078
Depreciation	11,755
	<hr/>
Total operating expenses	11,007,684
	<hr/>
Operating Income	89,789
Net Position, Beginning of Year	979,197
	<hr/>
Net Position, End of Year	\$ 1,068,986
	<hr/> <hr/>

Great Falls School District 1 & A
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2024

	Governmental Activities <u>Internal Service Funds</u>
Operating Activities	
Cash received from print center services	\$ 341,298
Cash received from health insurance	10,751,178
Cash paid to employees	(146,604)
Cash paid to suppliers for goods and services	<u>(10,692,703)</u>
Net cash from operating activities	<u>253,169</u>
Investing Activity	
Interest on investments	<u>4,997</u>
Net Change in Cash and Cash Equivalents	258,166
Cash and Cash Equivalents, July 1	<u>3,121,247</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 3,379,413</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 89,789
Interest income	(4,997)
Depreciation expense	11,755
Decrease in prepaid expenses	181
Decrease in accounts payable	(1,914)
Increase in claims incurred but not reported	158,868
Decrease in accrued salaries	<u>(513)</u>
Net cash from operating activities	<u><u>\$ 253,169</u></u>

Note 1 - Summary of Significant Accounting Policies**A. Organization**

Great Falls School District 1 & A ("the District") was formed and operates pursuant to applicable Montana laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial burden or benefit with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

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

The District consists of two separate legal entities, Elementary and High School Districts. Accounting records for both districts must be maintained separately per state law because of differences in funding and tax base. However, both are managed by one central Board of Trustees, elected in a district-wide election, and by a central administration appointed by and responsible to the Board. Although the District legally consists of two separate statutory entities, it is managed and operated as a single system. These financial statements present, as a single reporting entity, all activities over which the Board of Trustees exercise responsibility.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. For capital assets that can be specifically identified with, or allocated to functional areas, depreciation expense is included as a direct expense in the functional areas that utilize the related capital assets. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

Revenue Recognition - Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Montana Statutes. Federal revenue is recorded in the year in which the related expenditure is made. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Recording of Expenditures - Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, severance, postemployment benefits, and pensions are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is receipts from participants. Operating expenses for the internal service fund include payments for insurance claims and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds

The existence of the various district funds has been established by the Montana Office of Public Instruction. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund - The general fund is used to account for all revenues and expenditures related to instruction, administration, and other activities, except those required to be accounted for in another fund.

Impact Aid Elementary Fund - The impact aid elementary fund is used to account for receipt and expenditures of Public Law 81-874 Impact Aid funds.

Miscellaneous Programs Elementary Fund - The miscellaneous programs elementary fund is used to account for federal and state grant reimbursement funds received by the District.

Interlocal Agreement Elementary Fund - The interlocal agreement elementary fund is used to account for (1) technology purchases to be made in conjunction with other participating school districts and (2) collaborative purchasing between the elementary and high school districts. Such a fund is established under the authority of Section 20-3-363, MCA.

Other Funds

Internal Service Funds - The internal service funds are used to account for the financing of goods and services provided by one department to other departments of the District, or to other governments, on a cost reimbursement basis. In the District's case, the internal service funds are used to charge the costs of health insurance, printing, postage, and other services to other individual funds.

E. Other Significant Accounting Policies**Budgeting**

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

A budget is adopted by the board of trustees each fiscal year for the General Fund and those other governmental fund types classified by state law as budgeted funds. A listing of these funds is included above under "Fund Accounting." All budgets are formulated in accordance with state law. The board of trustees must meet on or before August 25 to consider all budget information and must have that final budget adopted by the fourth Monday in August. Budget appropriations not expended or obligated lapse at the end of the fiscal year. The District's budget is prepared on the basis of accounting described above for the governmental fund financial statements. The legal level of control (the level on which expenditures may not legally exceed appropriations) is at the fund level.

The General Fund budget is based on the state's BASE aid, which is designed to equalize taxing effort throughout the state and bases the budgets primarily on enrollment. Budgets of other funds are based primarily on estimated expenditures and revenues. Budgeted fund expenditures are limited by state law to budgeted amounts, except that they can be increased for emergencies as defined by state law. Transfers may be made between expenditure objects and/or functions within the same fund.

Cash, Cash Equivalents, and Investments

Cash balances for all district funds are pooled and invested to the extent available in various investment instruments as authorized by state statutes. Earnings from such investments are allocated to each of the funds based on the fund's average monthly cash and cash equivalents balance. Funds that incur a deficit balance in pooled cash and cash equivalents during the year are charged interest.

All cash and investments of the District funds, including the cash and investments of the extracurricular fund, are held by First Interstate Bank and the county treasurer.

The District considers cash equivalents to be money market funds and other highly liquid investments with original maturities of three months or less.

Receivables

Amounts other than leases receivable are shown net of any allowance for uncollectibles. No allowances for uncollectibles have been recorded. The only receivables not expected to be fully collected within one year are property taxes receivable.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

Property Taxes

The District is permitted by state statutes to levy taxes for various purposes. Property taxes are levied in August of each fiscal year, based on the assessed value as of the prior January 1. Taxes are normally billed in October and are payable 50% by November 30 and 50% by May 31. Property tax lien dates are December 1 and June 1. The taxes levied by the District for the year ended June 30, 2024, were properly established and were within the legal limits as approved by the voters. Property taxes are accounted for and collected by the county treasurer.

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

Protested taxes are also recorded as receivable when the original assessment is billed by the county treasurer. Pursuant to MCA 15-1-402(5)(6), the District is entitled to request an advance of certain protested amounts before the protest is settled. If the amount settled upon is less than any previously received advances, the District is obligated to refund the county treasurer for any excess. The District will then be able to permissively levy this amount in the following fiscal year.

Uncollected property taxes are attached as an enforceable lien on the underlying property. After a period of three years, Cascade County, the collecting agent, may begin foreclosure proceedings and sell the property at auction. The District receives its share of the sale proceeds from Cascade County. No allowance for uncollectible property taxes is reflected in the basic financial statements as the District considers all property taxes receivable at June 30, 2024, to be fully collectible.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Federally funded assets maintain a threshold of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Land and improvements and construction in progress are not depreciated. Capital assets of the District have the following useful lives:

Buildings and improvements	30-50 years
Machinery and equipment	5-20 years

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method or the same method amortizing the debt. The amortization period varies from 3 to 4 years.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, 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.

Liability for Compensated Absences

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

Postemployment Benefits Other Than Pensions (OPEB)

Under the provisions of the various employee and union contracts, the District provides certain postemployment benefits other than pensions to eligible retirees. These OPEB obligations are funded on a pay-as-you-go basis. The total OPEB liability, deferred outflows/inflows of resources, and OPEB expense were actuarially determined in accordance with GASB Statement No. 75. Additional information can be found in Note 6.

Pensions

The Teachers' Retirement System prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same accrual basis as they are reported by TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

Montana Public Employee Retirement Administration (MPERA) prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms.

Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB). Additional information can be found in Note 7.

Deferred Outflows of Resources

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

The District has two items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to other postemployment benefits consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenditures in future years. Deferred outflows of resources related to pension plans consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The District has three types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide statement of net position and the governmental funds balance sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is deferred inflows related to pension and OPEB plans as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and unrestricted second.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The District’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- Restricted fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board. A committed fund balance cannot be a negative number.
- Assigned fund balance amounts are comprised of unrestricted funds constrained by the school district’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district’s intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: the Superintendent and the Director of Business Operations. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board. An assigned fund balance cannot be a negative number.

- Unassigned fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned. It is the District's policy to strive to maintain the committed General Fund fund balance to 10% of the annual budget.

Interfund Transactions

During the course of its operations, the District has transactions between funds for Print Center activities and health insurance. These transactions are generally recorded as charges for services revenue and operations expenditures. These transactions are eliminated in the government-wide financial statements.

Note 2 - Deposits and Investments

Deposits

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

A portion of the cash and investments of the District are held by the county treasurer in the District's name. These funds are not invested in the County pool and are not generating any investment income for the District. The remaining portion of the District's cash and investments are held in checking accounts, certificates of deposit, and repurchase agreements managed by First Interstate Bank as part of the Big Sky Investment Pool, a unified investment program established and sponsored by the Montana School Boards Association (MTSBA) for participation by MTSBA member school districts under the auspices of a in compliance with MCA Title 7, Chapter 11 (the provisions governing interlocal cooperative agreements) and MCA Title 20, Chapter 9, Part 7 (educational cooperative agreements). The pool is not SEC-registered. Investments in the Big Sky Investment Pool consist of U.S. Government money market funds and U.S. Government Agency Securities. The District receives a pro-rata share of investment earnings from both the county-wide and Big Sky pool at each distribution date.

Concentration of Credit Risk - In accordance with applicable Montana Statutes, the District maintains deposits at depository banks authorized by the District's School Board, and all such depositories are members of the Federal Reserve System. The District maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2024, the carrying amount of the District's deposits was \$64,305,645 and the bank balance was \$81,816,166. At June 30, 2024, the District had \$81,540,493 in excess of FDIC-insured limits which was covered by collateral with securities held by the pledging financial institution. The amount of collateral pledged was in excess of the 50% coverage as required by Montana Statutes.

The following is considered the most significant risk associated with deposits:

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District follows Montana State law as it pertains to the type of investments in the District portfolio.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may be lost. The District does not have a deposit policy for custodial credit risk.

Credit Risk - Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Obligations of or guaranteed by the U.S. government do not require disclosure of credit quality. Investments within S.T.I.P., part of the county-wide investment pool, have credit risk as measured by major credit rating services.

This risk is that the issuer of a S.T.I.P. investment may default in making timely principal and interest payments. The Montana Board of Investment's policy requires that S.T.I.P. investments must have credit ratings as provided by at least two of the nationally recognized statistical rating organizations (NRSRO), to assist in the monitoring and management of credit risk. The U.S. Government guarantees the U.S. Government securities directly or indirectly. Obligations of the U.S. Government or obligations explicitly guaranteed are not considered to have credit risk and do not require disclosure of credit quality per GASB Statement No. 40.

Investments

The following are considered the most significant risks associated with investments:

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a formal investment policy limiting the amount the District may invest in any one issuer. As there is minimal credit risk associated with investments issued or guaranteed by the United States Government, no disclosure of concentration of credit risk is required for these investments. The United States Government extended the explicit guarantee to certain government agencies such as Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (FHLMC-Freddie Mac). Given the explicit guarantee extension, STIP had no concentration of credit risk exposure to Fannie Mae and Freddie Mac.

Great Falls School District 1 & A

Notes to Financial Statements

June 30, 2024

The STIP investment policy adopted by the Montana Board of Investments limits concentration of credit risk exposure by limiting portfolio investment types to 3% in any issuer with the exception of United States Treasury and United States Agency securities as well as any repurchase agreements with a financial institution.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments at June 30, 2024, categorized by level, are summarized below:

	Cost	Fair Value (Level 2)
U.S. government agencies	\$ 11,212,010	\$ 10,606,922
U.S. treasuries	1,523,606	1,535,029
	<u>\$ 12,735,616</u>	<u>\$ 12,141,951</u>

The following table presents the District's deposit and investment balances at June 30, 2024:

Type	Fair Value	Investment Maturities (in Years)		
		N/A	< 1	1 - 5
County-wide Investment Pool	\$ 831,223	\$ -	\$ 831,223	\$ -
Checking Accounts	25,123,011	25,123,011	-	-
U.S. Government Money Market				
Market Funds	33,622,054	33,622,054	-	-
U.S. Government Agencies	10,606,922	-	3,127,385	7,479,537
U.S. Treasuries	1,535,029	-	619,289	915,740
	<u>\$ 71,718,239</u>	<u>\$ 33,622,054</u>	<u>\$ 3,746,674</u>	<u>\$ 8,395,277</u>

Note 3 - Due from Other Governmental Units

Amounts receivable from other governments as of June 30, 2024, include:

Fund	Federal	State	Total
Major Funds			
Miscellaneous Programs Elementary	\$ 54,206	\$ -	\$ 54,206
Non-major Funds	-	57,240	57,240
	<u>\$ 54,206</u>	<u>\$ 57,240</u>	<u>\$ 111,446</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets Not Being Depreciated				
Land and improvements	\$ 1,467,381	\$ -	\$ -	\$ 1,467,381
Construction in progress	2,465,792	1,092,399	1,905,094	1,653,097
Total capital assets, not being depreciated	<u>3,933,173</u>	<u>1,092,399</u>	<u>1,905,094</u>	<u>3,120,478</u>
Capital Assets Being Depreciated/Amortized				
Buildings and improvements	160,422,491	5,555,598	-	165,978,089
Machinery and equipment	9,982,350	789,610	776,004	9,995,956
Right-to-use subscription IT assets	1,030,660	372,112	55,333	1,347,439
Total capital assets being depreciated/amortized	<u>171,435,501</u>	<u>6,717,320</u>	<u>831,337</u>	<u>177,321,484</u>
Less Accumulated Depreciation/Amortization for				
Buildings and improvements	53,047,200	5,612,050	-	58,659,250
Machinery and equipment	6,344,815	728,705	666,857	6,406,663
Right-to-use subscription IT assets	313,410	403,265	55,333	661,342
Total accumulated depreciation/amortization	<u>59,705,425</u>	<u>6,744,020</u>	<u>722,190</u>	<u>65,727,255</u>
Net capital assets, depreciated/amortized	<u>111,730,076</u>	<u>(26,700)</u>	<u>109,147</u>	<u>111,594,229</u>
Total capital assets, net	<u>\$ 115,663,249</u>	<u>\$ 1,065,699</u>	<u>\$ 2,014,241</u>	<u>\$ 114,714,707</u>

Depreciation/amortization expense for the year ended June 30, 2024, was charged to the following functions/programs:

Instruction	\$ 863,827
Support services	5,752,776
Non-education services	<u>127,417</u>
Total depreciation/amortization expense	<u>\$ 6,744,020</u>

Note 5 - Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Bonds payable	\$ 82,148,895	\$ -	\$ 4,778,391	\$ 77,370,504	\$ 5,022,570
Compensated absences payable	9,209,882	192,626	-	9,402,508	-
	<u>\$ 91,358,777</u>	<u>\$ 192,626</u>	<u>\$ 4,778,391</u>	<u>\$ 86,773,012</u>	<u>\$ 5,022,570</u>

Bonds Payable

Following is a summary of bonds payable as of June 30, 2024:

Bond Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
<u>Elementary</u>				
Qualified School Construction Bonds, 2011	2026	6.35% *	\$ 6,510,000	\$ 903,154
General Obligation Bonds, Series 2017	2037	3 - 5%	34,675,000	26,185,000
General Obligation Bonds, Series 2018	2038	2 - 5%	11,235,000	8,830,000
<u>High School</u>				
Qualified School Construction Bonds, 2011	2026	6.35%	1,855,000	257,350
General Obligation Bonds, Series 2017	2037	3 - 5%	24,035,000	17,995,000
General Obligation Bonds, Series 2018	2038	2 - 5%	28,920,000	23,200,000
				<u>\$ 77,370,504</u>

On April 27, 2011, the District issued \$8,365,000 in Qualified School Construction Bonds, \$6,510,000 in the Elementary District and \$1,855,000 in the High School District, to provide financing for the installation and construction of certain energy efficiency improvements to be installed at all facilities within the District. The obligation of the District to make payments on the bonds shall be a limited general obligation payable from any legally available funds as provided under Section 20-9-471, MCA. Unlike general obligation bonds, the full faith and credit and taxing power of the District is not pledged for the repayment of the bonds. The bonds are payable only from money available in the general fund or any other legally available fund of the District, but the District cannot increase mill levies to pay debt service on the bonds. The District anticipates energy cost savings to be sufficient to service the bond debt.

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

The Balanced Budget and Emergency Deficit Control Act, passed by Congress in 2013, reduced the amount the Federal Government offsets the annual amount due on the bonds. The initial reduction was 8.7% in 2013. The percentage has been adjusted annually and now will remain at a 5.7% reduction per year, through when the bonds will be paid off in 2026.

On February 21, 2017, the District issued \$58,710,000 in general obligation bonds, \$34,675,000 in the Elementary District and \$24,035,000 in the High School District, to be used for building, altering, repairing, buying, furnishing, equipping, purchasing lands for, and/or obtaining a water supply for a school, teacherage, dormitory, gymnasium, or other building. Payments are to be made from the debt service funds of both the Elementary and High School Districts.

On March 29, 2018, the District issued \$40,155,000 in general obligation bonds, \$11,235,000 in the Elementary District and \$28,920,000 in the High School District, to be used for building, altering, repairing, buying, furnishing, equipping, purchasing lands for, and/or other building. Payments are to be made from the debt service funds of both the Elementary and High School Districts.

Remaining principal and interest payments on bonds payable are as follows:

Years Ending June 30,	Bonds Payable	
	Principal	Interest
2025	\$ 5,022,570	\$ 3,407,445
2026	4,867,934	3,145,461
2027	4,695,000	2,913,700
2028	4,920,000	2,680,150
2029	5,135,000	2,469,649
2030-2034	29,095,000	8,921,758
2035-2038	23,635,000	2,345,394
	<u>\$ 77,370,504</u>	<u>\$ 25,883,557</u>

Compensated Absences Payable

Vacation and sick leave consists of vested vacation and sick leave as discussed in Note 1. These expenses are paid out of the General Fund and the Compensated Absence Liability funds of both the Elementary and High School Districts.

Note 6 - Other Post-Employment Benefits

A. Plan Description

The Great Falls Public Schools other post-employment benefits plan is a defined benefit OPEB plan that provides a single-employer defined benefit health care plan to eligible retirees. The plan provides medical and prescription drug expenses for retirees and their spouses. Medical coverage is administered by the District. The plan does not issue a publicly available financial report. No assets are accumulated in a trust.

B. Benefits Provided

Participants are eligible for benefits upon retirement. Benefits are in the form of access to the District's medical plans plus a monthly premium subsidy. Retirement eligibility is the earlier of age 50 and five years of service or any age with 25 years of service. Benefits continue for the retirees and their spouses' lifetime.

C. Employees Covered by Benefit Terms

At the valuation date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	590
	<u>627</u>

D. Total OPEB Liability

The District's total OPEB liability of \$3,705,026 was measured as of June 30, 2024, and was determined by an actuarial valuation of June 30, 2023.

E. Actuarial Assumptions

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary Increases	3.50 percent
Discount Rate	3.97 percent
Healthcare Cost Trend Rates	6.80 percent, grading to 4.17 percent over 51 years
Retiree Plan Participation	
Age 50 to 54 at retirement	10%
Age 55 to 59 at retirement	30%
Age 60 to 64 at retirement	50%

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

Mortality rates were based on the Pub-2010 teacher's mortality table (headcount weighted), combined dataset, fully generational with mortality improvement scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation were based on experience studies from the State of Montana Assumption Model, adopted May 2022.

Since the previous valuation dated July 1, 2021, the following changes have been made:

- The discount rate was changed from 3.86% to 3.97%.
- Benefit payments were updated.

F. Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 3,533,179
Changes from the Prior Year	
Service cost	255,286
Interest cost	142,357
Assumption changes	(26,293)
Difference between expected and actual experience	1,445
Benefit payments	(11,786)
Implicit subsidy credit	(189,162)
Total Net Changes	<u>171,847</u>
Balance at June 30, 2024	<u><u>\$ 3,705,026</u></u>

The measurement date of the OPEB liability was June 30, 2024; the date of the actuarial valuation on which the total OPEB liability is based was June 30, 2023.

G. Sensitivity of the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate of one percentage point lower and one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Discount Rate	2.97%	3.97%	4.97%
Total OPEB Liability	\$ 3,949,233	\$ 3,705,026	\$ 3,473,048

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend of one percentage point lower and one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Selected Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Medical Trend Rate	5.80%, decreasing to 3.17% over 51 years	6.80%, decreasing to 4.17% over 51 years	7.80%, decreasing to 5.17% over 51 years
Total OPEB Liability	\$ 3,327,162	\$ 3,705,026	\$ 4,144,631

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB income of \$77,792. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 271,639	\$ 1,692,387
Assumption changes	<u>1,341,256</u>	<u>2,442,741</u>
	<u>\$ 1,612,895</u>	<u>\$ 4,135,128</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Years Ended June 30,</u>	<u>OPEB Expense Amount</u>
2025	\$ (319,851)
2026	(319,851)
2027	(319,858)
2028	(426,955)
2029	(426,955)
Thereafter	(708,763)

Note 7 - Defined Benefit Pension Plans

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System) and the Public Employees' Retirement System Defined Benefit Retirement Plan (PERS or the Plan). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS and PERS that are used to provide pension benefits to the retired members of TRS and PERS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

For the year ended June 30, 2024, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
TRS	\$ 9,629,298	\$ 78,175,384	\$ 6,685,901	\$ 7,455,438
PERS	1,668,864	13,302,216	474,458	1,393,191
Total all plans	<u>\$ 11,298,162</u>	<u>\$ 91,477,600</u>	<u>\$ 7,160,359</u>	<u>\$ 8,848,629</u>

Montana Teachers' Retirement System (TRS)**A. Net Pension Liability**

The following table displays the amounts and percentages of Net Pension Liability for the fiscal years ended June 30, 2024 and 2023 (reporting dates):

	Net Pension Liability as of June 30, 2024	Net Pension Liability as of June 30, 2023	Percent of Collective NPL as of June 30, 2024	Percent of Collective NPL as of June 30, 2023	Change in Percent of Collective NPL
GREAT FALLS PUBLIC SCHOOLS Proportionate Share	\$ 78,175,384	\$ 81,124,391	4.0349%	4.1246%	-0.0897%
State of Montana Proportionate Share Associated with Employer	<u>\$ 42,269,525</u>	<u>\$ 44,815,949</u>	<u>2.1817%</u>	<u>2.2786%</u>	<u>-0.0969%</u>
Total	<u>\$ 120,444,909</u>	<u>\$ 125,940,340</u>	<u>6.2166%</u>	<u>6.4032%</u>	<u>-0.1866%</u>

At June 30, 2024, the employer recorded a liability of \$78,175,384 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2024, the employer's proportion was 4.0349 percent.

B. Changes in Actuarial Assumptions and Other Inputs

There have been no changes in actuarial assumptions since the previous measurement date.

C. Changes in Benefit Terms

There have been no changes in benefit terms since the previous measurement date.

D. Changes in Proportionate Share

There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

E. Pension Expense

	Pension Expense as of June 30, 2024
GREAT FALLS PUBLIC SCHOOLS Proportionate Share	\$ 7,455,438
State of Montana Proportionate Share Associated with Employer	<u>3,926,085</u>
Total	<u>\$ 11,381,523</u>

At June 30, 2024, the employer recognized a pension expense of \$11,381,523 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$3,926,085 for support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

F. Deferred Inflows and Outflows

At June 30, 2024, the District reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,478,929	\$ -
Changes in actuarial assumptions	1,133,986	4,883,828
Difference between projected and actual investment earnings	169,013	-
Changes in proportion & differences between Actual and expected contributions	338,162	1,802,073
Contributions paid to trs subsequent to the measurement date	6,509,208	-
Total	<u>\$ 9,629,298</u>	<u>\$ 6,685,901</u>

The \$6,509,208 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Pension Expense Amount
2025	\$ (1,787,851)
2026	(4,978,790)
2027	3,771,680
2028	(570,850)

G. Plan Description

Teachers' Retirement System (TRS or the System) is a mandatory-participation multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

The TRS Board is the governing body of the System and the TRS staff administers the System in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

H. Summary of Benefits

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Average final compensation (AFC) is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)
- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with 25 years of service in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also now currently in place for Tier One members), and
- Tier Two provides for an enhanced benefit calculation - $1.85\% \times \text{AFC} \times \text{years of creditable service}$ - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$)

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

I. Overview of Contributions

The System receives a portion of the total required statutory contributions directly from the State for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in TRS. The System receives 2.49% of reportable compensation from the State's general fund for School Districts and Other Employers. The System also receives 0.11% of reportable compensation from the State's general fund for all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

The tables below show the legislated contribution rates for TRS members, employers, and the State.

	School District and Other Employers			Total Employee & Employer
	<u>Members</u>	<u>Employers</u>	<u>General Fund</u>	
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	7.47%	2.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	7.47%	2.49%	17.11%
July 1, 2013 to June 30, 2014	8.15%	8.47%	2.49%	19.11%
July 1, 2014 to June 30, 2015	8.15%	8.57%	2.49%	19.21%
July 1, 2015 to June 30, 2016	8.15%	8.67%	2.49%	19.31%
July 1, 2016 to June 30, 2017	8.15%	8.77%	2.49%	19.41%
July 1, 2017 to June 30, 2018	8.15%	8.87%	2.49%	19.51%
July 1, 2018 to June 30, 2019	8.15%	8.97%	2.49%	19.61%
July 1, 2019 to June 30, 2020	8.15%	9.07%	2.49%	19.71%
July 1, 2020 to June 30, 2021	8.15%	9.17%	2.49%	19.81%
July 1, 2021 to June 30, 2022	8.15%	9.27%	2.49%	19.91%
July 1, 2022 to June 30, 2023	8.15%	9.37%	2.49%	20.01%
July 1, 2023 to June 30, 2024	8.15%	9.47%	2.49%	20.11%

J. TRS Stand-Alone Statements

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

K. Actuarial Assumptions

The Total Pension Liability as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of the last actuarial experience study, dated May 3, 2022. Among those assumptions were the following:

- Total Wage Increases* - 3.50%-9.00% for Non-University Members and 4.25% for University Members.
- Investment Return - 7.30%
- Price Inflation - 2.75%
- Postretirement Benefit Increases
 - Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
 - Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members
 - PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021.
- Mortality among service retired members
- PUBT-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females. Projected generationally using MP-2021.
- Mortality among beneficiaries
 - PUBT-2010 Contingent Survivor table projected to 2021. Projected generationally using MP-2021.
- Mortality among disabled members
 - PUBT-2010 Disabled Retiree mortality table projected to 2021.

*Total Wage Increases include 3.50% general wage increase assumption.

L. Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

M. Target Allocations

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Domestic equity	30.0%	5.90%
International equity	17.0%	7.14%
Private investments	15.0%	9.13%
Real assets	5.0%	4.03%
Real estate	9.0%	5.41%
Core fixed income	15.0%	1.14%
Non-core fixed income	6.0%	3.02%
Cash	3.0%	-0.33%
Total	100.0%	

The long-term expected rate of return on pension plan investments of 7.30% is reviewed as part of regular experience studies prepared for the System about every five years. The current long-term rate of return is based on analysis in the experience study report dated May 3, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

N. Sensitivity Analysis

	1% decrease (6.30%)	Current (7.30%)
The Employer's Proportion of Net Pension Liability	<u>\$ 110,436,901</u>	<u>\$ 78,175,384</u>

In accordance with GASB 68 regarding the disclosure of the sensitivity of the NPL to changes in the discount rate, the above table presents the NPL calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

Public Employees Retirement System-Defined Benefit Plan (DBRB)

A. Plan Descriptions

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

B. Benefits Provided

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service Retirement

- Hired prior to July 1, 2011
 - Age 60, 5 years of membership service
 - Age 65, regardless of membership service
 - Any age, 30 years of membership service
- Hired on or after July 1, 2011
 - Age 65, 5 years of membership service
 - Age 70, regardless of membership service

Early Retirement

- Hired prior to July 1, 2011
 - Age 50, 5 years of membership service
 - Any age, 25 years of membership service
- Hired on or after July 1, 2011
 - Age 55, 5 years of membership service

Second Retirement (requires returning to PERS-covered employer or PERS service)

- Retired before January 1, 2016, and accumulate less than 2 years additional service credit or retired on or after January 1, 2016, and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment.
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016, and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016, and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service.
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's Highest Average Compensation (HAC)

- Hired prior to July 1, 2011, highest average compensation during any consecutive 36 months.
- Hired on or after July 1, 2011, - highest average compensation during any consecutive 60 months.

Compensation Cap

- Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's highest average compensation.

Monthly Benefit Formula

- Members hired prior to July 1, 2011
 - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
 - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007, and June 30, 2013
- Members hired on or after July 1, 2013:
 - (a) 1.5% for each year PERS is funded at or above 90%;
 - (b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - (c) 0% whenever the amortization period for PERS is 40 years or more.

C. Contributions

The State Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

The State of Montana, as a non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who receive *special funding* are all participating employers.

Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are *not* accounted for as special funding for state agencies but are reported as employer contributions.

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		School Districts	
	Hired<07/01/11	Hired>07/01/11	Employer	State
2024	7.900%	7.900%	8.800%	0.370%
2023	7.900%	7.900%	8.700%	0.370%
2022	7.900%	7.900%	8.600%	0.370%
2021	7.900%	7.900%	8.500%	0.370%
2020	7.900%	7.900%	8.400%	0.370%
2019	7.900%	7.900%	8.300%	0.370%
2018	7.900%	7.900%	8.200%	0.370%
2017	7.900%	7.900%	8.100%	0.370%
2016	7.900%	7.900%	8.000%	0.370%
2015	7.900%	7.900%	7.900%	0.370%
2014	7.900%	7.900%	7.800%	0.370%
2012 - 2013	6.900%	7.900%	6.800%	0.370%
2010 - 2011	6.900%		6.800%	0.370%
2008 - 2009	6.900%		6.800%	0.235%
2000 - 2007	6.900%		6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions:
 - a. Special Funding
 - i. The state contributed 0.1% of members' compensation on behalf of local government entities.
 - ii. The state contributed 0.37% of members' compensation on behalf of school district entities.
 - iii. The state contributed a Statutory Appropriation from the General Fund of \$34,979,900.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The basis for the Total Pension Liability (TPL) as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2023, and 2022, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$13,302,216 and the employer's proportionate share was 0.545094 percent.

	Net Pension Liability as of June 30, 2024	Net Pension Liability as of June 30, 2023	Percent of Collective NPL as of June 30, 2024	Percent of Collective NPL as of June 30, 2023	Change in Percent of Collective NPL
GREAT FALLS PUBLIC SCHOOLS Proportionate Share	\$ 13,302,216	\$ 12,854,155	0.545094%	0.540571%	0.004523%
State of Montana Proportionate Share Associated with Employer	\$ 4,044,562	\$ 4,199,824	0.165737%	0.176620%	-0.010883%
Total	\$ 17,346,778	\$ 17,053,979	0.710831%	0.717191%	-0.006360%

E. Changes in actuarial assumptions and methods

There have been no changes to the assumptions or other inputs that affect the measurement of the TPL since the previous measurement date.

F. Changes in benefit terms

There have been no changes in benefit terms since the previous measurement date.

G. Changes in proportionate share

There were no changes to the Plan between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

H. Pension Expense

At June 30, 2023, the employer recognized a pension expense of \$1,393,191 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$379,440 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

	Pension Expense as of June 30, 2023
	<u> </u>
GREAT FALLS PUBLIC SCHOOLS Proportionate Share	\$ 1,393,191
State of Montana Proportionate Share Associated with Employer	<u>379,440</u>
Total	<u><u>\$ 1,772,631</u></u>

I. Recognition of Deferred Inflows and Outflows

At June 30, 2023, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Expected vs. Actual Experience	\$ 529,805	\$ -
Projected Investment Earnings vs. Actual Investment Earnings	33,751	-
Changes of Assumptions	-	474,458
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	133,734	-
Employer Contributions Subsequent to the Measurement Date	<u>971,574</u>	<u>-</u>
Total	<u>\$ 1,668,864</u>	<u>\$ 474,458</u>

The \$971,574 reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

<u>Years Ended June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ (263,943)
2026	(219,067)
2027	786,580
2028	(80,738)

J. Actuarial Assumptions

The total pension liability as of June 30, 2023, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Amount the assumptions were the following:

Investment Return (Net of Pension Plan Investment Expense, Including Inflation)	7.30%
General Wage Growth	3.50%
- Includes Inflation at	2.75%
Merit Increases	0% to 4.80%
Postretirement Benefit Increases	
1. Guaranteed Annual Adjustment (GABA) each January	
-After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.	
-Members hired prior to July 1, 2007	3.0%
-Members hired between July 1, 2007 and June 30, 2013	1.5%
-Members hired on or after July 1, 2013	
-For each year PERS is funded at or above 90%	1.5%
-The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90%	
-0% whenever the amortized period for PERS is 40 years or more	0%
Mortality	
Active Participants	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
Healthy Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023, valuation, were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

K. Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

L. Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash	3.0%	-0.33%
Domestic equity	30.0%	5.90%
International equity	17.0%	7.14%
Private investments	15.0%	9.13%
Real assets	5.0%	4.03%
Real estate	9.0%	5.41%
Core fixed income	15.0%	1.14%
Non-core fixed income	6.0%	3.02%
	<u>100.0%</u>	

M. Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00 lower or 1.00% higher than the current rate.

	1% decrease (6.30%)	Current (7.30%)	1% increase (8.30%)
The Employer's Proportion of Net Pension Liability	<u>\$ 19,215,002</u>	<u>\$ 13,302,216</u>	<u>\$ 8,341,917</u>

N. Pension Plan Fiduciary Net Position

The stand-alone financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

Note 8 - Fund Balance

Certain portions of fund balances are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

The following is a summary of fund balances as of June 30, 2024:

	General	Impact Aid Elementary	Miscellaneous Programs Elementary	Interlocal Agreement Elementary	Other Government Funds	Totals
Nonspendable						
Inventories	\$ 519,223	\$ -	\$ -	\$ -	\$ 135,732	\$ 654,955
Prepaid items	1,718,381	-	19,587	-	48,680	1,786,648
Total nonspendable	2,237,604	-	19,587	-	184,412	2,441,603
Restricted						
Student transportation services	-	-	-	-	2,529,654	2,529,654
Bus depreciation costs	-	-	-	-	83,709	83,709
School food service	-	-	-	-	6,936,000	6,936,000
Retirement costs	-	-	-	-	3,599,622	3,599,622
Vacation/sick leave costs	-	-	-	-	871,890	871,890
Adult education services	-	-	-	-	758,921	758,921
Traffic education services	-	-	-	-	267,666	267,666
Facility rental	-	-	-	-	12,654	12,654
Technology costs	-	-	-	-	364,398	364,398
Debt service	-	-	-	-	1,692,860	1,692,860
Building fund	-	-	-	-	875,464	875,464
Building reserve	-	-	-	-	3,769,203	3,769,203
Construction	-	-	-	-	6,786	6,786
Education services to federally connected children	-	10,994,390	-	-	492,971	11,487,361
Interlocal agreements	-	-	765,591	13,755,786	908,795	15,430,172
Flexibility fund	-	-	-	-	981,724	981,724
Extracurricular activities	-	-	-	-	1,881,555	1,881,555
Endowment and miscellaneous trust	-	-	-	-	423,033	423,033
Total restricted	-	10,994,390	765,591	13,755,786	26,456,905	51,972,672
Committed						
Budgetary reserves - instruction	8,838,925	-	-	-	-	8,838,925
Assigned						
Encumbrances	129,570	-	-	-	-	129,570
Skyline ride	-	-	-	-	447,289	447,289
Internal local	-	-	-	-	1,315,499	1,315,499
Indirect costs	-	-	-	-	1,098,391	1,098,391
Special purpose grants	-	-	-	-	1,815,119	1,815,119
Medicaid	-	-	-	-	1,029,947	1,029,947
Rate stabilization	-	-	-	-	1,251,920	1,251,920
Swimming pool	-	-	-	-	703	703
Athletics revenue enhancement	-	-	-	-	467,469	467,469
Vocational education	-	-	-	-	129,250	129,250
Total assigned	129,570	-	-	-	7,555,587	7,685,157
Unassigned	(552,825)	-	-	-	-	(552,825)
Total fund balance	\$ 10,653,274	\$ 10,994,390	\$ 785,178	\$ 13,755,786	\$ 34,196,904	\$ 70,385,532

Note 9 - Interfund Transfers

During the year ended June 30, 2024, the General Fund transferred \$5,078,681 to the Interlocal Agreement Elementary Fund for the purpose of accumulating reserves to be used for the purchase of significant items in the future, such as curriculum adoption.

During the year ended June 30, 2024, the General Fund transferred \$765,000 to the nonmajor Compensated Absence Liability Elementary Fund for the purpose of paying accumulated compensated absence benefits that a nonteaching employee is entitled to upon termination.

During the year ended June 30, 2024, the General Fund transferred \$330,000 to the nonmajor Compensated Absence Liability High School Fund for the purpose of paying accumulated compensated absence benefits that a nonteaching employee is entitled to upon termination.

Note 10 - Tax Abatements

The District's property tax revenue is subject to tax abatement agreements it enters into directly, as well as indirectly by those entered into by Cascade County (the County) and the City of Great Falls (the City). Tax abatement agreements are entered into on an individual basis with businesses under the Montana Code Annotated 2015, Title 15 Taxation (the Code). Under the Code, local governments may grant property tax abatements to business with qualifying improvements or modernized processes that represent new industry or expansion of an existing industry (15-24-1402).

In the first five years after a construction permit is issued, a business' property is taxed at 50% of taxable value with equal percentage increases taxed until the full taxable value is attained in the tenth year. In subsequent years, the property is taxed at its full taxable value (15-10-420). For the year ended June 30, 2024, the District has not entered into any tax abatement agreements, nor has the District received any information from the City or the County regarding any indirect effects to the District, if any, regarding tax abatement agreements entered by those entities during the fiscal year.

Note 11 - Transportation Contracts

The District has transportation contracts through June 30, 2027, with Big Sky Bus Lines to provide school buses for transportation of students to and from school. Fees paid are based on fixed rate per bus per four- and one-half-hour day, times 177 days per year, along with fuel expense reimbursement amount.

Note 12 - Interlocal Agreements**Targeted Case Management**

The District and the City-County Health Department, Great Falls, Montana, have entered into an interagency agreement to establish and operate a program to serve students with special health care needs and high-risk infants and children. City County Health Department provides population-based screening for infants at risk for developmental delay and/or special health needs, conduct consultation and/or referral to other disciplines/agencies and monitor referral outcomes, provide anticipatory guidance, risk reduction education and counseling, care coordination including monitoring and reassessment for infants and children at risk for developmental delay and those with special health care needs, and other nursing interventions as needed on behalf of the family, children, and adolescents.

School Resource Officer

The District has entered into an agreement with the City of Great Falls for the services of the City's Police Department for 187 days to enforce compulsory attendance provision of Title 20, Chapter 5, Part 1 of Montana Code Annotated. The City provides the District with four police officers and the equipment necessary to enforce the above-mentioned provisions. The District's payment to the City was \$345,171 for the period August 30, 2023, through June 1, 2024.

Multi-District Agreements

The District has an agreement with Belt Public Schools and Vaughn Elementary School to collectively purchase technology supplies and equipment. The District has entered into an agreement between the Elementary and High School districts to collectively purchase classroom supplies and materials, as well as provide operations maintenance for the buildings and equipment. The Elementary District is the prime agent for the interlocal fund established for purposes of the multidistrict agreements.

Note 13 - Pending Litigation

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

Note 14 - Risk Management

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

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

The District maintains the Employee Health Benefit Plan (the plan) for the exclusive benefit of and to provide health benefits to its eligible employees, their legal spouses, and eligible dependents. The Plan is a self-funded health plan established to reimburse participants for covered medical expenses. The plan sponsor contracts with a claim administrator to process claims, provide claims payment and provide other claims management functions, under the director of the plan administrator. The Plan reimburses the claim administrator after claims are paid.

Employees have the option to choose between a base plan and catastrophic plan for health insurance coverage. Under each plan, the employee can choose between single, employee-spouse, employee-children, and employee with family coverage. On the base plan, the District provides between \$420 and \$1,498, depending on the coverage selected. On the catastrophic plan, the District provides between \$590 and \$1,678 per month, depending on the coverage selected. These amounts include a \$33 per month contribution by the District which offsets the amount paid by the employee. The administrative contract between the District and the claim administrator is renewable annually and administrative fees and stoploss premiums are included in the contractual provisions. The District is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Stop-loss coverage is in effect for individual claims exceeding \$200,000 and for aggregate stop-loss coverage exceeding \$13,726,449. The aggregate amount is the aggregate claim factor times the number of employees, and then annualized.

The costs associated with the medical self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues in the Self Insurance Fund and operating expenditures in the General and Special Revenue funds. Liabilities of the Self Insurance 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. These claims are estimated by Blue Cross and Blue Shield of Montana, the District's insurance carrier, based on past experience.

At June 30, 2024, the estimated claims amount to \$2,351,168.

Claims Payable Beginning of Fiscal Year	Claims Incurred	Claims Paid	Claims Payable End of Fiscal Year
<u>\$ 2,192,300</u>	<u>\$ 9,100,475</u>	<u>\$ 8,941,607</u>	<u>\$ 2,351,168</u>

Note 15 - Construction Commitments

The District has active construction projects at June 30, 2024. The projects include the remodeling and improvements to the District's school buildings and grounds with construction costs of \$1,653,097 reported as construction in progress with remaining commitments of \$817,098 as of June 30, 2024. These projects were completed in August 2024.

Note 16 - Encumbrances

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

Open encumbrances at fiscal year-end are included in restricted, committed, or assigned fund balance, as appropriate. Total encumbrances as of June 30, 2024, for the General Fund were \$129,570, all assigned.



Required Supplementary Information
June 30, 2024

Great Falls School District 1 & A

Great Falls School District 1 & A
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
June 30, 2024

Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 255,286	\$ 509,875	\$ 674,659	\$ 469,767	\$ 465,839	\$ 364,098	\$ 350,094	\$ 336,629
Interest	142,357	253,333	148,798	233,228	205,622	198,116	175,417	165,682
Changes of Benefit Terms	-	(579,909)	-	(816,819)	-	-	-	-
Changes of Assumptions	(26,293)	(2,010,070)	(1,294,469)	2,264,138	-	152,834	-	-
Differences Between Expected and Actual Experience	1,445	(866,685)	-	(1,802,550)	-	811,095	-	-
Benefit Payments	(11,786)	(22,282)	(19,919)	(16,569)	(42,951)	(43,992)	(47,448)	(46,678)
Implicit Subsidy Credit	(189,162)	(235,495)	(219,714)	(251,972)	(207,109)	(212,131)	(178,560)	(175,661)
Net Change in Total OPEB Liability	171,847	(2,951,233)	(710,645)	79,223	421,401	1,270,020	299,503	279,972
Total OPEB Liability - Beginning	3,533,179	6,484,412	7,195,057	7,115,834	6,694,433	5,424,413	5,124,910	4,844,938
Total OPEB Liability - Ending	<u>\$ 3,705,026</u>	<u>\$ 3,533,179</u>	<u>\$ 6,484,412</u>	<u>\$ 7,195,057</u>	<u>\$ 7,115,834</u>	<u>\$ 6,694,433</u>	<u>\$ 5,424,413</u>	<u>\$ 5,124,910</u>
Covered Payroll	\$ 74,675,068	\$ 72,149,824	\$ 60,674,838	\$ 58,764,976	\$ 37,145,484	\$ 35,716,812	\$ 40,084,167	\$ 38,542,468
District's Total OPEB Liability as a Percentage of Covered Payroll	4.96%	4.90%	10.69%	12.24%	19.16%	18.74%	13.53%	13.30%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios

2024 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.86% to 3.97%.
- The benefit payments were updated.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2023 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The discount rate was changed from 3.69% to 3.86%.
- Payroll growth rate was changed from 3.25% to 3.50%.
- Inflation rate was changed from 2.50% to 2.75%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Great Falls School District 1 & A
Schedule of Employer's Share of Net Pension Liability
June 30, 2024

**Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years**

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b)	Total (d) (a+b)	Employer's Covered Payroll (e)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/e)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
TRS	6/30/2014	3.78570%	\$ 58,255,724	\$ 39,899,529	\$ 98,155,253	\$ 47,740,336	122.0%	70.4%
TRS	6/30/2015	3.91890%	64,387,569	43,106,917	107,494,486	49,974,262	128.8%	69.3%
TRS	6/30/2016	3.96890%	72,505,971	47,236,171	119,742,142	51,517,925	140.7%	66.7%
TRS	6/30/2017	3.98210%	67,140,901	42,618,104	109,759,005	52,522,247	127.8%	70.1%
TRS	6/30/2018	3.98840%	74,029,613	45,976,833	120,006,446	53,273,692	139.0%	69.1%
TRS	6/30/2019	3.95140%	76,193,213	46,126,939	122,320,152	53,638,597	142.0%	68.6%
TRS	6/30/2020	3.98380%	89,613,036	52,996,433	142,609,469	54,834,054	163.4%	65.0%
TRS	6/30/2021	4.12610%	68,350,664	39,001,905	107,352,569	58,768,332	116.3%	75.5%
TRS	6/30/2022	4.12460%	81,124,391	44,815,949	125,940,340	60,545,505	134.0%	70.6%
TRS	6/30/2023	4.03494%	78,175,384	42,269,525	120,444,909	60,035,282	130.2%	71.8%
PERS	6/30/2014	0.78815%	\$ 9,820,461	\$ 459,074	\$ 10,279,535	\$ 9,250,179	106.2%	79.9%
PERS	6/30/2015	0.75370%	10,535,710	495,071	11,030,781	9,094,138	115.9%	78.4%
PERS	6/30/2016	0.71720%	12,216,426	570,942	12,787,368	8,880,760	137.6%	74.7%
PERS	6/30/2017	0.69170%	13,470,853	631,542	14,102,395	8,866,079	151.9%	73.8%
PERS	6/30/2018	0.51360%	10,718,863	3,941,728	14,660,591	8,735,200	122.7%	73.5%
PERS	6/30/2019	0.52562%	10,987,009	3,905,447	14,892,456	8,954,736	122.7%	73.9%
PERS	6/30/2020	0.52609%	13,879,266	4,780,552	18,659,818	9,110,578	152.3%	68.9%
PERS	6/30/2021	0.53236%	9,652,837	3,119,763	12,772,600	9,681,280	99.7%	79.9%
PERS	6/30/2022	0.54057%	12,854,155	4,199,824	17,053,979	9,774,719	131.5%	73.7%
PERS	6/30/2023	0.54509%	13,302,216	4,044,562	17,346,778	10,535,851	126.3%	73.9%

Great Falls School District 1 & A
Schedule of Employer's Contributions
June 30, 2024

**Schedule of Employer's Contributions
Last 10 Fiscal Years**

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
TRS	6/30/2015	\$ 4,784,242	\$ 4,784,242	\$ -	\$ 49,974,262	9.5734%
TRS	6/30/2016	4,899,704	4,899,704	-	51,517,925	9.5107%
TRS	6/30/2017	4,832,010	4,832,010	-	52,522,247	9.1999%
TRS	6/30/2018	5,144,064	5,144,064	-	53,273,692	9.6559%
TRS	6/30/2019	5,323,176	5,323,176	-	53,638,597	9.9242%
TRS	6/30/2020	5,311,648	5,311,648	-	54,834,054	9.6868%
TRS	6/30/2021	5,816,268	5,816,268	-	58,768,332	9.8969%
TRS	6/30/2022	6,427,561	6,427,561	-	60,545,505	10.6161%
TRS	6/30/2023	6,069,567	6,069,567	-	60,035,282	10.1100%
TRS	6/30/2024	6,509,208	6,509,208	-	54,424,816	11.9600%
PERS	6/30/2015	\$ 736,501	\$ 736,501	\$ -	\$ 9,094,138	8.0986%
PERS	6/30/2016	727,118	727,118	-	8,880,760	8.1876%
PERS	6/30/2017	718,156	718,156	-	8,866,079	8.1000%
PERS	6/30/2018	715,223	715,223	-	8,735,200	8.1878%
PERS	6/30/2019	743,241	743,241	-	8,954,736	8.3000%
PERS	6/30/2020	765,289	765,289	-	9,110,578	8.4000%
PERS	6/30/2021	822,908	822,908	-	9,681,280	8.5000%
PERS	6/30/2022	840,626	840,626	-	9,774,719	8.6000%
PERS	6/30/2023	916,619	916,619	-	10,535,851	8.7000%
PERS	6/30/2024	971,574	971,574	-	11,040,614	8.8000%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

Teachers Retirement System

Changes of Benefit Terms:

There have been no material changes of benefit terms in the past ten years.

Changes in actuarial assumptions and other inputs:

The following changes to the actuarial assumptions were adopted in 2023:

- There were no changes in actuarial assumptions.

The following changes to the actuarial assumptions were adopted in 2022:

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return assumption was increased from 7.06% to 7.30%.
- The inflation rate was increased from 2.40% to 2.75%.
- Updated all mortality tables to the PUB-2010 tables for teachers.
- Updated the rates of retirement and termination.
- Updated the salary scale merit rates.

The following changes to the actuarial assumptions were adopted in 2021:

- The discount rate was lowered from 7.34% to 7.06%.
- The investment rate of return assumption was lowered from 7.34% to 7.06%.

The following changes to the actuarial assumptions were adopted in 2020:

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%.
- Payroll growth assumption was reduced from 4.00% to 3.25%.
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.
 - The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated.
- Termination rates were updated.
- Rates of salary increases were updated

The following changes to the actuarial assumptions were adopted in 2016:

- The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

The following changes to the actuarial assumptions were adopted in 2015:

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three-year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to "retain membership in the System" are covered by the \$500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- Assumed rate of inflation was reduced from 3.50% to 3.25%.
- Payroll Growth Assumption was reduced from 4.50% to 4.00%.
- Assumed real wage growth was reduced from 1.00% to 0.75%.
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	25 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increase	3.50 to 9.00 percent, including inflation for Non-University Members and 4.25% for University Members;
Investment rate of return	7.30 percent, net of pension plan investment expense, including inflation

Public Employees Retirement System

Changes of Benefit Terms

The following changes to the plan provisions were made as identified:

2017 Changes

Working Retiree Limitations

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be a PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to Member Accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011, have a normal retirement age of 65. PERS DC members hired after July 1, 2011, who became disabled were previously only eligible for a disability benefit until age 65. Effectively July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011, who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023, actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0% to 4.8%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization method	30 years
Mortality (Active Participants)	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
Mortality (Disabled Retirees)	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
Mortality (Contingent Survivors)	PUB-2010 General Amount Weighted Contingent Survivor Mortality, projected to 2021, with ages set forward one year for both males and females. Projected generationally using MP-2021.
Mortality (Health Retirees)	PUB-2010 General Amount Weighted Healthy Retirees Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023, valuation, were developed in the five-year experience study for the period ending 2022.



Combining and Individual Fund Schedules
June 30, 2024

Great Falls School District 1 & A

Great Falls School District 1 & A
Combining Balance Sheet - General Fund
June 30, 2024

	Elementary General Subfund	High School General Subfund	Totals
Assets			
Cash and investments	\$ 5,520,369	\$ 3,223,740	\$ 8,744,109
Property taxes receivable	887,914	421,066	1,308,980
Accounts receivable	-	209	209
Prepaid items	1,115,106	603,275	1,718,381
Inventories	519,223	-	519,223
	<u>519,223</u>	<u>-</u>	<u>519,223</u>
Total assets	<u>\$ 8,042,612</u>	<u>\$ 4,248,290</u>	<u>\$ 12,290,902</u>
Liabilities			
Accounts payable	\$ -	\$ 158,831	\$ 158,831
Salaries payable	102,983	66,834	169,817
	<u>102,983</u>	<u>66,834</u>	<u>169,817</u>
Total liabilities	<u>102,983</u>	<u>225,665</u>	<u>328,648</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	887,914	421,066	1,308,980
	<u>887,914</u>	<u>421,066</u>	<u>1,308,980</u>
Fund Balance			
Nonspendable	1,634,329	603,275	2,237,604
Committed	5,017,942	3,820,983	8,838,925
Assigned	84,154	45,416	129,570
Unassigned	315,290	(868,115)	(552,825)
	<u>315,290</u>	<u>(868,115)</u>	<u>(552,825)</u>
Total fund balance	<u>7,051,715</u>	<u>3,601,559</u>	<u>10,653,274</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,042,612</u>	<u>\$ 4,248,290</u>	<u>\$ 12,290,902</u>

Great Falls School District 1 & A

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund

Year Ended June 30, 2024

	Elementary General Subfund	High School General Subfund	Totals
Revenues			
District property taxes	\$ 14,427,431	\$ 6,920,573	\$ 21,348,004
Tuition and fees	20,360	53,299	73,659
Investment earnings	43,229	36,521	79,750
State sources	39,638,771	20,798,851	60,437,622
Total revenues	<u>54,129,791</u>	<u>27,809,244</u>	<u>81,939,035</u>
Expenditures			
Current			
Instruction	25,784,230	12,872,661	38,656,891
Support services	21,823,455	12,046,450	33,869,905
Non-education services	442,887	1,393,091	1,835,978
Debt service			
Principal	566,865	161,526	728,391
Interest and fiscal charges	84,872	24,541	109,413
Capital outlay	474,122	359,558	833,680
Total expenditures	<u>49,176,431</u>	<u>26,857,827</u>	<u>76,034,258</u>
Excess of Revenues over Expenditures	4,953,360	951,417	5,904,777
Other Financing Uses			
Transfer out	<u>(5,218,191)</u>	<u>(955,490)</u>	<u>(6,173,681)</u>
Net Change in Fund Balance	(264,831)	(4,073)	(268,904)
Fund Balance, Beginning of Year	<u>7,316,546</u>	<u>3,605,632</u>	<u>10,922,178</u>
Fund Balance, End of Year	<u><u>\$ 7,051,715</u></u>	<u><u>\$ 3,601,559</u></u>	<u><u>\$ 10,653,274</u></u>

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Transportation Elementary	Bus Depreciation Elementary	School Food Service Elementary	Tuition Elementary	Retirement Elementary	Adult Education Elementary	Lease/Rental Elementary	Compensated Absence Liability Elementary
Assets								
Cash and investments	\$ 1,805,020	\$ 52,061	\$ 6,950,479	\$ -	\$ 1,682,571	\$ 293,252	\$ 7,502	\$ 618,507
Property taxes receivable	112,194	733	-	139,008	-	21,920	-	-
Due from other governmental units	-	-	-	-	-	-	-	-
Prepaid items	-	-	13,649	-	-	-	-	-
Inventories	-	-	135,732	-	-	-	-	-
Total assets	\$ 1,917,214	\$ 52,794	\$ 7,099,860	\$ 139,008	\$ 1,682,571	\$ 315,172	\$ 7,502	\$ 618,507
Liabilities								
Salaries payable	\$ 1,278	\$ -	\$ 14,479	\$ -	\$ -	\$ 3,802	\$ -	\$ 13,215
Deferred Inflows of Resources								
Unavailable revenue-property taxes	112,194	733	-	139,008	-	21,920	-	-
Fund Balance								
Nonspendable	-	-	149,381	-	-	-	-	-
Restricted	1,803,742	52,061	6,936,000	-	1,682,571	289,450	7,502	605,292
Assigned	-	-	-	-	-	-	-	-
Total fund balance	1,803,742	52,061	7,085,381	-	1,682,571	289,450	7,502	605,292
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,917,214	\$ 52,794	\$ 7,099,860	\$ 139,008	\$ 1,682,571	\$ 315,172	\$ 7,502	\$ 618,507

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Misc Internal Local Elementary	Misc Skyline Ride Elementary	Technology Elementary	Flex Elementary	Transportation High School	Bus Depreciation High School	Tuition High School	Retirement High School
Assets								
Cash and investments	\$ 175,217	\$ 447,289	\$ 332,018	\$ 758,252	\$ 726,706	\$ 31,648	\$ -	\$ 1,917,051
Property taxes receivable	-	-	8,811	-	85,420	422	35,169	-
Due from other governmental units	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	\$ 175,217	\$ 447,289	\$ 340,829	\$ 758,252	\$ 812,126	\$ 32,070	\$ 35,169	\$ 1,917,051
Liabilities								
Salaries payable	\$ 513	\$ -	\$ -	\$ -	\$ 794	\$ -	\$ -	\$ -
Deferred Inflows of Resources								
Unavailable revenue-property taxes	-	-	8,811	-	85,420	422	35,169	-
Fund Balance								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	332,018	758,252	725,912	31,648	-	1,917,051
Assigned	174,704	447,289	-	-	-	-	-	-
Total fund balance	174,704	447,289	332,018	758,252	725,912	31,648	-	1,917,051
Total liabilities, deferred inflows of resources, and fund balance	\$ 175,217	\$ 447,289	\$ 340,829	\$ 758,252	\$ 812,126	\$ 32,070	\$ 35,169	\$ 1,917,051

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Miscellaneous Programs High School	Adult Education High School	Traffic Education High School	Lease/Rental High School	Compensated Absence Liability High School	Interlocal High School	Indirect Cost High School	Impact Aid High School
Assets								
Cash and investments	\$ 908,958	\$ 469,960	\$ 210,426	\$ 5,152	\$ 272,895	\$ 1,140,795	\$ 1,102,198	\$ 492,971
Property taxes receivable	-	17,163	-	-	-	-	-	-
Due from other governmental units	-	-	57,240	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	7,687	-
Inventories	-	-	-	-	-	-	-	-
Total assets	\$ 908,958	\$ 487,123	\$ 267,666	\$ 5,152	\$ 272,895	\$ 1,140,795	\$ 1,109,885	\$ 492,971
Liabilities								
Salaries payable	\$ 163	\$ 489	\$ -	\$ -	\$ 6,297	\$ -	\$ 3,807	\$ -
Deferred Inflows of Resources								
Unavailable revenue-property taxes	-	17,163	-	-	-	-	-	-
Fund Balance								
Nonspendable	-	-	-	-	-	-	7,687	-
Restricted	908,795	469,471	267,666	5,152	266,598	-	-	492,971
Assigned	-	-	-	-	-	1,140,795	1,098,391	-
Total fund balance	908,795	469,471	267,666	5,152	266,598	1,140,795	1,106,078	492,971
Total liabilities, deferred inflows of resources, and fund balance	\$ 908,958	\$ 487,123	\$ 267,666	\$ 5,152	\$ 272,895	\$ 1,140,795	\$ 1,109,885	\$ 492,971

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Technology High School	Flex High School	Specific Purpose Grants High School	Scholarship High School	Private Purpose Trust High School	Student Activities High School
Assets						
Cash and investments	\$ 32,380	\$ 223,472	\$ 1,815,119	\$ 397,222	\$ 25,811	\$ 1,881,555
Property taxes receivable	4,364	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Prepaid items	-	2,599	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	\$ 36,744	\$ 226,071	\$ 1,815,119	\$ 397,222	\$ 25,811	\$ 1,881,555
Liabilities						
Salaries payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources						
Unavailable revenue-property taxes	4,364	-	-	-	-	-
Fund Balance						
Nonspendable	-	2,599	-	-	-	-
Restricted	32,380	223,472	-	397,222	25,811	1,881,555
Assigned	-	-	1,815,119	-	-	-
Total fund balance	32,380	226,071	1,815,119	397,222	25,811	1,881,555
Total liabilities, deferred inflows of resources, and fund balance	\$ 36,744	\$ 226,071	\$ 1,815,119	\$ 397,222	\$ 25,811	\$ 1,881,555

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Debt Service Elementary	Special Ed Medicaid Elementary	Rate Stabilization Elementary	Debt Service High School	Swimming Pool Service High School	Revenue Enhancement High School	State Vocational Ed High School
Assets							
Cash and investments	\$ 1,112,881	\$ 1,047,279	\$ 1,251,920	\$ 579,979	\$ 703	\$ 467,469	\$ 129,250
Property taxes receivable	190,864	-	-	233,801	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Prepaid items	-	24,745	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 1,303,745	\$ 1,072,024	\$ 1,251,920	\$ 813,780	\$ 703	\$ 467,469	\$ 129,250
Liabilities							
Salaries payable	\$ -	\$ 17,332	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources							
Unavailable revenue-property taxes	190,864	-	-	233,801	-	-	-
Fund Balance							
Nonspendable	-	24,745	-	-	-	-	-
Restricted	1,112,881	-	-	579,979	-	-	-
Assigned	-	1,029,947	1,251,920	-	703	467,469	129,250
Total fund balance	1,112,881	1,054,692	1,251,920	579,979	703	467,469	129,250
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,303,745	\$ 1,072,024	\$ 1,251,920	\$ 813,780	\$ 703	\$ 467,469	\$ 129,250

Great Falls School District 1 & A
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Building Elementary	Building Reserve Elementary	Building High School	Building Reserve High School	Construction High School	Total
Assets						
Cash and investments	\$ 752,129	\$ 2,678,026	\$ 123,335	\$ 1,091,177	\$ 6,786	\$ 34,017,421
Property taxes receivable	-	25,778	-	12,273	-	887,920
Due from other governmental units	-	-	-	-	-	57,240
Prepaid items	-	-	-	-	-	48,680
Inventories	-	-	-	-	-	135,732
Total assets	<u>\$ 752,129</u>	<u>\$ 2,703,804</u>	<u>\$ 123,335</u>	<u>\$ 1,103,450</u>	<u>\$ 6,786</u>	<u>\$ 35,146,993</u>
Liabilities						
Salaries payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,169
Deferred Inflows of Resources						
Unavailable revenue-property taxes	-	25,778	-	12,273	-	887,920
Fund Balance						
Nonspendable	-	-	-	-	-	184,412
Restricted	752,129	2,678,026	123,335	1,091,177	6,786	26,456,905
Assigned	-	-	-	-	-	7,555,587
Total fund balance	<u>752,129</u>	<u>2,678,026</u>	<u>123,335</u>	<u>1,091,177</u>	<u>6,786</u>	<u>34,196,904</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 752,129</u>	<u>\$ 2,703,804</u>	<u>\$ 123,335</u>	<u>\$ 1,103,450</u>	<u>\$ 6,786</u>	<u>\$ 35,146,993</u>

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Transportation Elementary	Bus Depreciation Elementary	School Food Service Elementary	Tuition Elementary	Retirement Elementary	Adult Education Elementary	Lease/Rental Elementary	Compensated Absence Liability Elementary
Revenues								
District property taxes	\$ 1,812,939	\$ 12,022	\$ -	\$ 2,252,573	\$ -	\$ 359,485	\$ -	\$ -
Tuition and fees	-	-	949,685	-	-	-	-	-
Investment earnings	11,641	-	36,388	-	8,756	1,781	107	2,419
Other district revenue	6,385	-	85,191	40,505	-	9,928	34,439	4,480
County sources	273,042	-	-	-	7,742,592	-	-	-
State sources	273,042	-	400	-	-	-	-	-
Federal sources	-	-	4,344,205	-	-	-	-	-
Total revenues	2,377,049	12,022	5,415,869	2,293,078	7,751,348	371,194	34,546	6,899
Expenditures								
Current								
Instruction	-	-	-	1,757,865	4,696,209	409,658	-	428,841
Support services	2,722,202	-	84,724	535,213	2,513,630	9,928	32,734	275,671
Non-education services	-	-	4,565,348	-	353,393	-	-	-
Non-transfer	-	-	-	-	-	-	-	-
Fiscal and other fixed cost programs	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	2,722,202	-	4,650,072	2,293,078	7,563,232	419,586	32,734	704,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,153)	12,022	765,797	-	188,116	(48,392)	1,812	(697,613)
Other Financing Sources								
Transfer in	-	-	-	-	-	-	-	765,000
Sale of property	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	765,000
Net Change in Fund Balance	(345,153)	12,022	765,797	-	188,116	(48,392)	1,812	67,387
Fund Balance, Beginning of Year	2,148,895	40,039	6,319,584	-	1,494,455	337,842	5,690	537,905
Fund Balance, End of Year	\$ 1,803,742	\$ 52,061	\$ 7,085,381	\$ -	\$ 1,682,571	\$ 289,450	\$ 7,502	\$ 605,292

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Misc Internal Local Elementary	Misc Skyline Ride Elementary	Technology Elementary	Flex Elementary	Transportation High School	Bus Depreciation High School	Tuition High School	Retirement High School
Revenues								
District property taxes	\$ -	\$ -	\$ 142,967	\$ -	\$ 1,420,528	\$ 6,990	\$ 573,309	\$ -
Tuition and fees	-	-	-	-	-	-	-	-
Investment earnings	-	12,994	1,944	11,051	3,010	-	-	14,825
Other district revenue	60,706	-	33,127	14,517	3,667	-	14,205	-
County sources	-	-	-	-	96,119	-	-	2,999,731
State sources	-	-	41,084	93,522	96,119	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	60,706	12,994	219,122	119,090	1,619,443	6,990	587,514	3,014,556
Expenditures								
Current								
Instruction	8,114	-	312,714	51,522	-	-	252,221	2,142,357
Support services	-	-	-	1,455	1,316,182	-	335,293	1,136,566
Non-education services	2,909	-	-	-	-	-	-	138,024
Non-transfer	-	-	-	-	-	-	-	-
Fiscal and other fixed cost programs	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	3,372
Total expenditures	11,023	-	312,714	52,977	1,316,182	-	587,514	3,420,319
Excess (Deficiency) of Revenues over (under) Expenditures	49,683	12,994	(93,592)	66,113	303,261	6,990	-	(405,763)
Other Financing Sources								
Transfer in	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net Change in Fund Balance	49,683	12,994	(93,592)	66,113	303,261	6,990	-	(405,763)
Fund Balance, Beginning of Year	125,021	434,295	425,610	692,139	422,651	24,658	-	2,322,814
Fund Balance, End of Year	\$ 174,704	\$ 447,289	\$ 332,018	\$ 758,252	\$ 725,912	\$ 31,648	\$ -	\$ 1,917,051

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Miscellaneous Programs High School	Adult Education High School	Traffic Education High School	Lease/Rental High School	Compensated Absence Liability High School	Interlocal High School	Indirect Cost High School	Impact Aid High School
Revenues								
District property taxes	\$ -	\$ 283,795	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and fees	-	7,600	116,944	-	-	-	-	-
Investment earnings	-	2,482	13,716	184	931	-	6,788	13,800
Other district revenue	651,867	8,275	25,545	58,273	3,122	307,847	23,815	3,808
County sources	-	-	-	-	-	-	-	-
State sources	3,000	-	52,879	-	-	-	-	-
Federal sources	619,789	-	-	-	-	-	446,493	156,640
Total revenues	1,274,656	302,152	209,084	58,457	4,053	307,847	477,096	174,248
Expenditures								
Current								
Instruction	335,138	228,502	163,190	-	122,418	168,229	-	78,751
Support services	168,031	8,275	14,895	57,466	154,107	16,587	126,117	5,805
Non-education services	-	-	-	-	-	59,665	-	-
Non-transfer	15,865	-	-	-	-	-	-	-
Fiscal and other fixed cost programs	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	519,034	236,777	178,085	57,466	276,525	244,481	126,117	84,556
Excess (Deficiency) of Revenues Over (Under) Expenditures	755,622	65,375	30,999	991	(272,472)	63,366	350,979	89,692
Other Financing Sources								
Transfer in	-	-	-	-	330,000	-	-	-
Sale of property	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	330,000	-	-	-
Net Change in Fund Balance	755,622	65,375	30,999	991	57,528	63,366	350,979	89,692
Fund Balance, Beginning of Year	153,173	404,096	236,667	4,161	209,070	1,077,429	755,099	403,279
Fund Balance, End of Year	\$ 908,795	\$ 469,471	\$ 267,666	\$ 5,152	\$ 266,598	\$ 1,140,795	\$ 1,106,078	\$ 492,971

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Technology High School	Flex High School	Specific Purpose Grants High School	Scholarship High School	Private Purpose Trust High School	Student Activities High School
Revenues						
District property taxes	\$ 71,692	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and fees	-	-	-	-	-	-
Investment earnings	369	2,131	-	14,194	163	35,152
Other district revenue	6,653	28,223	1,463,291	-	8,000	2,770,809
County sources	-	-	-	-	-	-
State sources	20,630	233,027	600	-	-	-
Federal sources	-	-	100,972	-	-	-
Total revenues	99,344	263,381	1,564,863	14,194	8,163	2,805,961
Expenditures						
Current						
Instruction	142,810	384,833	541,824	-	-	-
Support services	-	-	39,343	-	-	-
Non-education services	-	-	600	6,518	14,520	2,606,535
Non-transfer	-	-	-	-	-	-
Fiscal and other fixed cost programs	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	21,481	-	-	-
Total expenditures	142,810	384,833	603,248	6,518	14,520	2,606,535
Excess (Deficiency) of Revenues over (under) Expenditures	(43,466)	(121,452)	961,615	7,676	(6,357)	199,426
Other Financing Sources						
Transfer in	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net Change in Fund Balance	(43,466)	(121,452)	961,615	7,676	(6,357)	199,426
Fund Balance, Beginning of Year	75,846	347,523	853,504	389,546	32,168	1,682,129
Fund Balance, End of Year	\$ 32,380	\$ 226,071	\$ 1,815,119	\$ 397,222	\$ 25,811	\$ 1,881,555

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Debt Service Elementary	Special Ed Medicaid Elementary	Rate Stabilization Elementary	Debt Service High School	Swimming Pool Service High School	Revenue Enhancement High School	State Vocational Ed High School
Revenues							
District property taxes	\$ 3,103,043	\$ -	\$ -	\$ 3,851,831	\$ -	\$ -	\$ -
Tuition and fees	-	-	-	-	-	-	-
Investment earnings	5,648	30,612	57,446	5,446	-	12,805	-
Other district revenue	-	57,658	2,438	-	47,281	30,134	-
County sources	-	-	-	-	-	-	-
State sources	1,277,483	469,514	-	780,177	-	-	86,156
Federal sources	-	-	-	-	-	-	-
Total revenues	4,386,174	557,784	59,884	4,637,454	47,281	42,939	86,156
Expenditures							
Current							
Instruction	-	303,686	158,748	-	-	-	70,326
Support services	-	121,620	62,973	-	4,853	14,478	-
Non-education services	-	-	13,344	-	60,110	11,205	-
Non-transfer	-	-	-	-	-	-	-
Fiscal and other fixed cost programs	799	-	-	801	-	-	-
Debt service							
Principal	1,910,000	-	-	2,140,000	-	-	-
Interest	1,546,644	-	-	2,001,681	-	-	-
Capital outlay	-	-	95	-	-	-	-
Total expenditures	3,457,443	425,306	235,160	4,142,482	64,963	25,683	70,326
Excess (Deficiency) of Revenues over (under) Expenditures	928,731	132,478	(175,276)	494,972	(17,682)	17,256	15,830
Other Financing Sources							
Transfer in	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net Change in Fund Balance	928,731	132,478	(175,276)	494,972	(17,682)	17,256	15,830
Fund Balance, Beginning of Year	184,150	922,214	1,427,196	85,007	18,385	450,213	113,420
Fund Balance, End of Year	\$ 1,112,881	\$ 1,054,692	\$ 1,251,920	\$ 579,979	\$ 703	\$ 467,469	\$ 129,250

Great Falls School District 1 & A

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Building Elementary	Building Reserve Elementary	Building High School	Building Reserve High School	Construction High School	Total
Revenues						
District property taxes	\$ 4,776	\$ 417,281	\$ -	\$ 202,018	\$ -	\$ 14,515,249
Tuition and fees	-	-	-	-	-	1,074,229
Investment earnings	29,082	17,679	6,026	4,914	40	364,524
Other district revenue	77,206	-	736	-	-	5,882,131
County sources	-	-	-	-	-	11,111,484
State sources	-	387,116	-	149,849	-	3,964,598
Federal sources	-	-	-	-	-	5,668,099
Total revenues	111,064	822,076	6,762	356,781	40	42,580,314
Expenditures						
Current						
Instruction	-	-	-	-	-	12,757,956
Support services	6,700	-	16,353	-	-	9,781,201
Non-education services	-	-	-	-	-	7,832,171
Non-transfer	-	-	-	-	-	15,865
Fiscal and other fixed cost programs	-	-	-	-	-	1,600
Debt service						
Principal	-	-	-	-	-	4,050,000
Interest	-	-	-	-	-	3,548,325
Capital outlay	1,351,769	731,444	284,961	-	-	2,393,122
Total expenditures	1,358,469	731,444	301,314	-	-	40,380,240
Excess (Deficiency) of Revenues over (under) Expenditures	(1,247,405)	90,632	(294,552)	356,781	40	2,200,074
Other Financing Sources						
Transfer in	-	-	-	-	-	1,095,000
Sale of property	2,202	-	6,255	-	-	8,457
Total other financing sources	2,202	-	6,255	-	-	1,103,457
Net Change in Fund Balance	(1,245,203)	90,632	(288,297)	356,781	40	3,303,531
Fund Balance, Beginning of Year	1,997,332	2,587,394	411,632	734,396	6,746	30,893,373
Fund Balance, End of Year	\$ 752,129	\$ 2,678,026	\$ 123,335	\$ 1,091,177	\$ 6,786	\$ 34,196,904

Great Falls School District 1 & A
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2024

	Internal Service Funds		
	Print Center	Self-Insurance High School	Total
Assets			
Cash and cash equivalents	\$ 72,598	\$ 3,306,815	\$ 3,379,413
Capital assets, net of accumulated depreciation	42,979	-	42,979
Total assets	115,577	3,306,815	3,422,392
Liabilities			
Accrued salaries and liabilities	2,238	-	2,238
Claims incurred but not reported	-	2,351,168	2,351,168
Total liabilities	2,238	2,351,168	2,353,406
Net Position			
Net investment in capital assets	42,979	-	42,979
Unrestricted	70,360	955,647	1,026,007
Total net position	\$ 113,339	\$ 955,647	\$ 1,068,986

Great Falls School District 1 & A
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
Year Ended June 30, 2024

	Internal Service Funds		
	Print Center	Self-Insurance High School	Total
Operating Revenues			
Health insurance premiums	\$ -	\$ 10,751,178	\$ 10,751,178
Charges for services	336,528	-	336,528
Other district revenue	4,770	-	4,770
Interest income	352	4,645	4,997
	<u>341,650</u>	<u>10,755,823</u>	<u>11,097,473</u>
Total operating revenues			
Operating Expenses			
Health insurance payments	-	8,941,607	8,941,607
Personal services - salaries	91,977	31,242	123,219
Personal services - benefits	22,872	-	22,872
Stop-loss insurance	-	1,687,830	1,687,830
Other purchased services	119,323	-	119,323
Miscellaneous	77,712	23,366	101,078
Depreciation	11,755	-	11,755
	<u>323,639</u>	<u>10,684,045</u>	<u>11,007,684</u>
Total operating expenses			
Operating Income	18,011	71,778	89,789
Net Position, Beginning of Year	95,328	883,869	979,197
Net Position, End of Year	<u>\$ 113,339</u>	<u>\$ 955,647</u>	<u>\$ 1,068,986</u>

Great Falls School District 1 & A
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended June 30, 2024

	Internal Service Funds		
	Print Center	Self-Insurance High School	Total
Operating Activities			
Cash received from print center services	\$ 341,298	\$ -	\$ 341,298
Cash received from health insurance	-	10,751,178	10,751,178
Cash paid to employees	(115,362)	(31,242)	(146,604)
Cash paid to suppliers for goods and services	(198,768)	(10,493,935)	(10,692,703)
Net cash from operating activities	27,168	226,001	253,169
Investing Activity			
Interest on investments	352	4,645	4,997
Net Change in Cash and Cash Equivalents	27,520	230,646	258,166
Cash and Cash Equivalents, July 1	45,078	3,076,169	3,121,247
Cash and Cash Equivalents, June 30	\$ 72,598	\$ 3,306,815	\$ 3,379,413
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ 18,011	\$ 71,778	\$ 89,789
Interest income	(352)	(4,645)	(4,997)
Depreciation expense	11,755	-	11,755
Decrease in prepaid expenses	181	-	181
Decrease in accounts payable	(1,914)	-	(1,914)
Increase in claims incurred but not reported	-	158,868	158,868
Decrease in accrued salaries	(513)	-	(513)
Net cash from operating activities	\$ 27,168	\$ 226,001	\$ 253,169



Other Supplementary Information
June 30, 2024

Great Falls School District 1 & A

Great Falls School District 1 & A
Schedule of Revenues and Expenditures - All Fund Accounts - Extracurricular Fund
Year Ended June 30, 2024

	Beginning Balance	Revenues	Expenditures	Ending Balance
Administration Building				
Unallocated increase in fair value of investments	\$ 20,434	\$ 27,968	\$ -	\$ 48,402
Alternative education	57,371	56,147	27,374	86,144
Indian education	3,443	8,466	7,208	4,701
Special education	221	3	1	223
	<u>81,469</u>	<u>92,584</u>	<u>34,583</u>	<u>139,470</u>
Elementary Schools				
Giant Springs School	1,390	1,698	452	2,636
Lewis & Clark School	405	5	1	409
Lincoln School	366	4	1	369
Longfellow School	30	31	-	61
Loy School	5,334	42	3,152	2,224
MeadowLark School	1,894	2,295	1,689	2,500
Morningside School	2,818	33	125	2,726
Mountain View School	2,719	31	295	2,455
Riverview School	1,913	891	1,016	1,788
Roosevelt School	1	-	-	1
Sacajawea School	906	2,357	1,578	1,685
Sunnyside School	488	6	1	493
Valleyview School	1,898	2,480	5	4,373
Whittier School	513	73	1	585
	<u>20,675</u>	<u>9,946</u>	<u>8,316</u>	<u>22,305</u>
Middle Schools				
East Middle School	76,228	54,367	26,651	103,944
North Middle School	42,548	74,364	40,226	76,686
	<u>118,776</u>	<u>128,731</u>	<u>66,877</u>	<u>180,630</u>
High Schools				
Great Falls High School	653,866	1,394,927	1,288,570	760,223
C.M. Russell High School	807,343	1,179,773	1,208,189	778,927
	<u>1,461,209</u>	<u>2,574,700</u>	<u>2,496,759</u>	<u>1,539,150</u>
Total	<u>\$ 1,682,129</u>	<u>\$ 2,805,961</u>	<u>\$ 2,606,535</u>	<u>\$ 1,881,555</u>

Great Falls School District 1 & A
Schedule of Enrollment
Year Ended June 30, 2024

	<u>Elementary District</u>	<u>High School District</u>
<u>Fall Enrollment 10/2/23</u>		
Reported Enrollment Totals per "2023-24 School Fall Reports"	<u><u>6,892</u></u>	<u><u>3,073</u></u>
Reported Enrollment Totals per 2023-24 School Attendance Enrollment Counts	<u><u>6,892</u></u>	<u><u>3,073</u></u>
<u>Spring Enrollment 2/5/24</u>		
Reported Enrollment Totals per "2023-24 School Springs Reports"	<u><u>6,847</u></u>	<u><u>2,922</u></u>
Reported Enrollment Totals per 2023-24 School Attendance Enrollment Counts	<u><u>6,847</u></u>	<u><u>2,922</u></u>

Great Falls School District 1 & A
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	
Department of Agriculture <i>Passed through the State of Montana Office of Public Instruction</i>				
Child Nutrition Cluster				
Non-Cash Assistance (Commodities)				
National School Lunch Program	10.555	Unknown	\$ 204,015	
Cash Assistance				
National School Lunch Program				
COVID-19 National School Lunch Program -	10.555	Unknown	3,541,045	
Supply Chain Assistance Funds	10.555C	Unknown	260,550	
Summer Food Service Program for Children	10.559	Unknown	78,045	
Total Child Nutrition Cluster			<u>78,045</u>	\$ 4,083,655
Total Department of Agriculture				\$ 4,083,655
Department of Education <i>Passed through the State of Montana Office of Public Instruction</i>				
Adult Education - Basic Grants to States	84.002	Unknown	200,298	
EI Civic	84.002	Unknown	16,906	
Total 84.002			<u>217,204</u>	
Title I - Part A	84.010	07-00-9831-23	\$ 67,575	
Title I - Part A	84.010	07-00-9832-23	4,941,538	
Total Title I - Part A (Note 4)			<u>5,009,113</u>	
Title I - Part D	84.010	07-00-9942-23	198,326	
Total 84.010			<u>5,207,439</u>	
Impact Aid	84.041	Unknown		1,450,045
Vocational Education Carl D Perkins	84.048	07-00-9981-23		286,986
Title VII, Part A, Indian Education	84.060	S0600A210490		337,737
Pre-Employment Transition Services	84.126A	Unknown		165,950
Special Education Cluster				
IDEA B	84.027	07-00-9877-23	2,100,620	
IDEA Preschool	84.173A	07-00-9879-23	156,603	
Total Special Education Cluster			<u>2,257,223</u>	
Title X - Part C	84.196A	07-00-9857-23		34,130
Title I - Part E	84.371	07-00-9839-23		510,000
Title IV	84.424	07-00-9852-23		359,697
COVID-19 Education Stabilization Fund	84.425U	07-00-9893-21		<u>10,148,579</u>
Total Department of Education				20,974,990
Department of Homeland Security Starbase Grant	97.067	N/A		<u>69,271</u>
Total Federal Financial Assistance				<u>\$ 25,127,916</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position or fund balance of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate. The Montana Office of Public Instruction (OPI) has a process to determine the indirect cost rate for each school district in Montana. In completing the application, the District's indirect cost rate that was approved by OPI was determined to be 4.06% for the year ended June 30, 2024.

Note 4 - Transferability

As allowed by federal regulations, the District elected to transfer program funds. The District expended \$808,046 from its Title II, Part A Grants (84.367) and \$37,595 from its Title II, Part A Grants (84.365) on allowable activities of the Title I, Part A Grants (84.010). These amounts are reflected in the expenditures of Title I, Part A Grants (84.010).



Additional Reports
June 30, 2024

Great Falls School District 1 & A



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The School Board of
Great Falls School District 1 & A
Great Falls, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Great Falls School District 1 & A ("the District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

Report on 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) as a basis for designing 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002, 2024-003, and 2024-004 that we consider to be material weaknesses.

Report on 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 financial statements. 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*.

Montana Legal Compliance

The *Compliance Supplement for Audits of Montana Local Government Entities* contains nine categories of compliance to be tested. Our audit considered all of the nine categories. In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Compliance Supplement for Audits of Montana Local Government Entities*, except as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-006.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
December 16, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The School Board of
Great Falls School District 1 & A
Great Falls, Montana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Great Falls School District 1 & A's ("the District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Impact Aid

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Impact Aid for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Impact Aid

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Assistance Listing No. 84.041 Impact Aid as described in the finding number 2024-005 for Activities Allowed or Unallowed/Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to the program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control or over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fargo, North Dakota
December 16, 2024

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified for all major federal programs except for Impact Aid, which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Child Nutrition Cluster	10.555, 10.555C, 10.559
Impact Aid	84.041
COVID-19 Education Stabilization Fund	84.425U
Dollar threshold used to distinguish between type A and type B programs:	\$753,837
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

**2024-001 Internal Controls and Segregation of Duties
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Adherence to those policies and appropriate segregation of duties are key components of internal control. A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping and reconciliation functions.

Condition: It was noted there was no review and approval over the receipt of state aid payments or District levy cash receipts. It was noted that there were no formal reconciliations performed at year-end over key audit areas such as prepaid items, capital assets, payroll liabilities, accounts payable, and long-term debt.

Cause: System controls in place do not ensure proper segregation of duties for certain personnel when processing receipts. In addition, there are formal reconciliations being performed in key audit areas to ensure they are materially accurate and in accordance with established policies and generally accepted accounting principles in the United States of America (U.S. GAAP).

Effect: Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation: The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials: There is no disagreement with the audit finding.

2024-002 Material Journal Entries
Material Weakness

Criteria: A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements. As the auditors we identified many instances where journal entries were proposed by us to ensure financial statements were not materially misstated and in accordance with established policies and generally accepted accounting principles in the United States of America (U.S. GAAP). This included an impact on both beginning of year fund balances/net position and current year transactions.

Condition: During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District's existing internal controls and year-end processes, and therefore could have resulted in a material misstatement of the District's financial statements.

Cause: The District prepares year-end financial statements to be used to complete the Trustee Financial Summary (TFS). The TFS is due to the county superintendent by August 15 each year, and the county superintendent must send the completed TFS to the Montana Office of Public Instruction (OPI) no later than September 15. Subsequent to the completion of the TFS the District works with the auditor to convert the financial statements used to complete the TFS to a format that follows U.S. GAAP.

Effect: This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation: A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials: There is no disagreement with the audit finding.

**2024-003 Preparation of Financial Statements and the Schedule of Expenditures of Federal Awards
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial statement reporting. One of the components of an effective system of internal control over financial reporting is the preparation of full disclosure financial statements that do not require adjustment as part of the audit process and are prepared in accordance with U.S. GAAP.

Condition: Management historically relies on the auditors to prepare the financial statements and the schedule of expenditures of federal awards (SEFA) and implement new Governmental Accounting Standards Board (GASB) Statements.

Cause: Government financial statements and standards require unique training and processes. Accounting personnel did not have the training necessary to prepare the financial statements in accordance with generally accepted accounting principles, with respect to government financial statements without significant assistance.

Effect: As auditors, we assisted in the preparation of the full disclosure financial statements and SEFA. This was necessary to ensure the financial statements were prepared in accordance with U.S. GAAP.

Recommendation: We recommend the District allocate the resources necessary to provide sufficient training in the preparation of governmental financial statements in accordance with U.S. GAAP.

Views of Responsible Officials: There is no disagreement with the audit finding.

**2024-004 Failure to Record Transactions Timely in the General Ledger
Material Weakness**

Criteria: A good system of internal accounting control contemplates an adequate system for the timely recording of all transactions in the general ledger.

Condition: During the course of our engagement, it was noted that the June 30, 2024 bank reconciliation contained numerous payments and deposits from as far back as November 2023 that were not recorded into the District's general ledger until June 2024.

Cause: The District does not have an internal control system designed to ensure the timely recording of all transactions in the general ledger.

Effect: This deficiency could result in a misstatement to the financial statements that would not be prevented or detected in a timely manner.

Recommendation: A process should be put in place to ensure that all transactions are recorded timely into the District's general ledger. This can be accomplished through the monthly bank reconciliations being done timely and accurately, with a goal of them being completed within two weeks of month-end.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section III - Federal Award Findings and Questioned Costs

**2024-005 Department of Education, Passed through the State of Montana Office of Public Instruction
Federal Financial Assistance Listing No. 84.041
Impact Aid**

**Activities Allowed or Unallowed/Allowable Costs
Material Weakness in Internal Control over Compliance and Material Noncompliance**

Criteria: As a condition of receiving Federal awards, non-Federal entities agree to comply with law, regulations, and the provisions of grant agreements and contracts, and to maintain internal control to provide reasonable assurance of compliance with these requirements. 2 CFR 200.441 *Fines, penalties, damages, and other settlements* states that costs resulting from recipient or subrecipient violations of, alleged violations of, or failure to comply with, Federal, State, local, tribal, or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the Federal award, or with prior written approval of the Federal agency.

Condition: In our testing of Activities Allowed or Unallowed/Allowable Costs, it was identified that the District had three instances where Federal grant dollars were expended for penalty assessments and interest charges to the Internal Revenue Service. During the year ended June 30, 2024, the District was made aware of apparent delinquent Form 941 submissions from fiscal year 2021, which resulted in penalty assessments and interest charges amounting to \$253,747. These were paid using Impact Aid funds in fiscal year 2024, and with the assistance of legal counsel, the District was successful in fiscal year 2025 of having the entirety of the amount removed. The District was reimbursed the full amount of \$253,747 in fiscal year 2025 and the funds were returned to the Impact Aid fund.

Cause: The District's procedures did not consistently ensure that unallowable costs were not being charged to the Federal grant.

Effect: Lack of compliance to federal requirements increases the overall risk of non-compliance.

Questioned Costs: \$253,747

Context/Sampling: A nonstatistical sample of 46 transactions out of 227 total transactions were selected for testing, which accounted for \$500,121 of \$1,450,045 of federal program expenditures.

Repeat Finding from Prior Year: No

Recommendation: We recommend that management establish controls to follow all applicable requirements under Uniform Guidance and applicable CFR sections.

Views of Responsible Officials: There is no disagreement with the audit finding.

Section IV - State of Montana Compliance Findings

2024-006 Extracurricular Funds

Criteria: Page 13 of the “Compliance Supplement for Audits of Local Government Entities, Extracurricular Funds,” issued by the Montana Department of Administration, Montana Office of Public Instruction, provides guidance for receipts. Fund custodian receipts and subsidiary receipts (pre-numbered) must be issued immediately upon each collection. The pre-numbered receipts must consist of the original and one copy. The duplicate copy should be retained by the fund custodian in numerical order and used as a source document for posting to the register.

Condition: During the course of our engagement, it was noted that one deposit from Valley View School did not have a pre-numbered receipt to support the amount.

Cause: The District’s internal control system did not ensure that compliance was adequate at all of the school locations for extracurricular funds.

Effect: The lack of compliance increases the risk of errors in the extracurricular funds.

Recommendation: A process should be put in place to ensure that all school locations are aware of the receipt requirements, and that pre-numbered receipts should be used for all transactions in order to support deposits for extracurricular funds.

Views of Responsible Officials: There is no disagreement with the audit finding.