



Annual

Comprehensive Financial Report

July 1, 2020 through June 30, 2021

BILLINGS SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021

Prepared by the Business Services Department
Craig Van Nice, Chief Financial Officer

Billings Public Schools
415 North 30th Street
Billings, Montana 59101-1298

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SECTION I - INTRODUCTORY

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BILLINGS PUBLIC SCHOOLS

ORGANIZATION

BOARD OF TRUSTEES
For Fiscal Year 2020-2021

Elementary and High School
Single Member District

1	Tanya Ludwig	Trustee
2	Janna Hafer	Trustee
3	Dr. Greta Besch Moen	Trustee, Chair
4	Joe Raffiani	Trustee
5	Scott McCulloch	Trustee
6	Mike Leo	Trustee
7	Brian Yates	Trustee, Vice Chair

High School
Nominating District

A	Jennifer Hoffman	Trustee
B	Russell Hall	Trustee

OFFICIALS

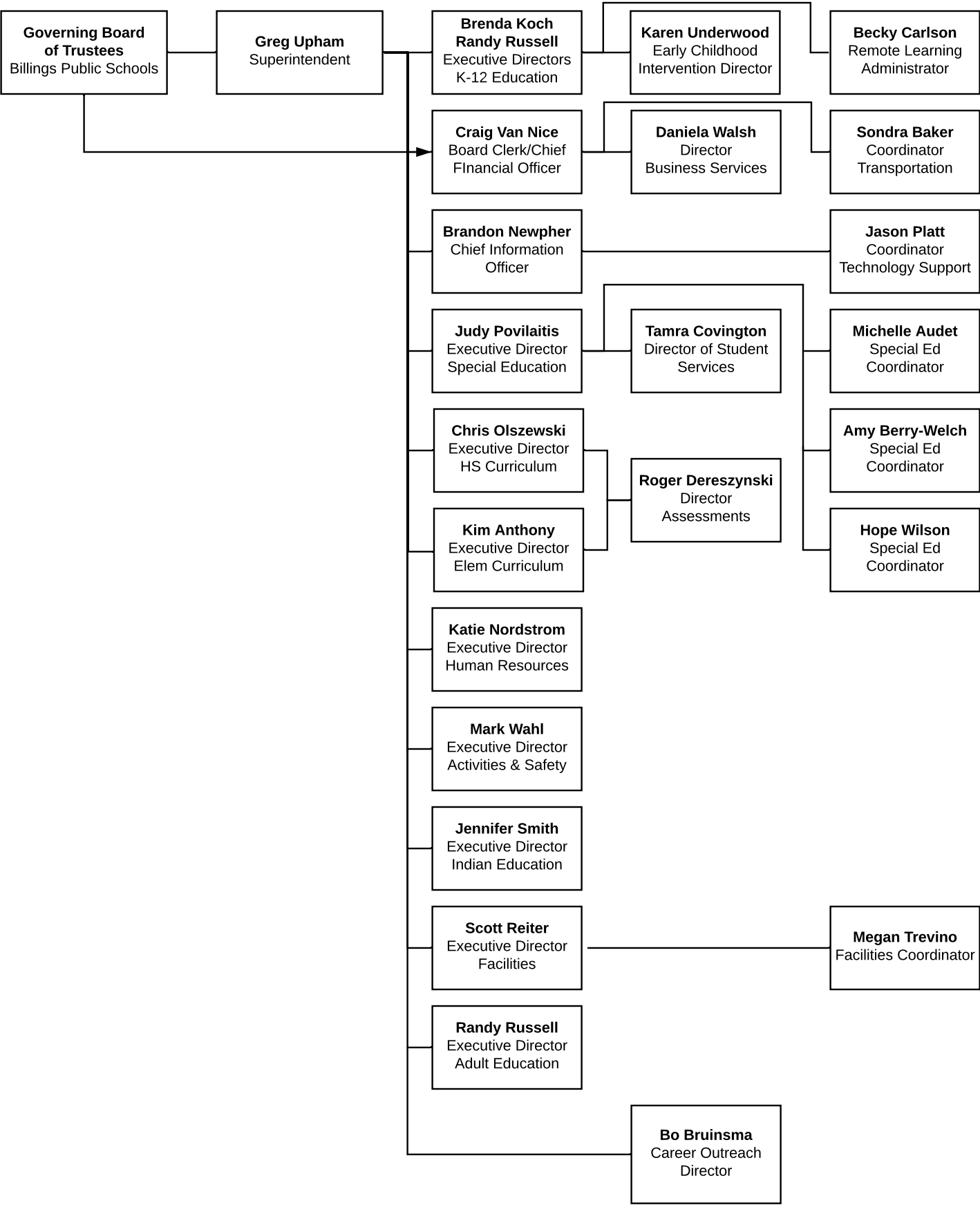
Greg Upham	Superintendent
Craig Van Nice	District Clerk

Elementary Single Member District Area:

- 1 South Billings
- 2 Northeast Billings
- 3 North Billings
- 4 Central Billings
- 5 Central Billings
- 6 Northwest Billings
- 7 Southwest Billings

High School District Area:

- A&B Elder Grove, Elysian, Canyon Creek, Morin
Yellowstone Academy, Independent, and
Blue Creek Elementary Districts





February 28, 2022

Greta Besch Moen, Ph.D, Chair
Members of the Board of Trustees and Billings Community
Billings Public Schools
415 North 30th Street
Billings, Montana 59101

Dear Board Members and Billings Community:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) for Billings Public Schools for the fiscal year ended June 30, 2021. The purpose of this report is to provide the Board of Trustees, district management, voters, grantor agencies, and other interested parties with reliable financial information about Billings Public Schools. This report presents complete information about the district's financial position at year-end and financial activities during fiscal year 2021.

Responsibility for the accuracy of the presentation, including all disclosures, rests with the school district's Business Services Department who prepared this report. We believe the information, as presented, is accurate in all material aspects, and is shown in a manner to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an adequate understanding of the district's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires a Management Discussion and Analysis (MD&A) that includes a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the auditor's report in the financial section.

Billings Public Schools engaged Eide Bailly LLP, an independent auditor, to conduct the district's audit for the fiscal year ended June 30, 2021. The auditor's report is presented as the first component of the financial section of this report.

PROFILE OF THE DISTRICT

Geographically, Billings Public Schools covers an area greater than the city of Billings. The school system includes two legally separate districts, Elementary District No. 2 and High School District No. 2. The Elementary District covers approximately 33 square miles and has an estimated population of 111,902. The High School District covers approximately 703 square miles, and encompasses eight elementary districts including; Billings, Elder Grove, Elysian, Canyon Creek, Morin, Yellowstone Academy, Independent, and Blue Creek. The estimated population of the High School District is 126,154. The FY21 student population totaled 16,532, which fell well short of budgeted projections that estimated 17,006 students. The drop off was most certainly due to the Covid-19 pandemic and the shift of previously enrolled students to other educational opportunities. Enrollment projections for FY22 have increased to 16,735.

The school system is a public entity under the authority of the state of Montana. The Elementary District No. 2 and High School District No. 2 are separate legal entities that make up one independent reporting entity within the criteria established in section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

The Elementary District is governed by a board of seven trustees elected by the voters of single member districts of the Billings Elementary District. The High School District is governed by a board of nine trustees that include the seven Elementary District trustees and two additional trustees elected by voters in the other elementary districts. The superintendent, who acts as chief administrative officer, is selected by the board of trustees. The leadership at the board level remained the same with the annual reorganization meeting in May.

All funds of the district are included in this report. The district serves over 16,500 students and provides a full range of educational services appropriate to grade levels from pre-kindergarten through 12th grade, as well as adult education. These include regular and enriched academic education, special education, and occupational education. These basic programs are supplemented by a wide variety of offerings in fine arts, athletics, and other specific student-based clubs.

The district has aging buildings with the oldest building constructed in 1910 and most recent built in 2017. There have

been additions made to the buildings over the years and bond proceeds are being used currently to update various facilities. The Board of Trustees conducted a successful bond levy election in November of 2013 in the amount of \$122.3 million with a voter approval rate of 54%. In January 2014 the District sold the first installment of the \$122.3 million bond issuance. The \$80.9 million sold in January 2014 has been used to fund deferred maintenance, Broadwater and McKinley renovations, technology infrastructure and a new middle school in the heights (Medicine Crow Middle School). The second installation of the 2013 bonds were sold in September 2015 to finish the deferred maintenance projects and construct the second new middle school on the west end (Ben Steele Middle School). The district is on the final stretch of utilizing the \$122 million bond project. The final piece was completed in July 2017 with the opening of our second new middle school. With that opening, the district was able to complete the transition to a grade 6-8 model. By moving 6th graders to the middle school, it has given the district additional capacity in the elementary buildings to alleviate over-crowding issues. A second Facility Master plan was completed in April 2018 and identifies planning goals to prioritize future facility improvements. With many of the previous elementary school issues having been addressed in recent years, the focus now shifts to deferred maintenance and addressing educational adequacy in the high schools. The Career Center, which serves in preparing students for career ready jobs out of high school, is also in need of substantial renovations and new construction. The District is active in talks to upgrade Daylis Stadium on the Senior High School campus, which is also in need of major repairs.

The Billings Education Foundation and the various parent organizations are separate legal entities. The impacts of these individual entities are considered immaterial to the overall financial status of the district and, as such, are not included in these financial statements. The State of Montana does not provide for Public Charter schools as of yet, but we do have private schools. It is the goal of the school district to work with all schools in the area to be sure that all student's academic achievements are in the fore front of all goals and objectives.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The Billings School District is located in south-central Montana within Yellowstone County. Billings is the largest city in Montana and serves as the county seat.

Billings benefits from a diverse economy as a regional center for agriculture, retail, medical services, transportation, education, law and government services. The Billings area is a regional center for the energy industry with three major oil refineries located within the county. Billings has seen significant growth in industries that serve rural areas including professional and technical services, wholesale trade, finance and insurance. Yellowstone County's economy continues to grow, fueled by rising consumer demand and retail trade. Despite a collapse in oil prices because of oversupply, production remained relatively steady through last year, and Yellowstone County's economy persevered through brisk construction and other healthy sectors. The state is near full employment and seeing wage growth in the retail sector. Montana's tourism business continues to provide opportunities to Billings which has adopted the nickname, "Montana's trailhead." Billings serves as a major starting point for visitors to Yellowstone and Grand Teton national parks. Healthcare remains a bright spot in the Billings economy. In the next decade, hospitals, clinics and other facilities will add 16,000 jobs in Yellowstone County just to meet needs of an aging Baby Boomer population and other growth. Growth in the sector slowed over the last five years but is expected to return to previous levels. Higher education opportunities continue to grow at MSU-Billings, City College and Rocky Mountain College as evidenced by steady enrollment at all three institutions. The city is a major trade center for eastern Montana and northern Wyoming. The absence of a sales tax attracts customers from northern Wyoming.

Major Initiatives

Our continual long-range strategic planning initiative has helped us to identify major areas in need of enhancement within our district and the Billings community. We recognize that when we all work together to implement the elements of our strategic plan the results will be closing the achievement gap between students, increasing graduations rates and preparing our students for career, college and life in an ever-changing world. Over the past five years Billings Public Schools has completed the following initiatives: High school redistricting; converting to a 6-8 middle school model; increased focus on career and technical education; building and opening two new middle schools; and expanding dual credit opportunities for high school students. Moving forward, a high school bond initiative will need to be considered to help increase enrollment at the Career Center, renovate Daylis Stadium, and update HVAC systems at the high school buildings. The strategic plan for the Business Office includes a commitment to transparency with our stakeholders, collaboration in assessing curriculum programs, student achievement to produce an academic return on investment, and establishing accurate 5-year outward projections for the district.

Financial Information

The district is required by state law to annually adopt budgets for certain funds, generally those supported by property taxes. The elementary and high school board of trustees must meet to legally adopt final budgets on or before August 25th immediately preceding the school year. The Board of Trustees has the legal authority to establish budgets for the districts within the parameters established by the State of Montana. The following governmental funds are state-mandated to have an annual budget appropriated: General, Transportation, Tuition, Retirement, Adult Education, Technology Acquisition, Flexibility, Debt Service and Building Reserve. These budgeted funds are the primary building blocks of the District's overall financial planning. The budgetary control is at the fund level as required by Montana Law.

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from losses, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefit likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of accurate recording of financial transactions.

As a recipient of federal and state financial assistance, the district is also required to undergo an audit in conformity 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).

The analysis of balances and transactions of the individual funds are presented in detail in the MD&A.

Montana law requires that Billings Public Schools publish audited financial statements within six months of the close of each fiscal year, unless an extension is granted. This Annual Comprehensive Financial Report meets that requirement. The scope of the audit concentrates on the following areas:

1. Management Section: report on compliance with laws and regulations and report on the internal control structure.
2. Financial Section: report on financial statements in accordance with GAAP.
3. Single Audit Section (Uniform Guidance): report on financial statements, internal control, compliance, audit findings and questioned costs.

The district is in compliance with the above requirements, and the auditor's opinion has been included in this report.

Certificates of Excellence

This report has been prepared following guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and the Association of School Business Officials (ASBO). The district has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA and the Certificate of Excellence by ASBO for fiscal years 2007 - 2020. The awards are valid for a period of one year only. We believe our current report continues to conform to the GFOA and ASBO requirements, and we will submit it for determination of its eligibility for a renewed award.

Acknowledgements

The preparation of the annual financial report is made possible by the dedicated efforts of the Business Services Department, with special appreciation extended to Jeri Anton, Accounting Manager, and Madonna Robinson, Business Operations Specialist for their contributions.

In closing, we would like to thank the trustees for their interest and support in planning and conducting the operations of the district in a responsible manner.

Respectfully Submitted,



Greg Upham
Superintendent



Craig Van Nice
Chief Financial Officer



Daniela Walsh
Dir. of Business Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Billings Public Schools
Montana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Billings Public Schools

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

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SECTION II - FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Trustees of
Billings Public Schools
Billings, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Billings Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the 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 Billings Public Schools, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Notes 1 and 4 to the financial statements, Billings Public Schools has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in an adjustment of the net position of the governmental activities, and fund balance of the Private Purpose Trust Fund, Elementary Extracurricular Fund, and High School Extracurricular Fund as of July 1, 2020. Our opinions are not modified with respect to this matter.

As discussed in Note 4 to the financial statements, certain errors resulting in a misstatement of unrecorded liabilities occurred in the financial statements for the year ended June 30, 2020, were discovered during the current year. Accordingly, amounts reported for liabilities, net position, and fund balance in the School Food Fund have been restated as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedules of changes in total pension liability and total pension liability, schedule of changes in the total OPEB liability and related ratios, schedule of proportionate share of the net pension liability teachers and public employees retirement system of Montana, and schedule of contributions teachers and public employees retirement systems of Montana on pages 9 through 15 and 46 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Billings Public Schools' financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, State of Montana mandated schedule of changes in fiduciary net position (extracurricular) and enrollment schedule and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, State of Montana mandated schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, State of Montana mandated schedules 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2022, our consideration of Billings Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Billings Public Schools' 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 Billings Public Schools' internal control over financial reporting and compliance.

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

Billings, Montana
February 24, 2022

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BILLINGS PUBLIC SCHOOLS

MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis of Billings Public School's (referred to as the "the district" or the "government") financial performance provides an overview of the district's financial activities for the year ended June 30, 2021. We encourage the readers to consider the information presented here in conjunction with additional information presented in the financial statements and footnotes.

FINANCIAL HIGHLIGHTS

- Revenues from government-wide activities increased \$31.74 million (from 2020 to 2021) to \$241.7 million. This represents a 15.12% increase over the prior year.
- Governmental activity expenses increased \$26.02 million over 2020 to \$238.4 million. This represents a 12.25% increase over the prior year.
- At year-end, the governmental funds reported total fund balances of \$84.45 million, an increase of \$19.03 million over the prior year, mainly because of an increase in federal revenues due to the pandemic.
- General fund reserves increased \$12.14 million.
- The 2021 general fund expenditure budget was \$128.5 million, an increase of \$3.8 million or 3.1% over the prior year.
- In fiscal 2021, the district issued \$81,305,000 in general obligation refunding bonds to advance refund \$71,005,000 of Series 2014 and 2015 general obligation bonds. The present value of the savings to the district was \$5,142,924.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the district's overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the district, reporting the district's operations in more detail than the government-wide statements.

- The *governmental funds* statements tell how basic services like regular and special education were financed in the short-term as well as what remains for future spending.
- The *proprietary funds* statements provide information on internal service funds used to provide services to all other district funds.

The financial statements also include *notes* that explain some information in the statements and provide more detailed data.

The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the district's budget to actual amounts for the year.

Figure A-1
Organization of Billings Public Schools Annual Financial Report

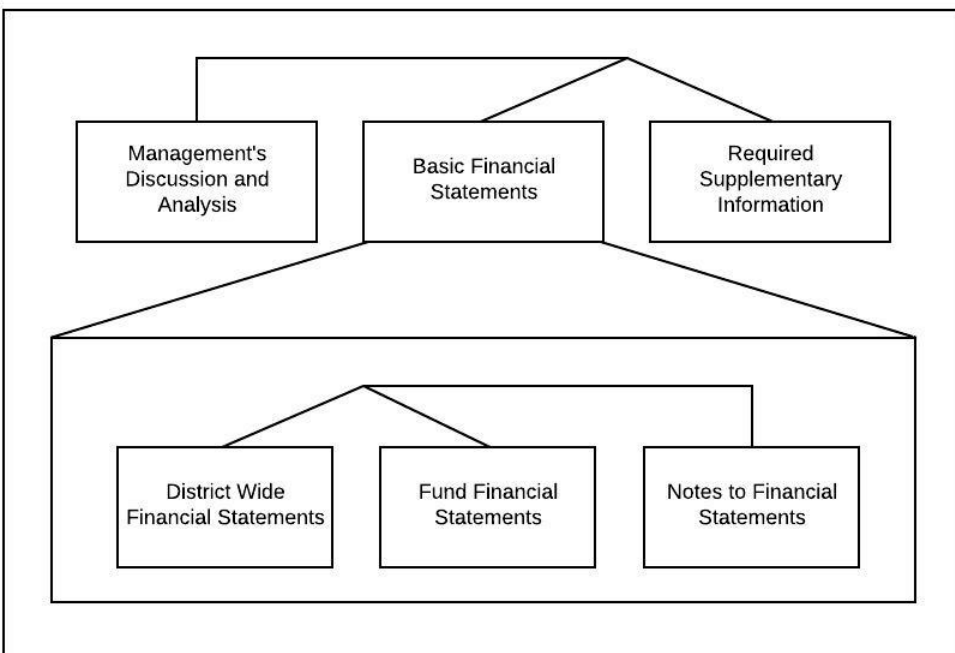


Figure A-2
Major Features of Government-Wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District	The activities of the district that are not proprietary, such as special education and building maintenance
Required financial statements	Statement of Net Position and Statement of Activities	Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and related liability is due and payable

Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-wide financial statements One of the most important questions asked about the district's finances is, "Is the government, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities (pages 16 and 17) report information about the district as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report net position and the changes in it. You can think of net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as one way to measure the district's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the district's financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the property tax base, economy, enrollment and the State's funding of educational costs to assess the district's overall health.

BILLINGS PUBLIC SCHOOLS

MANAGEMENT DISCUSSION & ANALYSIS

Fund financial statements The fund financial statements provide detailed information about the most significant funds—not the district as a whole. Some funds are required to be established by State law. Also, the governing body establishes many other funds to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other money. The district utilizes the following funds:

Governmental funds—Basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (pages 18 and 20) provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations (pages 21 and 21, respectively).

Proprietary funds—The district maintains one proprietary fund type which contains internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the district's various functions. When the district charges customers for the services it provides, whether to outside customers or to other departments of the district, these services are generally reported in proprietary funds. The district uses three internal service funds (two insurance funds and one purchasing fund) to account for services provided to the other funds of the district. The internal service funds use the same accounting method as the government-wide statements and are included with the governmental activities shown on those statements.

The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 22, 23 and 24 of this report. The district has no material business-type activities.

THE DISTRICT AS A WHOLE

Following are condensed schedules of net position and changes in net position:

NET POSITION:	2021	2020
Current and other assets	\$ 109,919,940	\$ 84,051,699
Capital assets	177,368,952	179,873,332
Total assets	287,288,892	263,925,031
Deferred outflows of resources	49,139,406	34,735,583
Other liabilities	14,307,181	7,170,939
Long-term liabilities outstanding	379,428,509	353,108,524
Total Liabilities	393,735,690	360,279,463
Deferred inflows of resources	4,040,541	5,428,991
Net Position:		
Net investment in capital assets	49,450,364	49,955,870
Restricted	38,034,357	24,876,408
Unrestricted	(148,832,654)	(141,880,118)
Total net position	\$ (61,347,933)	\$ (67,047,840)

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

CHANGE IN NET POSITION:	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 1,756,828	\$ 2,791,038
Operating grants and contributions	72,610,223	48,098,641
Capital grants and contributions	-	193,938
General revenues:		
Taxes	63,670,285	62,686,937
State sources	79,259,864	75,548,082
County sources	20,865,016	18,406,726
Interest	201,992	1,100,598
Contributions and donations	396,692	271,894
Miscellaneous	2,919,838	844,536
Total revenues	<u>241,680,738</u>	<u>209,942,390</u>
Expenses:		
Instruction	146,237,476	129,428,619
Support services:		
Students	18,707,694	17,091,484
Instructional staff	10,941,020	10,454,633
General administration	2,008,889	1,855,131
Administration	14,498,993	13,908,822
Business	2,996,494	2,601,673
Operation and maintenance	18,876,172	16,001,493
Student transportation	7,297,869	6,550,565
Food services	6,102,984	5,786,392
Extracurricular	5,152,846	3,470,394
Interest on long-term debt	5,598,471	5,251,382
Total expenses	<u>238,418,908</u>	<u>212,400,588</u>
Change in net position	3,261,830	(2,458,198)
Net position, beginning	(67,047,840)	(64,589,642)
Prior period adjustment - GASB		
Statement No. 84 and school		
food liability	2,438,077	-
Net position, ending	<u>\$ (61,347,933)</u>	<u>\$ (67,047,840)</u>

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements provide information about the activities of the district as a whole and present a longer-term view of the finances. For governmental activities, fund statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the district's operations in more detail than the government-wide statements by providing information about the most significant funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the district's net position and changes in net position. The 2021 revenues exceed expenses by \$3.26 million.

	2021	2020
Revenues	\$ 241,680,738	\$ 209,942,390
Expenses	<u>238,418,908</u>	<u>212,400,588</u>
Change in net position	<u>\$ 3,261,830</u>	<u>\$ (2,458,198)</u>

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

	2021	2020 (Restated)	Change
Net investment in capital assets	\$ 49,450,364	\$ 49,955,870	\$ (505,506)
Restricted	38,034,357	27,314,485	10,719,872
Unrestricted	<u>(148,832,654)</u>	<u>(141,880,118)</u>	<u>(6,952,536)</u>
Total net position (deficit)	<u>\$ (61,347,933)</u>	<u>\$ (64,609,763)</u>	<u>\$ 3,261,830</u>

The restricted balance in the 2020 column has been restated to reflect the prior period adjustments related to implementing GASB Statement No. 84 and recording an unbooked accounts payable in the school food fund.

The largest portion of the district's net position (\$49.45 million) is capital assets which include investments in land, buildings, equipment, and improvements less any outstanding debt used to acquire the assets. Most of these capital assets do not generate revenue and instead generate future liabilities because of the associated maintenance costs. Under state law the facilities and equipment which are used to provide services to students and the community can only be sold if the asset is declared to be surplus property. Future funding to complete the required maintenance of assets and to retire the remaining debt related to acquisition of these assets must be provided from unreserved amounts from the district's different funding sources. Due to bond related projects, the district has reduced its estimated deferred maintenance costs to approximately \$65 million.

The 2021 net position restricted for debt service and other purposes totaling \$38.03 million cannot be reallocated to cover other district expenses.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants, legislative restrictions, or other legal requirements. The current unrestricted balance is a deficit of \$148.83 million.

The district's unfunded liability for the total pension liability-service credit and termination pay benefits plan, compensated absences and other postemployment benefits (OPEB) in 2021 was \$72.82 million. The liability is funded on a pay-as-you-go basis rather than an actuarial basis with the reasonable expectation that projected benefits disbursements will increase substantially. The financial statement amortization of this liability disregards the average number of years before retirement of the district's employees. The district's retirement plans may be unsustainable at current benefit levels. The district will need to address the sustainability of these benefits programs.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the major (most significant) funds. To be reported as a major fund, total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of an individual fund must contribute at least 10 percent of the corresponding total (assets, liabilities, etc.) for all funds. Individual funds are generally allocated or designated for special purposes and in some instances have a mix of restricted, committed, assigned and unassigned fund balances. Total fund balances for 2020 were \$62.98 million, while 2021 totals were \$84.45 million. The major funds were the general and elementary miscellaneous programs funds. General fund fund balance increased \$12.14 million. The increase occurred because of an increase in federal funding due to the pandemic. The elementary miscellaneous programs fund fund balance increased \$1.08 million mainly due to indirect cost revenues exceeding expenditures.

The combined fund balance for all funds increased \$19.03 million in 2021.

A budget must be adopted by the Board of Trustees prior to the expenditure of governmental funds. If budgeted expenditures are not recognized during the fiscal year, authorization for the expenditure of unused funds lapses at the end of the fiscal year. If projected expenditures are insufficient to meet district requirements, the Board can adopt a budget amendment after a public hearing that can be held at any time during the fiscal year. The general fund budget was amended and decreased \$220,938 due to anticipated enrollment increases that did not materialize.

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund is always reported as a major fund (See Note 1). This fund reported a total fund balance of \$25.09 million, an increase of \$12.14 million from the prior year.

The table below summarizes actual general fund revenues and expenditures for 2021 and 2020. Revenue increased by 6.7% due to a combination of enrollment increases and state mandated inflationary increases.

The 2.89% decrease in expenditures was due to the Covid-19 pandemic. A significant portion of the district's expenditures were charged to federal Covid-19 grants as those expenditures met grant terms and conditions.

	2021	2020	Change
Revenues:			
Property taxes	\$ 38,762,253	\$ 36,272,793	\$ 2,489,460
State aid	78,585,358	75,283,306	3,302,052
State other	24,142,997	20,789,193	3,353,804
Tuition	449,716	575,426	(125,710)
Interest	18,510	115,367	(96,857)
Miscellaneous	40,000	-	40,000
Total revenues	<u>\$ 141,998,834</u>	<u>\$ 133,036,085</u>	<u>\$ 8,962,749</u>
Expenditures			
Instruction	\$ 86,631,493	\$ 87,422,540	\$ (791,047)
Support services:			
Students	8,838,101	8,909,313	(71,212)
Instructional staff	7,877,074	7,413,001	464,073
General administration	1,874,995	1,739,833	135,162
School administration	6,156,297	10,692,590	(4,536,293)
Business services	2,017,454	1,819,495	197,959
Operation and maintenance	13,934,752	12,993,990	940,762
Student transportation	107,480	78,732	28,748
Food services	4,515	1,387	3,128
Extracurricular	2,585,144	2,712,417	(127,273)
Capital outlay	488,379	617,704	(129,325)
Total expenditures	<u>\$ 130,515,684</u>	<u>\$ 134,401,002</u>	<u>\$ (3,885,318)</u>

There were no significant budget and actual general fund revenue or expenditure variances in 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The district's 2021 capital project budget was used to complete the projects funded by the general fund and bond funds authorized by the voters. Construction in progress as of June 30, 2021 of \$1.89 million consists primarily of projects funded by bond proceeds.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2021 and 2020. The district had \$177.4 million invested in a broad range of capital assets, including technology, equipment and school buildings. Additional information on the district's capital assets can be found in Note 3 of this report.

	2021	2020	Change
Land	\$ 4,934,084	\$ 4,659,721	\$ 274,363
Construction in progress	1,887,166	1,926,243	(39,077)
Improvements other than buildings	3,039,504	3,272,355	(232,851)
Buildings and improvements	161,627,832	163,506,974	(1,879,142)
Machinery and equipment	5,880,366	6,508,039	(627,673)
Total	<u>\$ 177,368,952</u>	<u>\$ 179,873,332</u>	<u>\$ (2,504,380)</u>

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

Debt Administration – A summary of the district’s outstanding long-term debt for the years ended June 30, 2021 and 2020 is presented below:

	2021	2020	Change
General obligation bonds	\$ 132,469,502	\$ 127,269,502	\$ 5,200,000
Premium	2,421,547	10,275,480	(7,853,933)
Total bonds	134,891,049	137,544,982	(2,653,933)
Capital leases	223,954	331,117	(107,163)
Compensated absences	10,304,464	10,462,624	(158,160)
Pension related debt	210,664,075	181,988,691	28,675,384
Other postemployment benefits	23,344,967	22,781,110	563,857
Total	<u>\$ 379,428,509</u>	<u>\$ 353,108,524</u>	<u>\$ 26,319,985</u>

At year-end, the district had \$134.9 million in outstanding bonds. The current portion, which is due within one year, is equal to \$6.59 million. The remainder of the Billings Public School’s long-term obligations is comprised of capital leases, compensated absences, pension related debt and OPEB.

Pursuant to State law, the maximum amount for which the district may become indebted through the issuance of bonds, including all outstanding indebtedness, is equal to the greater of: (i) 100% of the taxable value of property subject to taxation by the district as ascertained by the last assessment for property taxes, or (ii) 100% of the statewide Facility Guaranteed Mill Value per ANB for the district multiplied by 1,000, multiplied by the number of students enrolled in the district. Based on these criteria, the district’s debt limit and debt capacity remaining are \$1.02 billion and \$885 million, respectively. Under current state statutes, a district’s general obligation bonded debt issuances are subject to a legal limitation based on taxable value. The district has an AA- rating from Standard & Poor’s Ratings Services for general obligation debt.

Additional information on the district’s long-term debt can be found in Note 3 of this report.

OTHER

Many factors were considered by the District’s administration and board of trustees during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District’s student population, collective bargaining agreements and gauging the effect of the coronavirus relief funding. A drop in student population versus pre-pandemic levels has strained the District’s general fund budgets, particularly in the Elementary District. Negotiated salary increases with the District’s Collective Bargaining Units further strained general fund budgets, and will require the District to use budget contingency amounts to balance the budget in FY 2022. During FY 2021, the District received federal grant funding related to the global COVID-19 pandemic under the Elementary and Secondary School Emergency Relief Fund (ESSER) grant. All ESSER grant funding will be used to cover COVID-19 expenditures of the district. The District has spent approximately 46% of the total COVID-19 funds allocated to it, and targets spending the remaining amount over the next 2 school years.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the district’s finances and to demonstrate the district’s accountability for the resources it receives. If you have questions about this report or need additional information, contact Chief Financial Officer, Craig Van Nice, at Billings Public Schools, 415 North 30th Street, Billings, Montana, 59101.

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BASIC FINANCIAL STATEMENTS

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BILLINGS PUBLIC SCHOOLS

STATEMENT OF NET POSITION

June 30, 2021

ASSETS	
Cash and cash equivalents	\$ 90,844,281
Receivables:	
Property taxes, net	864,623
Governments	17,247,925
Other	864,171
Prepays	98,940
Capital assets not being depreciated-land and construction in progress	6,821,250
Capital assets, net of accumulated depreciation	<u>170,547,702</u>
 Total assets	 <u>287,288,892</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	2,719,310
Service credit and termination pay benefits pension plan	3,689,927
Teachers' and public employees' retirement systems pension plans	39,621,464
Other postemployment benefits	<u>3,108,705</u>
 Total deferred outflows of resources	 <u>49,139,406</u>
LIABILITIES	
Accounts payable and accrued expenses	13,767,480
Accrued interest payable	341,666
Unearned revenue	198,035
Noncurrent liabilities:	
Due within one year:	
Bonds and capital leases	6,700,341
Compensated absences	1,030,446
Due in more than one year:	
Bonds and capital leases	128,414,662
Compensated absences	9,274,018
Total other postemployment benefits liability	23,344,967
Total pension liability-service credit and termination pay benefits payable	39,166,887
Net pension liability-teachers' and public employees' retirement systems	<u>171,497,188</u>
 Total liabilities	 <u>393,735,690</u>
DEFERRED INFLOWS OF RESOURCES	
Service credit and termination pay benefits pension plan	2,066,846
Teachers' and public employees' retirement systems pension plans	1,704,641
Other postemployment benefits	<u>269,054</u>
 Total deferred inflows of resources	 <u>4,040,541</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	49,450,364
Restricted for:	
Instruction	11,548,647
Support services:	
Students	7,839
Instructional staff	236,546
School administration	184,474
Business services	7,565
Operation and maintenance	4,066,316
Student transportation	1,833,585
Food services	1,050,261
Extracurricular	2,782,652
Capital projects	1,692,634
Debt service	14,623,838
Unrestricted	<u>(148,832,654)</u>
 Total net position (deficit)	 <u>\$ (61,347,933)</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 146,237,476	\$ 1,000,762	\$ 42,612,637	\$ (102,624,077)
Support services:				
Students	18,707,694	-	9,540,075	(9,167,619)
Instructional staff	10,941,020	-	1,040,536	(9,900,484)
General administration	2,008,889	-	36,373	(1,972,516)
School administration	14,498,993	38,252	6,775,141	(7,685,600)
Business services	2,996,494	-	301,626	(2,694,868)
Operation and maintenance	18,876,172	208,730	3,128,807	(15,538,635)
Student transportation	7,297,869	43,327	1,601,837	(5,652,705)
Food services	6,102,984	465,757	6,369,098	731,871
Extracurricular	5,153,499	-	173,808	(4,979,691)
Interest	5,598,471	-	1,030,285	(4,568,186)
Total	<u>238,419,561</u>	<u>1,756,828</u>	<u>72,610,223</u>	<u>(164,052,510)</u>
General revenues:				
Property taxes				63,670,285
Intergovernmental:				
State aid				78,999,390
State other				260,474
County				20,865,016
Interest				201,992
Contributions and donations not restricted for specific programs				396,692
Miscellaneous				<u>2,920,491</u>
Total general revenues				<u>167,314,340</u>
Change in net position				3,261,830
Net position (deficit) - beginning				(67,047,840)
Prior period adjustment (Note 4)				<u>2,438,077</u>
Net position (deficit) - ending				<u>\$ (61,347,933)</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 31,523,971	\$ 104,202	\$ 46,062,904	\$ 77,691,077
Receivables:				
Property taxes, net	510,691	-	353,932	864,623
Governments	-	16,731,559	516,366	17,247,925
Other	214,150	185,269	36,052	435,471
Due from other funds	1,325,000	-	5,000,000	6,325,000
Total assets	\$ 33,573,812	\$ 17,021,030	\$ 51,969,254	\$ 102,564,096
LIABILITIES				
Accounts payable	\$ 8,391,105	\$ 1,353,863	\$ 1,692,617	\$ 11,437,585
Due to other funds	-	6,325,000	-	6,325,000
Unearned revenue	-	-	191,206	191,206
Total liabilities	8,391,105	7,678,863	1,883,823	17,953,791
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	87,721	-	69,582	157,303
Total deferred inflows of resources	87,721	-	69,582	157,303
Total liabilities and deferred inflows	8,478,826	7,678,863	1,953,405	18,111,094
FUND BALANCES				
Restricted	-	-	42,514,974	46,353,893
Committed	-	268,572	6,629,654	6,898,226
Assigned	101,685	9,073,595	871,221	13,361,882
Unassigned	24,993,301	-	-	17,839,001
Total fund balances	25,094,986	9,342,167	50,015,849	84,453,002
Total liabilities, deferred inflows of resources and fund balances	\$ 33,573,812	\$ 17,021,030	\$ 51,969,254	\$ 102,564,096

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2021

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

Total fund balances, governmental funds	\$ 84,453,002
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	177,368,952
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	157,303
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	43,311,391
Deferred inflows of resources related to pensions	(3,771,487)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(9,213,100)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of these balances follows:	
Deferred charge on refunding (to be amortized as interest expense)	2,719,310
General obligation bonds	(132,469,502)
Capital leases	(223,954)
Issuance premium (to be amortized over life of debt)	(2,421,547)
Compensated absences	(10,252,560)
Accrued interest payable	(341,666)
Total pension liability - service credit and termination pay benefits	(39,166,887)
Net pension liability-teachers' and public employees' retirement systems	<u>(171,497,188)</u>
Net position (deficit) of governmental activities	<u>\$ (61,347,933)</u>

BILLINGS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 38,762,253	\$ -	\$ 27,156,318	\$ 65,918,571
Intergovernmental:				
County	-	-	21,598,301	21,598,301
State aid	78,585,358	-	414,032	78,999,390
State other	24,142,997	4,612,697	2,864,250	31,619,944
Federal	-	30,563,278	9,851,870	40,415,148
Tuition	449,716	-	-	449,716
Charges for services	-	-	1,076,942	1,076,942
Interest	18,510	43,845	113,762	176,117
Miscellaneous	40,000	198,922	3,180,581	3,419,503
Total revenues	141,998,834	35,418,742	66,256,056	243,673,632
EXPENDITURES				
Current:				
Instruction	86,631,493	20,231,390	20,732,005	127,594,888
Support services:				
Students	8,838,101	6,277,203	1,926,885	17,042,189
Instructional staff	7,877,074	498,359	1,722,965	10,098,398
General administration	1,874,995	-	53,814	1,928,809
School administration	6,156,297	5,096,207	2,177,382	13,429,886
Business services	2,017,454	511,922	348,732	2,878,108
Operation and maintenance	13,934,752	1,581,327	4,326,454	19,842,533
Student transportation	107,480	31,155	7,002,816	7,141,451
Food services	4,515	-	5,876,979	5,881,494
Extracurricular	2,585,144	-	2,152,432	4,737,576
Capital outlay	488,379	286,263	4,582,370	5,357,012
Debt service:				
Principal	-	-	5,207,163	5,207,163
Interest and other charges	-	-	6,302,877	6,302,877
Total expenditures	130,515,684	34,513,826	62,412,874	227,442,384
Excess (deficiency) of revenues over expenditures	11,483,150	904,916	3,843,182	16,231,248
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	81,305,000	81,305,000
Payment to refunded bond escrow agent	-	-	(80,858,130)	(80,858,130)
Insurance recoveries	-	178,369	2,175,000	2,353,369
Transfers in	652,179	-	-	652,179
Transfers out	-	-	(652,179)	(652,179)
Total other financing sources (uses)	652,179	178,369	1,969,691	2,800,239
Net change in fund balances	12,135,329	1,083,285	5,812,873	19,031,487
Fund balances - beginning	12,959,657	8,258,882	41,764,899	62,983,438
Prior period adjustments-Note 4	-	-	2,438,077	2,438,077
Fund balances - ending	\$ 25,094,986	\$ 9,342,167	\$ 50,015,849	\$ 84,453,002

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds	\$ 19,031,487
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount by which depreciation (\$7,861,392) exceeded capital outlay (\$5,357,012) in the current period.	(2,504,380)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(2,248,286)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of these transactions follows:	
Issuance of long-term debt	(81,305,000)
Amortization of premium on long-term debt issued	720,113
Repayment of principal on long-term debt	5,207,163
Payment to escrow agent for refunding	80,858,130
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest	(15,707)
Pension expense-service credit and termination pay benefits	(556,939)
Compensated absences	150,371
Pension expense-teachers' and public employees' retirement systems	(14,875,405)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with the governmental activities.	(1,199,717)
Change in net position of governmental activities	\$ 3,261,830

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 13,153,204
Accounts receivable, net	428,700
Prepaid items	98,940
	<u>13,680,844</u>
Total current assets	
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefits	<u>3,108,705</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,329,895
Unearned revenue	6,829
Compensated absences	5,190
	<u>2,341,914</u>
Total current liabilities	
Noncurrent liabilities:	
Compensated absences	46,714
Total other postemployment benefits liability	<u>23,344,967</u>
Total noncurrent liabilities	<u>23,391,681</u>
Total liabilities	<u>25,733,595</u>
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	<u>269,054</u>
NET POSITION (DEFICIT)	
Unrestricted	<u>(9,213,100)</u>
Total net position (deficit)	<u><u>\$ (9,213,100)</u></u>

BILLINGS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	<u>\$ 22,272,715</u>
Total operating revenues	<u>22,272,715</u>
OPERATING EXPENSES	
Personal services - salaries	261,787
Personal services - benefits	57,952
Purchased property services	55,372
Other purchased services	1,100,833
Supplies and materials	110,536
Insurance claims and expenses	21,911,777
Miscellaneous	<u>50</u>
Total operating expenses	<u>23,498,307</u>
Operating loss	<u>(1,225,592)</u>
NONOPERATING REVENUES	
Interest revenue	<u>25,875</u>
Total nonoperating revenues	<u>25,875</u>
Change in net position	(1,199,717)
Net position (deficit) - beginning	<u>(8,013,383)</u>
Net position (deficit) - ending	<u><u>\$ (9,213,100)</u></u>

BILLINGS PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from health insurance premiums	\$ 21,942,494
Cash received from interfund services	345,039
Medical claims paid	(20,913,959)
Cash paid to employees health insurance services	(163,110)
Cash paid to employees interfund services	(164,418)
Cash paid to suppliers for goods and services health insurance services	(1,121,328)
Cash paid to suppliers for goods and services interfund services	<u>(145,138)</u>
Net cash used by operating activities	<u>(220,420)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>25,875</u>
Net cash provided by investing activities	<u>25,875</u>
Change in cash and cash equivalents	(194,545)
Cash and cash equivalents - beginning	<u>13,347,749</u>
Cash and cash equivalents - ending	<u><u>\$ 13,153,204</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (1,225,592)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Other postemployment benefits	733,934
Increase in accounts receivable	372,561
Decrease in prepaid items	(98,940)
Decrease in accounts payable	1,993
Increase in unearned revenue	3,413
Increase in compensated absences	<u>(7,789)</u>
Net cash used by operating activities	<u><u>\$ (220,420)</u></u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the district are prepared in accordance with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

The government adopted the provisions of the following GASB statements:

As of July 1, 2020, the district implemented the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the government's fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to governmental funds, as applicable.

The district's significant accounting policies are described below.

Reporting Entity

The district was established under Montana law to provide educational services below the college and university level to residents of the district. The district consists of two legally separate entities: an elementary district and a high school district. Both are managed by a central Board of Trustees and by a central administration appointed by and responsible to the Board. The Board of Trustees annually adopts a procedure committing fund balance resources in accordance with GASB Statement No. 54.

Yellowstone County (the "County") provides substantial services to the district; tax billing, cash collections, debt payments and warrant redemption. The County also maintains the district's cash and invests available funds at the direction of the district. The County Commissioners have a legal obligation to set levy amounts and to approve the budget adopted by the district. However, despite the degree of services provided, the district does not qualify as a component unit of the County.

Although the district consists of two separate statutory entities, it is managed and operated as a single primary government. These financial statements present, as a single reporting entity, all activities of the primary government. A primary government is defined as having a separately elected governing body, being legally separate, and fiscally independent.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the district. For the most part, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used. Governmental activities are supported by taxes and intergovernmental revenues. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary activities are not included in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges for service which report fees and other charges provided by a given function or identifiable activity 2) operating grants and contributions and 3) capital grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the district.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the internal service fund's principal ongoing operations. Operating revenues are charges for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The district reports the following major governmental funds:

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

The elementary miscellaneous programs fund accounts for local, state or federal grants and reimbursements. The elementary miscellaneous programs fund is a non-budgeted fund.

Additionally, the district reports the following fund types:

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The internal service funds account for the activities of the health insurance fund, the insurance deductible fund and the purchasing/printing fund.

Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Cash and Investments

Cash and investments, except amounts in the extracurricular funds, the flexible benefits fund and the petty cash accounts, are held by the County Treasurer. The County Treasurer invests the District's cash at the direction of the government as required by state statute. Allowable investments include direct obligations of the United States Government, repurchase agreements, savings or time deposits in a state or national bank, building and loan associations, savings and loan associations, or credit unions insured by the FDIC, FSLIC, or NCUA and the State Short Term Investment Pool (STIP). STIP is an investment program managed and administered under the direction of the Montana Board of Investments (MBOI) as authorized by the Unified Investment Program. The STIP portfolio is reported at fair value basis versus amortized cost.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. The government had no nonrecurring fair value measurements. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. Cash on hand, demand, savings and time deposits, STIP and short-term investments with original maturities of three months or less from the date of acquisition are considered cash equivalents.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). In governmental fund financial statements, advances between funds are offset by an amount reported as non-spendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements, unless a right of offset exists.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 6 percent of the outstanding balance at June 30, 2021. The allowance at June 30, 2021, was \$55,189.

Most property taxes are levied in September of each fiscal year, based on assessments as of the prior January 1. Real property taxes are billed as of November 1 and are payable in two payments, November 30 and May 31. Unpaid taxes are considered delinquent on December 1 and June 1, at which time the applicable property is subject to lien, and penalties and interest are assessed. Most personal property taxes are due and payable on January 1 and become delinquent February 1. Property taxes are maintained and collected by the County Treasurer.

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

Inventories and Prepaids

Inventory items purchased are recorded as expenditures/expenses at the time of purchase. Inventory at year-end was not material and therefore not recorded. 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. This current asset is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed (consumption method).

Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements other than buildings and machinery and equipment, are reported in the government-wide financial statements. Capital assets are defined by the district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	10-60
Machinery and equipment	5-20

Collections Not Capitalized

Certain collections of historic artifacts and works of art are not reported in the accompanying financial statements. These assets have not been capitalized because they meet all of the conditions that qualify them as collections that are not required to be capitalized. These conditions are that the collections are held for public exhibition or education in the furtherance of public service; not held for financial gain; the collections are protected, kept unencumbered, cared for, and preserved; and, any sale proceeds are expected to be used to acquire other items for the collections.

Compensated Absences

Liabilities associated with accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Classified employees (non-teaching) earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Accumulated vacation is restricted under state statute to a maximum accumulation of two times the amount earned annually. Vacation leave is absorbed by time off from work, or, with certain limitations, may be payable to the employee upon termination.

Sick leave is accumulated for classified and certified employees at the rate of 12 days per year with no limit on the carry over amount. Upon retirement or resignation, classified and certified employees are eligible for sick leave compensation at one fourth of the accumulated amount.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the district's statement of net 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 and so will not be recognized as an expense until then. The district has three items that meet this criteria: deferred charges on bond refundings, pension plans and other postemployment benefits.

In addition to liabilities, the statement of net 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

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

period and so will not be recognized as revenue until then. The district has two items that meet the criteria for this category: pension plans and other postemployment benefits.

In the governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The government will not recognize the related revenues until they are available under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet.

Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

Net Investment in capital assets - consists of capital assets (net of accumulated depreciation), plus capital-related deferred outflows of resources, less capital-related borrowings and deferred inflows of resources.

Restricted - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – any portion of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Proprietary fund equity is classified the same as in the government-wide statements.

It is the government’s policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

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

Committed fund balance - amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority (i.e., governing body). The government establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The district establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption or amendment of the budget. Assigned fund balance in the general fund represents amounts available to fund the subsequent year’s budget and to cover payroll and operating expenditures due to the timing of tax receipts. The Board of Trustees has designated the Superintendent, or his designee, individually and/or collectively, as having authority to express assignments in the District’s governmental funds. The Board of Trustees has adopted policy 7000, Financial Management and annually adopts procedure 7000-P3 Fund Balance Resources for Special Revenue Funds to comply with GASB Statement No. 54.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the district considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the district considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing body has provided otherwise in its commitment or assignment actions.

Miscellaneous Revenue

Miscellaneous revenue includes other revenue from local sources which is not classified elsewhere.

Estimates

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

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity

The health insurance fund, an internal service fund, had a deficit net position of \$9,561,110 as of June 30, 2021. The deficit exists in the health insurance fund because of the unfunded liability for other postemployment benefits. The district is in the process of reviewing the funding of the health insurance fund in order to reduce or eliminate the deficit.

NOTE 3. DETAILED NOTES ON ALL FUNDS

Equity in Pooled Cash and Investments

As discussed in Note 1, the district participates in the County's investment pool. The pooled cash is invested by the County Treasurer in accordance with State statute. Interest earnings are distributed to the district based on average daily balances. The County Treasurer withdraws funds as needed to pay warrants. Investment risk related to the district's share of the pool is not determinable. Information related to the pool can be obtained from the County. Demand and savings accounts held outside of the County pool were covered by FDIC insurance. The uninsured portion was covered by collateral held by financial institutions or by their departments or agents, but not in the district's name. The amount of collateral held for the district's deposits as of June 30, 2021, exceeded the amount required by State statute. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2021 to support the value of shares in the pool. The district does not currently have a policy on custodial credit risk. Along with limitations placed on investments by state law, the County minimizes custodial risk by restrictions set forth by County policy. The County maintains a listing of financial institutions which are approved for investment purposes.

The County's investment policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by State statute, and the percentage of the portfolio which may be invested in certain instruments with longer terms to maturity. The objectives of the policy, in order of priority, are safety, liquidity, and yield. The County has established an oversight committee, comprised of various County officials and representatives of other local governments with large cash balances, to monitor and review the management of public funds maintained in the investment pool in accordance with Title 7, Chapter 6, Part 2 of the Montana Code Annotated and as qualified by Attorney General Opinion Vol. 42, No. 25. The Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

Disaggregation of Payable Balances

Payables as of June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Claims incurred but not reported	Total
General	\$ 7,470,198	\$ 920,907	\$ -	\$ 8,391,105
Elementary miscellaneous programs	934,416	419,447	-	1,353,863
Internal service funds	43,459	9,974	2,276,462	2,329,895
Nonmajor governmental funds	1,307,590	385,027	-	1,692,617
	<u>\$ 9,755,663</u>	<u>\$ 1,735,355</u>	<u>\$ 2,276,462</u>	<u>\$ 13,767,480</u>

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 4,659,721	\$ 274,363	\$ -	\$ 4,934,084
Construction in progress	1,926,243	1,870,275	(1,909,352)	1,887,166
Total capital assets, not being depreciated	6,585,964	2,144,638	(1,909,352)	6,821,250
Capital assets, being depreciated:				
Buildings/improvements	239,144,099	4,866,937	-	244,011,036
Improvements other than buildings	4,703,130	-	-	4,703,130
Machinery and equipment	17,913,219	254,789	-	18,168,008
Total capital assets, being depreciated	261,760,448	5,121,726	-	266,882,174
Less accumulated depreciation for:				
Buildings/improvements	(75,637,125)	(6,746,079)	-	(82,383,204)
Improvements other than buildings	(1,430,775)	(232,851)	-	(1,663,626)
Machinery and equipment	(11,405,180)	(882,462)	-	(12,287,642)
Total accumulated depreciation	(88,473,080)	(7,861,392)	-	(96,334,472)
Total capital assets, being depreciated, net	173,287,368	(2,739,666)	-	170,547,702
Total capital assets, net	\$ 179,873,332	\$ (595,028)	\$ (1,909,352)	\$ 177,368,952

Depreciation expense was charged to district activities as follows:

Instruction	\$ 6,090,760
Support services-students	562,589
Support services-instructional staff	233,521
Support services-general administration	15,090
Support services-administration	109,366
Support services-business	25,483
Operation and maintenance	387,510
Student transportation	7,018
Food services	219,920
Extracurricular	210,135
	<u>\$ 7,861,392</u>

Interfund Receivables, Payables and Transfers

Interfund balances as of June 30, 2021, consisted of the following:

	Due from funds	Due to funds
General	\$ 1,325,000	\$ -
Elementary retirement	5,000,000	-
Elementary miscellaneous programs	-	6,325,000
Total	<u>\$ 6,325,000</u>	<u>\$ 6,325,000</u>

The balance of \$6,325,000 due to the general and elementary retirement funds from the elementary miscellaneous programs fund resulted from loans made to cover cash deficits. The balances will be repaid in the subsequent year.

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Interfund transfers consisted of the following:

	Transfers In	Transfers Out
General	\$ 652,179	\$ -
Nonmajor governmental funds	-	652,179
Total	<u>\$ 652,179</u>	<u>\$ 652,179</u>

During the year, there were transfers out of the Elementary Technology and High School Technology funds of \$168,586 and \$483,593, respectively, into the High School Interlocal Agreements fund (which for financial statement reporting purposes is combined with the High School General fund) to assist with future operational needs of Billings Public Schools.

Long-Term Debt

During the year ended June 30, 2021, the following changes occurred in long-term debt:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 127,269,502	\$ 81,305,000	\$ (76,105,000)	\$ 132,469,502	\$ 6,590,000
Premium	10,275,480	-	(7,853,933)	2,421,547	-
Total bonds payable	<u>137,544,982</u>	<u>81,305,000</u>	<u>(83,958,933)</u>	<u>134,891,049</u>	<u>6,590,000</u>
Capital leases	331,117	-	(107,163)	223,954	110,341
Compensated absences	<u>10,462,624</u>	<u>10,022,422</u>	<u>(10,180,582)</u>	<u>10,304,464</u>	<u>1,030,446</u>
Total	<u>\$ 148,338,723</u>	<u>\$ 91,327,422</u>	<u>\$ (94,246,678)</u>	<u>\$ 145,419,467</u>	<u>\$ 7,730,787</u>

A substantial portion of compensated absences are paid from the General fund.

Capital Leases

The district entered into a capital lease agreement for scoreboards under which the equipment will become the property of the district when all terms of the lease agreement are met. Assets acquired through capital leases are as follows:

Machinery and equipment	\$ 759,178
Less: accumulated depreciation	<u>(291,019)</u>
	<u>\$ 468,159</u>

The future minimum lease obligations and the present value of these minimum lease payments, as of June 30, 2021, are as follows:

	Year ending June 30,	Governmental Activities
	2022	\$ 116,981
	2023	<u>116,982</u>
Total minimum lease payments		233,963
Less: amount representing interest		<u>(10,009)</u>
Present value of minimum lease payments		<u>\$ 223,954</u>

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

General Obligation Bonds

On December 29, 2010, the district issued general obligation school building bonds in the amount of \$12,000,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The bonds were designated as Qualified School Construction Bonds (QSCB) and Qualified Zone Academy Bonds (QZAB). As such, the district is entitled to receive payments from the United States Treasury Department equal to 100% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the district. The bonds bear interest at 5.4% per annum and will be paid back through sixteen annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2027. The district will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary and high school debt service funds will be servicing 100% of the general obligation debt payments.

On July 26, 2012, the district issued general obligation school building bonds in the amount of \$4,540,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The bonds were designated as Qualified Zone Academy Bonds (QZAB). As such, the district is entitled to receive payments from the United States Treasury Department equal to 100% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the district. The bonds bear interest at 4.25% per annum and will be paid back through twenty annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2032. The district will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On July 26, 2012, the district issued general obligation school building bonds in the amount of \$1,271,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The bonds were designated as Qualified Zone Academy Bonds (QZAB). As such, the owners of the tax credit bonds are allowed a credit against their federal income tax liability. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the district. The applicable tax credit rate was 4.25%. The bonds will be paid back through ten annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2032. The district will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On July 26, 2012, the district issued general obligation school building bonds in the amount of \$8,333,502. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The bonds were designated as Qualified Energy Conservation Bonds (QECB). As such, the district is entitled to receive payments from the United States Treasury Department equal to 70% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the district. The bonds bear interest at 4.25% per annum and will be paid back through twenty annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2032. The district will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary and high school debt service funds will be servicing 100% of the general obligation debt payments.

On January 30, 2014, the district issued general obligation school building bonds in the amount of \$80,900,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs of building or improving schools in accordance with the district's facilities master plan. Interest rates range from 2.125% to 5.000% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2025 or any date thereafter. \$50,160,000 of the bonds were advance refunded on April 29, 2021. The remaining principal balance of the outstanding bonds is \$11,050,000. The bonds mature beginning June 15, 2015 through 2024. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On September 29, 2015, the district issued general obligation school building bonds in the amount of \$33,000,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs of building or improving schools in accordance with the district's facilities master plan. Interest rates range from 3.0% to 5.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2025 or any date thereafter. \$20,845,000 of the bonds were advance refunded on April 29, 2021. The remaining principal balance of the outstanding bonds is \$5,950,000. The bonds mature beginning June 15, 2017 through 2025. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On February 4, 2020, the district issued general obligation school building bonds in the amount of \$8,400,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs improving schools in accordance with the district's facilities master plan. Interest rates range from 2.0% to 4.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on December 15, 2027 or any date thereafter. The bonds mature beginning June 15, 2021 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On April 29, 2021 the district issued \$81,305,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$71,005,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability is not included in the

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government's financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$5,851,136 and resulted in an economic gain of \$5,142,924. Interest rates on the refunding bonds range from .239% to 2.503% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2031 or any date thereafter. The bonds mature beginning June 15, 2022 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

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

Year ending June 30,	General Obligation Bonds	
	Principal	Interest
2022	\$ 6,590,000	\$ 3,914,204
2023	7,035,000	3,467,787
2024	7,310,000	3,196,823
2025	7,560,000	2,940,189
2026	7,720,000	2,800,286
2027-2031	52,510,000	9,428,310
2032-2035	43,744,502	2,160,619
	<u>\$ 132,469,502</u>	<u>\$ 27,908,218</u>

Fund Balances

As of June 30, 2021, fund balances are comprised of the following:

	General Fund	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
Restricted:				
Instruction	\$ -	\$ -	\$ 11,452,220	\$ 11,452,220
Support services:				
Instructional staff	-	-	48,926	48,926
School administration	-	-	184,474	184,474
Business services	-	-	7,565	7,565
Operation and maintenance	-	-	4,063,507	4,063,507
Student transportation	-	-	1,818,932	1,818,932
Food services	-	-	1,050,261	1,050,261
Extracurricular	-	-	2,782,652	2,782,652
Capital projects	-	-	6,169,739	6,169,739
Debt service	-	-	14,936,698	14,936,698
Committed:				
Instruction	-	73,113	4,174,721	4,247,834
Support services:				
Students	-	7,839	2,324,591	2,332,430
Instructional staff	-	187,620	-	187,620
Operation and maintenance	-	-	235	235
Community services	-	-	130,107	130,107
Assigned:				
Instruction	-	4,704,808	91,649	4,796,457
Support services:				
Students	-	1,193,388	-	1,193,388
Instructional staff	35,949	1,739,046	-	1,774,995
General administration	-	776,973	-	776,973
School administration	-	183,336	-	183,336
Business services	-	454,475	257,259	711,734
Operation and maintenance	65,736	21,569	522,313	609,618
Unassigned	24,993,301	-	-	24,993,301
	<u>\$ 25,094,986</u>	<u>\$ 9,342,167</u>	<u>\$ 50,015,849</u>	<u>\$ 84,453,002</u>

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NOTE 4. OTHER INFORMATION

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; professional liability (i.e., errors and omissions); workers compensation (i.e., employee injuries); medical insurance costs; and environmental damages. A variety of methods is used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for theft, damage or destruction of assets, professional liabilities and employee medical costs. The district participates in the Montana Schools Group's Workers' Compensation Risk Retention Program, a state-wide public risk pool currently operating as a common risk management and insurance program for the member school districts. The district pays quarterly premiums for its employee injury insurance coverage. The agreement for formation of the pool provides that it will be self-sustaining through member premiums. There are no deductibles or maximum coverage limits in the plan. Given lack of coverage available, the district has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the commercial policies have remained relatively constant for the last several years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Self-Insurance

During the year ended June 30, 2021, employees of the district were covered by a medical self-insurance plan (the "plan"). The district contributed approximately \$760 per month per employee to the plan and employees, at their option, authorized payroll withholdings to pay contributions for dependents. In spring of 2013 the district opened two in house clinics to manage health care cost. Claims were paid by a third party administrator acting on behalf of the district.

The administrative contract between the district and the third party administrator is renewable annually and administrative fees and stop-loss premiums are included in the contractual provisions. The district was protected against unanticipated catastrophic individual loss by stop-loss coverage through Optum. Stop-loss coverage was in effect for individual claims exceeding \$300,000.

The costs associated with the medical self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues in the internal service fund and as operating expenditures in the governmental funds. The liability as of June 30, 2021, is based on the requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not result in an exact amount.

Changes in the claims liability amount during fiscal year 2021 and 2020 were:

	Liability July 1,	Curent Year Claims and Changes in Estimates	Claims Payments	Liability June 30,
2019-20	2,174,376	19,219,795	(19,117,709)	2,276,462
2020-21	2,276,462	21,911,777	(21,911,777)	2,276,462

Commitments and Contingencies

In March 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". The outbreak, known now as COVID-19, has had a significant impact worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. As of the date of issuance of the financial statements, Billings Public Schools continues to monitor the situation and evaluate its potential impact. No impairments were recorded as of the statement of net position date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the government's financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimable at this time.

At year-end, the district had a commitment outstanding, in the form of purchase orders for \$101,685 to purchase supplies. Commitments related to construction projects totaled approximately \$2,194,952 million at year end.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

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Presently there are no significant outstanding lawsuits. In the opinion of the district's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the district.

Retirement Plans

For the year ended June 30, 2021, the district reported its proportionate share of the net pension liability, deferred outflows and inflows of resources, and pension expense for the Teacher's Retirement System (TRS) and Public Employees Retirement System (PERS) as follows:

	TRS	PERS	Total
Net pension liability	\$ 149,954,757	\$ 21,542,431	\$ 171,497,188
Deferred outflows of resources	34,660,209	4,961,255	39,621,464
Deferred inflows of resources	172,455	1,532,186	1,704,641
Pension expense	35,354,339	3,876,767	39,231,106

Plan Descriptions

The TRS 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 (MCA), 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.

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 and 3, MCA. The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. All new members are initially members of the PERS-DBRP and have a 12-month window during which they may 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. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. 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 PERS web site at mpera.mt.gov.

The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Pension Benefits

Teachers' Retirement System

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. Final compensation 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 creditable service in 25 years 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).
- 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.

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Public Employees Retirement System

Plan members hired prior to July 1, 2011 are eligible to retire at age 60 with 5 years of membership service, age 65 regardless of years of membership service or any age with 30 years of membership service. Benefits are calculated as follows: 1) if less than 25 years of membership service, 1.785% of the member's highest average compensation (HAC) multiplied by years of service credit or 2) if 25 years of membership service or more, 2% of HAC multiplied by years of service credit.

Plan members hired on or after July 1, 2011 are eligible to retire at age 65 with 5 years of membership service or age 70 regardless of years of membership service. Benefits are calculated as follows: 1) if less than 10 years of membership service, 1.5% of the member's HAC multiplied by years of service credit, 2) if between 10 and 30 years of membership service, 1.785 of HAC multiplied by years of service credit, or 3) if 30 years of membership service or more, 2% of HAC multiplied by years of service credit.

Plan members hired prior to July 1, 2011 are eligible for early retirement at age 50 with 5 years of membership service or any age with 25 years of membership service. Plan members hired on or after July 1, 2011 are eligible for early retirement at age 55 with 5 years of membership service. Benefits are actuarially reduced. Second retirement applies to plan members re-employed in a PERS position after retirement. Plan members who retire before January 1, 2016 and accumulate less than 2 years' additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years' additional service credit receive a refund of the plan member's contributions from the second employment plus regular interest at 2.02%.

Plan members who retire before January 1, 2016 and accumulate at least 2 years of additional service credit receive a recalculated retirement benefit based on the laws in effect at second retirement. Plan members who retire on or after January 1, 2016 and accumulate 5 or more years of additional service credit receive the same retirement benefit as prior to their return to service and a second retirement benefit for the second period of service based on the laws in effect at second retirement.

For members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 1). 3% for members hired prior to July 1, 2007, 2). 1.5% for members hired between July 1, 2007 and June 30, 2013 or, 3). Members hired on or after July 1, 2013: a). 1.5% for each year PERS is funded at or above 90%; b). 1.5% is reduced by .1% for each 2% PERS is funded below 90%; and c). 0% whenever the amortization period for PERS is 40 years or more.

Member and Employer Contributions

Teachers' Retirement System

The TRS funding policy provides for monthly employee and employer contributions at rates specified by state law. Plan members, for the fiscal year ending June 30, 2021, were required to contribute 8.15% of their earned compensation. TRS employers were required to contribute 9.17% of earned compensation. Pursuant to 19-20-609, MCA, the employer contribution rate will increase by 0.10% each year beginning July 1, 2014 through fiscal year 2024. The State's General Fund contributes an additional 2.49% of earned compensation. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

Public Employees Retirement System

All members contribute 7.9% of their compensation. Interest is credited to member accounts at the rates determined by the Board. All member contributions will be decreased to 6.9% on January 1 following the actuary valuation results that project the amortization period to drop below 25 years.

Employers contributed 8.5% of each member's compensation. This was temporarily increased from 6.8% on July 1, 2013. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The additional employer contributions terminate on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates. The State's General Fund contributes an additional .37% of earned compensation. Beginning July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the government recorded a liability of \$149,954,757 (TRS) and \$21,542,431 (PERS) for its proportionate share of the net pension liability.

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TRS and PERS have a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS and PERS on behalf of the government. Due to the existence of this special funding situation, the government is required to report the portion of the State of Montana's proportionate share of the collective net pension liability. The government's and State of Montana's proportionate share of the net pension liability are presented below:

	Net Pension Liability June 30, 2021	
	TRS	PERS
Employer proportionate share	\$ 149,954,757	\$ 21,542,431
State of Montana proportionate share associated with employer	88,683,129	7,462,116
Total	<u>\$ 238,637,886</u>	<u>\$ 29,004,547</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 for TRS and June 30, 2019 for PERS. The government's proportion of the net pension liability was based on the government's contributions received by TRS and PERS during the measurement period July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all TRS and PERS participating employers. At June 30, 2021, the government's proportion was 6.6663 and .8166 percent for TRS and PERS, respectively.

For the year ended June 30, 2021, the government recognized \$23,604,175 (TRS) and \$2,656,398 (PERS) for its proportionate share of the pension expense. The government also recognized grant revenue of \$11,750,164 (TRS) and \$1,220,369 (PERS) for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the government. Total pension expense recognized was \$35,354,339 and \$3,876,767 for TRS and PERS, respectively.

At June 30, 2021, the government reported its proportionate share of TRS and PERS deferred outflows and inflows of resources from the following sources:

	TRS		PERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,453,651	\$ -	\$ 347,739	\$ 615,930
Changes in actuarial assumptions	7,853,810	172,455	1,865,382	-
Difference between projected and actual investment earnings	10,504,987	-	1,491,731	-
Changes in the proportion and differences between actual and expected contributions	4,718,996	-	-	916,256
Employer contributions subsequent to measurement date	10,128,765	-	1,256,403	-
	<u>\$ 34,660,209</u>	<u>\$ 172,455</u>	<u>\$ 4,961,255</u>	<u>\$ 1,532,186</u>

Amounts reported as deferred outflows of resources related to pensions resulting from the government's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	TRS	PERS
2022	\$ 9,419,119	\$ (39,874)
2023	7,031,887	1,094,718
2024	5,271,530	651,780
2025	2,636,453	466,042

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Actuarial Assumptions

For each of the retirement plans, the total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	PERS
Investment rate of return, net of investment and administrative expenses	7.34%	7.34%
Salary increases	3.25%	3.50%
Inflation	2.40%	2.40%

Mortality rates for the TRS retirement plan were based on the RP-2000 Healthy Combined Mortality Table for Males and Females projected to 2022. Mortality rates for the PERS retirement plan is based on the RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 using Scale BB.

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the TRS and PERS plans. The most recent TRS analysis, performed for the period covering fiscal years 2013 through 2017, is outlined in a report dated May 3, 2018, which is located on the TRS website. 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 return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. The most recent PERS analysis, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce 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 and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the TRS' and PERS' target asset allocation as of June 30, 2020, and are summarized in the following table:

Asset Class	TRS and PERS	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash equivalents	2.0%	0.11%
Domestic equity	30.0%	6.19%
Foreign equity	16.0%	6.92%
Natural resources	4.0%	3.43%
Fixed income	20.0%	1.57%
Private equity	14.0%	10.37%
Real estate	9.0%	5.74%
High yield bonds	5.0%	3.97%
	<u>100.0%</u>	

Discount Rate

Teachers Retirement System

The discount rate used to measure the total pension liability was 7.34%. 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 TRS payable July 1st of each year. Based on those assumptions, the TRS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2124. 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.

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Public Employees Retirement System

The discount rate used to measure the total pension liability was 7.34%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and nonemployer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school governments. In addition, the State contributes a statutory appropriation from the general fund. Based on those assumptions, the PERS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. 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.

Sensitivity Analysis

The following presents the employer's proportionate share of the TRS net pension liability calculated using the discount rate of 7.34%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.34%) or 1.00% higher (8.34%) than the current rate.

	1% Decrease (6.34%)	Current Discount Rate (7.34%)	1% Increase (8.34%)
Net pension liability-TRS	\$ 199,660,263	\$ 149,954,757	\$ 108,367,933

The following presents the employer's proportionate share of the PERS net pension liability calculated using the discount rate of 7.34%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.34%) or 1.00% higher (8.34%) than the current rate.

	1% Decrease (6.34%)	Current Discount Rate (7.34%)	1% Increase (8.34%)
Net pension liability-PERS	\$ 29,651,881	\$ 21,542,431	\$ 14,730,549

Service Credit and Termination Pay Benefit Plan

Plan Description

The Billings Public Schools Service Credit and Termination Pay Benefit Plan (the "Plan") is a single-employer, defined-benefit plan covering employees that belong to the following unions or groups; Billings Education Association (BEA), Billings Classified Employees Association (BCEA), Montana Public Employees Association (MPEA), Administrators and Administrative Support. The Plan was established by the Board of Trustees through union agreements and agreements with other employee groups. The Plan does not issue a separate report. Pension expense and related liabilities and deferred inflows/outflows of resources for the Plan are recognized in the financial statements consistent with the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Plan is a non-trusteed plan that historically has been funded on a pay-as-you-go basis; therefore, no assets have been accumulated and there is no plan fiduciary net position. Accordingly, Billings Public Schools recognizes its *total pension liability*, rather than a *net pension liability*. At June 30, 2021, there were 1,804 active employees in the Plan.

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Plan Benefits

Following is a summary of Plan benefit provisions:

<u>Service Credit</u>	
Eligibility	10 Years of service with Billings Public Schools
Benefit	<p>A single amount is payable upon termination or retirement. The amount is dependent on the employee group; the number of years of service credit and the rate of pay</p> <p>BEA and Administrators: \$100 per year of service prior to June 30, 1986 plus 2 ½ days of pay for each full year of service After July 1, 1986. No service credit is paid to any teacher or Administrator with more than 35 years of service.</p> <p>BCEA, MPEA and Administrative Support: 2 ½ days of pay for each full year of service.</p>
Rate of Pay	BEA and Administrators: Highest daily rate. BCEA, MPEA and Administrative Support: Most recent daily rate.
Form of Benefit	Lump sum upon termination.
Death Benefit	Full value of the service credit benefit as if the date of death had been the employee's date of termination.
<u>TRS Option 1 Benefit</u>	
Eligibility	Employees who are eligible for retirement with TRS at 25 years of service or age 60 and 5 years of service for Normal Retirement, or age 50 and 5 years of service for Early Retirement.
Benefit	<p>TRS Employees may increase their monthly retirement benefit by including their Termination Pay (service credit, 25% of sick leave, and 100% of vacation leave) in the calculation of their Average Final Compensation. This option is also available to beneficiaries of eligible TRS employees who had not yet retired.</p> <p>As of October 1, 2011, administrators' vacation pay was frozen for the purpose of payment within the district's severance package. As of July 1, 2011, no newly employed administrator is entitled to include vacation pay in the severance payment. Vacation severance pay for administrators is paid at the daily rate earned as of June 30, 2012.</p>
Employee Cost	Termination Pay x Employee Rate x Total years of Creditable Service
Employer Cost	Termination Pay x Employee Rate x Total years of Creditable Service

Total Pension Liability

Following is the total pension liability:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Service credit	\$ 17,420,583	\$ 16,862,166
Option 1	21,746,304	20,198,479
Total pension liability	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>
Covered payroll	\$ 102,033,339	\$ 104,682,288
Total pension liability as a % of covered payroll	38.39%	35.40%

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Valuation date	June 30, 2021	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
Reporting date	June 30, 2021	June 30, 2020

The discount rate was determined based on the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date.

Discount rate	2.14%	2.21%
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Changes in the total pension liability were as follows:

Service cost	\$ 2,667,816
Interest on the total pension liability	845,166
Effect of plan changes	(35,020)
Effect of economic demographic gains or losses	1,455,212
Effect of assumption changes or inputs	160,726
Benefit payments	<u>(2,987,658)</u>
Net change in total pension liability	2,106,242
Total pension liability - beginning of year	<u>37,060,645</u>
Total pension liability - end of year	<u><u>\$ 39,166,887</u></u>

The total pension liability is generally liquidated by the fund in which the employee is normally paid and the elementary and high school retirement funds.

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age actuarial cost method
Salary increases	3.25% plus merit and longevity component based on years of service ranging from 4.51% for 1 year of service to 0.00% for 22 years of service and above.
Discount rate	2.14%
Mortality	For males and females: RP 2000 Healthy Combined Mortality Table Projected to 2022 adjusted for partial credibility setback for two years

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability calculated using the discount rate of 2.14%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (1.14%) or 1.00% higher (3.14%) than the current rate.

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total pension liability	\$ 41,500,789	\$ 39,166,887	\$ 36,908,946

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2021, Billings Public Schools recognized pension expense of \$3,544,597. At June 30, 2021, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$1,347,952 and \$2,341,975, respectively, and deferred inflows of resources from changes in assumptions of \$2,066,846.

Amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 66,635
2023	66,635
2024	66,635
2025	66,635
2026	82,046
Thereafter	1,274,495

Postemployment Health Insurance Benefits Plan (OPEB)

Plan Description

Billings Public Schools defined benefit OPEB plan provides OPEB for eligible employees of the district. Eligibility criteria are as follows:

- 1) Normal Retirement:
 - a) Tier I. Current active employees must have reached age 60 with at least 5 years of membership service or have at least 25 years of service at any age with Billings Public Schools to be eligible for retiree benefits.
 - b) Tier II. Current active employees must have reached age 55 with at least 30 years of membership service or employees must have reached age 60 with at least 5 years of service with Billings Public Schools to be eligible for retiree benefits.
- 2) Early Retirement:
 - a) Tier I. Current active employees must have reached age 50 with at least 5 years of membership service with Billings Public Schools to be eligible for retiree benefits.
 - b) Tier II. Current active employees must have reached age 55 with at least 5 years of membership service with Billings Public Schools to be eligible for retiree benefits.

The plan is a single-employer, defined benefit OPEB plan administered by Billings Public Schools. Medical, prescription drug and life benefits are self-funded. Dental insurance is fully insured. The plan was established in accordance with Section 20-3-331, MCA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

Eligible early retirees receive medical and prescription drug coverage through one of two self-funded medical plans. Retirees contribute 100% of the active premium. Medicare eligible retirees receive coverage through a fully insured Medicare Supplement Plan. Eligible retired employees may continue the life insurance coverage they had as active employees on a fully contributory basis. Eligible retired employees receive a dental insurance benefit on a fully contributory basis.

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	988
Inactive employees entitled to but not receiving benefit payments	-
Active employees	<u>1,921</u>
Total	<u><u>2,909</u></u>

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Total OPEB Liability

The total OPEB liability of \$23,344,967 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

The discount rate was determined based on the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date.

Changes in the total OPEB liability were as follows:

Total OPEB liability - beginning of year	<u>\$ 22,781,110</u>
Changes for the year:	
Service cost	785,194
Interest cost	511,008
Changes of assumptions	155,224
Benefit payments	<u>(887,569)</u>
Net change	<u>563,857</u>
Total OPEB liability - end of year	<u><u>\$ 23,344,967</u></u>

The total OPEB liability is liquidated by the self-insurance internal service fund.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Salary increases	3.50%
Discount rate	2.16%
Healthcare cost trend rates	6.50% for 2020 decreasing 0.50% per year to an ultimate rate of 4.50% for 2024 and later years

Changes in actuarial assumptions since the prior valuation are as follows:

- The discount rate was updated from 3.50% to 2.16%.
- Termination and Retirement rates were updated based on the rates used in the FYE 2019 TRS of State of Montana Actuarial Valuation and the 2019 PERS actuarial valuation of State of Montana.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2017 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The Affordable Care Act Cadillac Tax (Excise Tax) was repealed in December 2019 under a new Bill passed. We have removed the Excise Tax assumptions from the valuation.
- The trend rates were updated with an initial rate of 6.50% grading down by 0.50% per year until reaching the ultimate rate of 4.50%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 2.16%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (1.16%) or 1.00% higher (3.16%) than the current rate.

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discount Rate</u> <u>(2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Total OPEB liability	\$ 22,101,000	\$ 23,344,967	\$ 24,829,000

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the healthcare cost trend rate of 6.50%, as well as what the total pension liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower (5.50%) or 1.00% higher (7.50%) than the current healthcare cost trend rate.

	1% Decrease (5.50% Decreasing to 3.5%)	Healthcare Cost Trend Rate (6.5% Decreasing to 4.5%)	1% Increase (7.5% Decreasing to 5.5%)
Total OPEB liability	\$ 20,494,000	\$ 23,344,967	\$ 26,858,000

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

For the year ended June 30, 2021, Billings Public Schools recognized OPEB expense of \$1,621,503. At June 30, 2021, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$206,141 and \$2,902,564. respectively and deferred inflows of resources from changes in assumptions of \$269,054.

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

Year ended June 30:	
2022	\$ 325,301
2023	325,301
2024	382,164
2025	359,859
2026	292,405
Thereafter	1,154,621

Restatement of Beginning Fund Balance/Net Position

As of July 1, 2020, the district implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the government's fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to governmental funds.

The district recorded the year-end school food fund accounts payable and unearned revenue due to monies collected from students for school breakfast and lunch. Fund balance and Net position were restated for the beginning of the year school food fund accounts payable and unearned revenue.

Adjustments to the beginning balance of fund balance are as follows:

	Non-Major Governmental Funds	Total Governmental Funds
Fund balance - June 30, 2020, as previously restated	\$ 41,764,899	\$ 62,983,438
Reclassification of student activities from agency funds to special revenue funds due to implementation of GASB Statement No. 84	2,663,137	2,663,137
Restatement due to unrecorded liabilities in the school food fund	(225,060)	(225,060)
Fund balance - July 1, 2020, as restated	<u>\$ 44,202,976</u>	<u>\$ 65,421,515</u>

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

Adjustments to the beginning balance of net position are as follows:

Government-Wide Financial Statements:

Net positions (deficit) - June 30, 2020, as previously restated	\$ (67,047,840)
Reclassification of student activities from agency funds to special revenue funds due to implementation of GASB Statement No. 84	2,663,137
Restatement due to unrecorded liabilities in the school food fund	<u>(225,060)</u>
Net Position (deficit) - July 1, 2020, as restated	<u>\$ (64,609,763)</u>

Future Implementation of GASB Pronouncements

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements addresses issues related to public-private and public-public partnerships, and provides guidance for accounting and financial reporting for availability payment arrangements. Statement 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter.

Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance was issued in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The following pronouncements are affected:

- Statement No. 87, Leases, effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, effective for reporting periods beginning after December 15, 2020.
- Statement No. 90, Majority Equity Interests, effective for reporting periods beginning after December 15, 2019.
- Statement No. 91, Conduit Debt Obligations, effective for reporting periods beginning after December 15, 2021.
- Statement No. 92, Omnibus 2020, Paragraphs 6 and 7, effective for fiscal years beginning after June 15, 2021; paragraphs 8, 9 and 12 - effective for reporting periods beginning after June 15, 2021; Paragraph 10 - government acquisitions occurring in reporting periods beginning after June 15, 2021.
- Statement No. 93, Replacement of Interbank Offered Rates, Paragraphs 13 and 14 Except for Paragraph 11b and Paragraphs 13 and 14, effective for reporting periods beginning after June 15, 2020; Paragraph 11b (removal of LIBOR as appropriate benchmark interest rate) - reporting periods ending after December 31, 2021; Paragraphs 13 and 14 - effective for fiscal years beginning after June 15, 2021.

Statement No. 96, Subscription-Based Information Technology Arrangements provides accounting and financial reporting guidance for subscription-based information technology arrangements used by state and local governments. Statement 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

REQUIRED SUPPLEMENTAL INFORMATION

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BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 38,285,478	\$ 38,285,478	\$ 38,762,253	\$ -	\$ 38,762,253
Intergovernmental:					
State aid	78,645,225	78,585,358	78,585,358	-	78,585,358
State other	11,182,685	11,165,847	11,172,464	12,970,533	24,142,997
Tuition	540,000	540,000	449,716	-	449,716
Interest	43,979	43,979	5,671	12,839	18,510
Miscellaneous	-	-	-	40,000	40,000
Total revenues	128,697,367	128,620,662	128,975,462	13,023,372	141,998,834
EXPENDITURES					
Current:					
Instructional	84,208,769	83,977,970	75,384,139	11,247,354	86,631,493
Support services:					
Students	8,144,513	8,096,422	7,967,332	870,769	8,838,101
Instructional staff	6,804,797	6,797,731	6,990,760	886,314	7,877,074
General administration	2,150,197	2,150,197	1,838,622	36,373	1,874,995
Administration	9,480,380	9,482,743	5,225,599	930,698	6,156,297
Business	1,764,725	1,764,725	1,876,744	140,710	2,017,454
Operation and maintenance	13,376,190	13,420,505	13,412,533	522,219	13,934,752
Student transportation	10,698	10,722	19,551	87,929	107,480
Food services	-	-	-	4,515	4,515
Extracurricular	2,646,624	2,646,624	2,411,336	173,808	2,585,144
Capital Outlay	110,474	128,790	448,770	39,609	488,379
Total expenditures	128,697,367	128,476,429	115,575,386	14,940,298	130,515,684
Excess (deficiency) of revenues over expenditures	-	144,233	13,400,076	(1,916,926)	11,483,150
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	652,179	652,179
Transfers out	-	-	(12,900,000)	12,900,000	-
Total other financing sources (uses)	-	-	(12,900,000)	13,552,179	652,179
Net change in fund balances	\$ -	\$ 144,233	500,076	11,635,253	12,135,329
Fund balances - beginning			8,036,537	4,923,120	12,959,657
Fund balances - ending			\$ 8,536,613	\$ 16,558,373	\$ 25,094,986

NOTES TO THE BUDGET AND ACTUAL SCHEDULES

State law requires budgets be prepared for certain funds - generally those supported by property tax revenues. Budgets are prepared on the modified accrual basis. State law requires only that a fund's total expenditures not exceed total budgeted expenditures. Budgets may be amended as defined by State law. The general fund budget was amended and decreased \$220,938 due to anticipated enrollment increases that did not materialize.

The general fund budget is based on the State of Montana's foundation program which is based primarily on enrollment. Budgets of other funds are based on expected revenues and expenditures. The Board of Trustees approves the original budget by the second Monday in August.

State law permits the inclusion of obligations (encumbrances) for construction in progress and the purchase of personal property as expenditures for budget purposes. The budget to GAAP differences consist of merging the compensated absences and multi-district cooperative funds with the general fund for financial statement presentation purposes and encumbrances for the current and prior year.

The District consists of two legally separate entities. State law requires separate legally adopted annual budgets for the elementary and high school general funds. This schedule is a summary of the elementary general and high school general subfunds.

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ELEMENTARY GENERAL SUBFUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 24,746,926	\$ 24,746,926	\$ 25,054,348	\$ -	\$ 25,054,348
Intergovernmental:					
State aid	51,006,091	50,707,580	50,707,580	-	50,707,580
State other	8,031,058	8,014,220	8,017,597	-	8,017,597
Tuition	240,000	240,000	193,427	-	193,427
Interest	21,616	21,616	3,686	588	4,274
Total revenues	84,045,691	83,730,342	83,976,638	588	83,977,226
EXPENDITURES					
Current:					
Instructional	56,309,337	55,856,610	49,858,497	-	49,858,497
Support services:					
Students	5,760,257	5,760,722	5,580,217	-	5,580,217
Instructional staff	4,527,800	4,520,810	4,702,672	-	4,702,672
General administration	1,411,446	1,411,446	1,239,809	-	1,239,809
Administration	5,929,253	5,928,976	3,015,636	-	3,015,636
Business	1,150,855	1,150,855	1,255,984	-	1,255,984
Operation and maintenance	8,076,137	8,078,102	8,390,877	-	8,390,877
Student transportation	10,698	10,722	19,551	-	19,551
Extracurricular	809,320	809,320	755,598	-	755,598
Capital Outlay	60,588	58,546	29,732	-	29,732
Total expenditures	84,045,691	83,586,109	74,848,573	-	74,848,573
Excess (deficiency) of revenues over expenditures	-	144,233	9,128,065	588	9,128,653
OTHER FINANCING USES					
Transfers out	-	-	(8,737,000)	8,737,000	-
Net change in fund balances	\$ -	\$ 144,233	391,065	8,737,588	9,128,653
Fund balances - beginning			4,806,416	339,854	5,146,270
Fund balances - ending			\$ 5,197,481	\$ 9,077,442	\$ 14,274,923

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
HIGH SCHOOL GENERAL SUBFUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 13,538,552	\$ 13,538,552	\$ 13,707,905	\$ -	\$ 13,707,905
Intergovernmental:					
State aid	27,639,134	27,877,778	27,877,778	-	27,877,778
State other	3,151,627	3,151,627	3,154,867	12,970,533	16,125,400
Tuition	300,000	300,000	256,289	-	256,289
Interest	22,363	22,363	1,985	12,251	14,236
Miscellaneous	-	-	-	40,000	40,000
Total revenues	44,651,676	44,890,320	44,998,824	13,022,784	58,021,608
EXPENDITURES					
Current:					
Instructional	27,899,432	28,121,360	25,525,642	11,247,354	36,772,996
Support services:					
Students	2,384,256	2,335,700	2,387,115	870,769	3,257,884
Instructional staff	2,276,997	2,276,921	2,288,088	886,314	3,174,402
General administration	738,751	738,751	598,813	36,373	635,186
Administration	3,551,127	3,553,767	2,209,963	930,698	3,140,661
Business	613,870	613,870	620,760	140,710	761,470
Operation and maintenance	5,300,053	5,342,403	5,021,656	522,219	5,543,875
Student transportation	-	-	-	87,929	87,929
Food services	-	-	-	4,515	4,515
Extracurricular	1,837,304	1,837,304	1,655,738	173,808	1,829,546
Capital Outlay	49,886	70,244	419,038	39,609	458,647
Total expenditures	44,651,676	44,890,320	40,726,813	14,940,298	55,667,111
Excess (deficiency) of revenues over expenditures	-	-	4,272,011	(1,917,514)	2,354,497
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	652,179	652,179
Transfers out	-	-	(4,163,000)	4,163,000	-
Total other financing sources (uses)	-	-	(4,163,000)	4,815,179	652,179
Net change in fund balances	\$ -	\$ -	109,011	2,897,665	3,006,676
Fund balances - beginning			3,230,121	4,583,266	7,813,387
Fund balances - ending			\$ 3,339,132	\$ 7,480,931	\$ 10,820,063

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND
TOTAL PENSION LIABILITY

Schedule of Changes in Total Pension Liability

	For the Years Ended June 30,				
	2021	2020	2019	2018	2017
Total pension liability - beginning of year	\$ 37,060,645	\$ 36,614,805	\$ 37,026,494	\$ 36,842,219	\$ 38,082,019
Service cost	2,667,816	2,160,877	1,985,177	2,073,882	2,248,910
Interest on total pension liability	845,166	1,258,499	1,460,740	1,346,429	1,106,008
Effect of plan changes	(35,020)	-	-	-	-
Effect of economic/demographic gains or losses	1,455,212	-	35,046	-	-
Effect of assumption changes or inputs	160,726	2,712,534	(1,335,500)	(600,187)	(1,525,869)
Benefit payments	(2,987,658)	(5,686,070)	(2,557,152)	(2,635,849)	(3,068,849)
Total pension liability - end of year	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>

Schedule of Total Pension Liability

Service Credit	\$ 17,420,583	\$ 16,862,166	\$ 16,505,861	\$ 16,463,334	\$ 16,229,698
Option 1	<u>21,746,304</u>	<u>20,198,479</u>	<u>20,108,944</u>	<u>20,563,160</u>	<u>20,612,521</u>
Total pension liability	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>
Covered-employee payroll	\$ 102,033,339	\$ 104,682,288	\$ 98,241,729	\$ 94,097,244	\$ 88,498,935
Total pension liability as a percentage of covered payroll	38.39%	35.40%	37.27%	39.35%	41.63%

There are no assets accumulated in an irrevocable trust to pay plan benefits.

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Schedule of Changes in the Total OPEB Liability

	2021	For the Years Ended June 30,		2018
		2020	2019	
Total OPEB liability - beginning of year	\$ 22,781,110	\$ 19,240,482	\$ 17,891,604	\$ 18,048,017
Service cost	785,194	576,599	512,336	493,247
Interest cost	511,008	680,500	697,191	704,950
Differences between expected and actual experience	-	252,464		
Changes in assumptions and other inputs	155,224	2,779,526	916,666	(703,610)
Benefit payments	(887,569)	(748,461)	(777,315)	(651,000)
Total OPEB liability - end of year	<u>\$ 23,344,967</u>	<u>\$ 22,781,110</u>	<u>\$ 19,240,482</u>	<u>\$ 17,891,604</u>
Covered-employee payroll	\$ 105,167,000	\$ 102,103,671	\$ 97,001,542	\$ 105,916,268
Total OPEB liability as a percentage of covered payroll	22.20%	22.31%	19.84%	16.89%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discounts rates used in each period:

2.16%	2.21%	3.50%	3.87%
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There are no assets accumulated in an irrevocable trust to pay plan benefits.

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS AND PUBLIC EMPLOYEES RETIREMENT SYSTEMS OF MONTANA
For the Years Ended June 30,

Teachers Retirement System:	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	6.6663%	6.6165%	6.3408%	6.1412%	5.9946%	5.9829%	5.9426%
Employer's proportionate share of the net pension liability associated with the employer	\$ 149,954,757	\$ 127,583,357	\$ 117,692,051	\$ 103,545,175	\$ 109,511,465	\$ 98,299,904	\$ 91,447,722
State of Montana's proportionate share of the net pension liability associated with the employer	88,683,129	77,237,394	73,090,742	65,725,830	71,342,769	65,807,012	62,631,322
Total	<u>\$ 238,637,886</u>	<u>\$ 204,820,751</u>	<u>\$ 190,782,793</u>	<u>\$ 169,271,005</u>	<u>\$ 180,854,234</u>	<u>\$ 164,106,916</u>	<u>\$ 154,079,044</u>
Employer's covered payroll	\$ 91,772,771	\$ 90,552,432	\$ 84,831,987	\$ 81,000,456	\$ 78,169,994	\$ 75,956,754	\$ 74,941,045
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	163.40%	140.89%	138.74%	127.83%	140.09%	129.42%	122.03%
Plan fiduciary net position as a percentage of the total pension liability	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%
Public Employees Retirement System:	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.8166%	0.8298%	0.8015%	1.0223%	1.0368%	1.0536%	1.0522%
Employer's proportionate share of the net pension liability associated with the employer	\$ 21,542,431	\$ 17,344,689	\$ 16,728,740	\$ 19,909,929	\$ 17,659,729	\$ 14,727,804	\$ 13,111,068
State of Montana's proportionate share of the net pension liability associated with the employer	7,462,116	6,192,840	6,178,075	949,347	825,338	692,057	612,898
Total	<u>\$ 29,004,547</u>	<u>\$ 23,537,529</u>	<u>\$ 22,906,815</u>	<u>\$ 20,859,276</u>	<u>\$ 18,485,067</u>	<u>\$ 15,419,861</u>	<u>\$ 13,723,966</u>
Employer's covered payroll	\$ 14,387,296	\$ 14,136,849	\$ 13,618,226	\$ 13,105,064	\$ 12,837,782	\$ 12,712,639	\$ 12,323,696
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	149.73%	122.69%	122.84%	151.93%	137.56%	115.85%	106.39%
Plan fiduciary net position as a percentage of the total pension liability	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF CONTRIBUTIONS
TEACHERS AND PUBLIC EMPLOYEES RETIREMENT SYSTEMS OF MONTANA
For the Years Ended June 30,

Teachers Retirement System:	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 10,128,765	\$ 11,743,767	\$ 9,420,595	\$ 9,059,455	\$ 8,828,344	\$ 9,205,589	\$ 8,391,444
Contributions in relation to the contractually required contributions	10,128,765	11,743,767	9,420,595	9,059,455	8,828,344	9,205,589	8,391,444
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 93,993,652	\$ 91,772,771	\$ 90,552,432	\$ 84,831,987	\$ 81,000,456	\$ 78,169,994	\$ 75,956,754
Contributions as a percentage of covered payroll	10.78%	12.80%	10.40%	10.68%	10.90%	11.78%	11.05%
Public Employees Retirement System:	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,256,403	\$ 1,200,339	\$ 1,177,521	\$ 1,116,460	\$ 1,061,441	\$ 1,049,999	\$ 1,032,813
Contributions in relation to the contractually required contributions	1,256,403	1,200,339	1,177,521	1,116,460	1,061,441	1,049,999	1,032,813
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 14,781,730	\$ 14,387,296	\$ 14,136,849	\$ 13,618,226	\$ 13,105,064	\$ 12,837,782	\$ 12,712,639
Contributions as a percentage of covered payroll	8.50%	8.34%	8.33%	8.20%	8.10%	8.18%	8.12%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BILLINGS PUBLIC SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2021

Teacher's Retirement System

Changes of Benefit Terms:

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

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The second tier benefit structure for members hired on or after July 1, 2013 is summarized below:

- Final Average Compensation: Average of earned compensation paid in five consecutive years of full-time service that yields the highest average.
- Service Retirement: Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55.
- Early Retirement: Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55.
- Professional Retirement Option: If the member has been credited with 30 or more years of service and has attained the age of 60 they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%.
- Annual Contribution: 8.15% of member's earned compensation.
- Supplemental Contribution Rate: On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5% if the following three conditions are met:

The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and

The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and

A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.

- Disability Retirement: A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination.
- Guaranteed Annual Benefit Adjustment (GABA): If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board.

HB 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to \$25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:

School Districts contributions will increase from 7.47% to 8.47%

The Montana University System and State Agencies will increase from 9.85% to 10.85%.

The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 through fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.

BILLINGS PUBLIC SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2021

- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

Changes in actuarial assumptions and other inputs:

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 7.50% to 7.34%.
- The inflation rate was reduced from 2.5% to 2.4%.

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.

BILLINGS PUBLIC SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2021

- 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.

Public Employees Retirement System

Changes of Benefit Terms:

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

2017:

Working Retiree Limitations - for PERS:

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

Refunds:

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 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.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to Member Accounts:

- The interest credited to member accounts increased from 0.25% to 0.77%.

Lump-sum Payouts:

- Lump-sum payouts in all systems are limited to the member's accumulated contributions rate rather than the present value of the member's benefit.

BILLINGS PUBLIC SCHOOLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2021

Changes in actuarial assumptions and other inputs:

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 7.50% to 7.34%.
- The inflation rate was reduced from 2.5% to 2.4%.

Method and assumptions used in calculations of actuarially determined contributions:

	TRS	PERS
Acturial cost method	Entry age	Entry age
Amortization method	Level percentage of pay, open	Level percentage of pay, open
Remaining amortization period	29 years	30 years
Asset valuation method	4 year smoothed market	4 year smoothed market
Inflation	2.50%	2.75%
Salary increases	3.25%	3.50%
Investment rate of return	7.50%, net of pension plan investment expense and including inflation	7.65%, net of pension plan investment expense and including inflation

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OTHER SUPPLEMENTAL INFORMATION

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General Fund

The General fund is the general operating fund of the district. All general tax revenues and other receipts that are not allocated by law to another fund are accounted for in this fund. General operating expenditures, instructional expenditures and capital outlay are paid from the General fund. Because Billings Public Schools is comprised of two legal entities (Elementary and High School), the General fund (in addition to almost every other budgeted fund) has an elementary and high school portion. As one of four *major* funds, combining general subfund schedules have been presented to show the reader activity in the separate entities that comprise the General fund, in total.

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BILLINGS PUBLIC SCHOOLS

COMBINING BALANCE SHEET

ALL GENERAL SUBFUNDS

June 30, 2021

	Elementary General Subfund	High School General Subfund	Total
ASSETS			
Cash and cash equivalents	\$ 13,414,284	\$ 18,109,687	\$ 31,523,971
Receivables:			
Property taxes, net	319,850	190,841	510,691
Other	201,019	13,131	214,150
Due from other funds	1,325,000	-	1,325,000
 Total assets	<u>\$ 15,260,153</u>	<u>\$ 18,313,659</u>	<u>\$ 33,573,812</u>
 LIABILITIES			
Accounts payable	\$ 934,081	\$ 7,457,024	\$ 8,391,105
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	51,149	36,572	87,721
 FUND BALANCES			
Assigned	-	101,685	101,685
Unassigned	14,274,923	10,718,378	24,993,301
 Total fund balances	<u>14,274,923</u>	<u>10,820,063</u>	<u>25,094,986</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,260,153</u>	<u>\$ 18,313,659</u>	<u>\$ 33,573,812</u>

BILLINGS PUBLIC SCHOOLS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL GENERAL SUBFUNDS

For the Year Ended June 30, 2021

	Elementary General Subfund	High School General Subfund	Total
REVENUES			
Property taxes	\$ 25,054,348	\$ 13,707,905	\$ 38,762,253
Intergovernmental:			
State aid	50,707,580	27,877,778	78,585,358
State other	8,017,597	16,125,400	24,142,997
Tuition	193,427	256,289	449,716
Interest	4,274	14,236	18,510
Miscellaneous	-	40,000	40,000
Total revenues	83,977,226	58,021,608	141,998,834
EXPENDITURES			
Current:			
Instruction	49,858,497	36,772,996	86,631,493
Support services:			
Students	5,580,217	3,257,884	8,838,101
Instructional staff	4,702,672	3,174,402	7,877,074
General administration	1,239,809	635,186	1,874,995
School administration	3,015,636	3,140,661	6,156,297
Business services	1,255,984	761,470	2,017,454
Operation and maintenance	8,390,877	5,543,875	13,934,752
Student transportation	19,551	87,929	107,480
Food services	-	4,515	4,515
Extracurricular	755,598	1,829,546	2,585,144
Capital outlay	29,732	458,647	488,379
Total expenditures	74,848,573	55,667,111	130,515,684
Excess (deficiency) of revenues over expenditures	9,128,653	2,354,497	11,483,150
OTHER FINANCING SOURCES			
Transfers in	-	652,179	652,179
Net change in fund balances	9,128,653	3,006,676	12,135,329
Fund balances - beginning	5,146,270	7,813,387	12,959,657
Fund balances - ending	\$ 14,274,923	\$ 10,820,063	\$ 25,094,986

Nonmajor Governmental Funds - By Fund Type

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 June 30, 2021

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 20,550,671	\$ 14,885,751	\$ 10,626,482	\$ 46,062,904
Receivables:				
Property taxes, net	193,043	147,347	13,542	353,932
Governments	516,366	-	-	516,366
Other	33,440	-	2,612	36,052
Due from other funds	5,000,000	-	-	5,000,000
Total assets	<u>\$ 26,293,520</u>	<u>\$ 15,033,098</u>	<u>\$ 10,642,636</u>	<u>\$ 51,969,254</u>
LIABILITIES				
Accounts payable	\$ 1,225,492	\$ 67,594	\$ 399,531	\$ 1,692,617
Unearned revenue	191,206	-	-	191,206
Total liabilities	<u>1,416,698</u>	<u>67,594</u>	<u>399,531</u>	<u>1,883,823</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>37,967</u>	<u>28,806</u>	<u>2,809</u>	<u>69,582</u>
FUND BALANCES				
Restricted	17,337,980	14,936,698	10,240,296	42,514,974
Committed	6,629,654	-	-	6,629,654
Assigned	871,221	-	-	871,221
Total fund balances	<u>24,838,855</u>	<u>14,936,698</u>	<u>10,240,296</u>	<u>50,015,849</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,293,520</u>	<u>\$ 15,033,098</u>	<u>\$ 10,642,636</u>	<u>\$ 51,969,254</u>

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

For the Year Ended June 30, 2021

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 14,704,473	\$ 11,440,273	\$ 1,011,572	\$ 27,156,318
Intergovernmental:				
County	21,598,301	-	-	21,598,301
State aid	-	414,032	-	414,032
State other	2,116,190	-	748,060	2,864,250
Federal	8,821,585	1,030,285	-	9,851,870
Charges for services	1,060,130	-	16,812	1,076,942
Interest	43,821	45,276	24,665	113,762
Miscellaneous	3,159,047	-	21,534	3,180,581
Total revenues	<u>51,503,547</u>	<u>12,929,866</u>	<u>1,822,643</u>	<u>66,256,056</u>
EXPENDITURES				
Current:				
Instruction	20,723,348	-	8,657	20,732,005
Support services:				
Students	1,926,885	-	-	1,926,885
Instructional staff	1,722,965	-	-	1,722,965
General administration	53,814	-	-	53,814
School administration	2,177,382	-	-	2,177,382
Business services	307,758	-	40,974	348,732
Operation and maintenance	1,474,158	-	2,852,296	4,326,454
Student transportation	7,002,816	-	-	7,002,816
Food services	5,876,979	-	-	5,876,979
Extracurricular	2,152,432	-	-	2,152,432
Capital outlay	89,633	-	4,492,737	4,582,370
Debt service				
Principal	107,163	5,100,000	-	5,207,163
Interest and other charges	9,818	6,293,059	-	6,302,877
Total expenditures	<u>43,625,151</u>	<u>11,393,059</u>	<u>7,394,664</u>	<u>62,412,874</u>
Excess (deficiency) of revenues over expenditures	<u>7,878,396</u>	<u>1,536,807</u>	<u>(5,572,021)</u>	<u>3,843,182</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	81,305,000	-	81,305,000
Payment to refunded bond escrow agent	-	(80,858,130)	-	(80,858,130)
Insurance recoveries	-	-	2,175,000	2,175,000
Transfers out	(652,179)	-	-	(652,179)
Total other financing sources (uses)	<u>(652,179)</u>	<u>446,870</u>	<u>2,175,000</u>	<u>1,969,691</u>
Net change in fund balances	7,226,217	1,983,677	(3,397,021)	5,812,873
Fund balances - beginning	15,174,561	12,953,021	13,637,317	41,764,899
Prior period adjustments-Note 4	2,438,077	-	-	2,438,077
Fund balances - ending	<u>\$ 24,838,855</u>	<u>\$ 14,936,698</u>	<u>\$ 10,240,296</u>	<u>\$ 50,015,849</u>

Nonmajor Special Revenue Funds

Budgeted:

Transportation Fund – (Elementary and High School) To account for revenue and expenditures for the District's pupil transportation programs.

Tuition Fund – (Elementary and High School) To account for tuition payments for pupils who are residents of the District but attend school outside the District.

Retirement Fund – (Elementary and High School) To account for the employer's contribution to the Teachers' Retirement System, the Public Employees' Retirement System, Unemployment Compensation, and the employer's share of Social Security.

Adult Education Fund – (Elementary and High School) To account for revenue and expenditures involved with the adult education program.

Technology Fund – (Elementary and High School) To account for the purchase and maintenance of a portion of the District's technological assets.

Flexibility Fund – (Elementary and High School) To account for revenues and expenditures for authorized purposes established by the Montana Legislature.

Non-Budgeted:

School Food Fund - (High School) To account for the District's food service program.

Miscellaneous Programs Fund – (High School) To account for Federal, State and Local grants and indirect cost monies received by the District.

Traffic Education Fund – (High School) To account for expenditures related to Drivers Education and the related tuition charged.

Lease Rental Fund - (High School) To account for the revenues and expenditures related to the lease or rental of school property.

Miscellaneous Trust Fund - (Elementary and High School) To account for the revenues and expenditures related to miscellaneous activities.

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

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	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
ASSETS					
Cash and cash equivalents	\$ 1,228,253	\$ 594,956	\$ 1,245,232	\$ 1,021,059	\$ 477,802
Receivables:					
Property taxes, net	54,626	21,595	-	44,793	19,364
Governments	-	-	230,263	-	-
Other	900	-	29,275	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 1,283,779</u>	<u>\$ 616,551</u>	<u>\$ 1,504,770</u>	<u>\$ 1,065,852</u>	<u>\$ 497,166</u>
LIABILITIES					
Accounts payable	\$ 45,226	\$ 21,519	\$ 263,303	\$ 177,837	\$ 256,600
Unearned revenue	-	-	191,206	-	-
Total liabilities	<u>45,226</u>	<u>21,519</u>	<u>454,509</u>	<u>177,837</u>	<u>256,600</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	<u>10,453</u>	<u>4,200</u>	<u>-</u>	<u>8,364</u>	<u>3,761</u>
FUND BALANCES					
Restricted	1,228,100	590,832	1,050,261	879,651	236,805
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>1,228,100</u>	<u>590,832</u>	<u>1,050,261</u>	<u>879,651</u>	<u>236,805</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,283,779</u>	<u>\$ 616,551</u>	<u>\$ 1,504,770</u>	<u>\$ 1,065,852</u>	<u>\$ 497,166</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

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	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
ASSETS					
Cash and cash equivalents	\$ 337,504	\$ 2,885,928	\$ 1,906,595	\$ 460,882	\$ 596,041
Receivables:					
Property taxes, net	-	-	-	3,770	17,852
Governments	-	-	150,456	-	-
Other	-	-	-	-	-
Due from other funds	5,000,000	-	-	-	-
Total assets	\$ 5,337,504	\$ 2,885,928	\$ 2,057,051	\$ 464,652	\$ 613,893
LIABILITIES					
Accounts payable	\$ 181,777	\$ 115,524	\$ 6,694	\$ 14,042	\$ 30,413
Unearned revenue	-	-	-	-	-
Total liabilities	181,777	115,524	6,694	14,042	30,413
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	797	3,375
FUND BALANCES					
Restricted	5,155,727	2,770,404	1,179,136	449,813	580,105
Committed	-	-	-	-	-
Assigned	-	-	871,221	-	-
Total fund balances	5,155,727	2,770,404	2,050,357	449,813	580,105
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,337,504	\$ 2,885,928	\$ 2,057,051	\$ 464,652	\$ 613,893

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

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	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
ASSETS					
Cash and cash equivalents	\$ 62,160	\$ 515	\$ 112,751	\$ 143,444	\$ 1,832,143
Receivables:					
Property taxes, net	-	-	15,536	15,507	-
Governments	135,647	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 197,807</u>	<u>\$ 515</u>	<u>\$ 128,287</u>	<u>\$ 158,951</u>	<u>\$ 1,832,143</u>
LIABILITIES					
Accounts payable	\$ 9,472	\$ -	\$ 5,890	\$ 28,687	\$ 15,989
Unearned revenue	-	-	-	-	-
Total liabilities	<u>9,472</u>	<u>-</u>	<u>5,890</u>	<u>28,687</u>	<u>15,989</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	4,034	2,983	-
FUND BALANCES					
Restricted	188,335	515	118,363	127,281	-
Committed	-	-	-	-	1,816,154
Assigned	-	-	-	-	-
Total fund balances	<u>188,335</u>	<u>515</u>	<u>118,363</u>	<u>127,281</u>	<u>1,816,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 197,807</u>	<u>\$ 515</u>	<u>\$ 128,287</u>	<u>\$ 158,951</u>	<u>\$ 1,832,143</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

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	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
ASSETS					
Cash and cash equivalents	\$ 2,147,397	\$ 455,148	\$ 2,350,259	\$ 922,460	\$ 1,770,142
Receivables:					
Property taxes, net	-	-	-	-	-
Governments	-	-	-	-	-
Other	-	-	-	3,265	-
Due from other funds	-	-	-	-	-
Total assets	\$ 2,147,397	\$ 455,148	\$ 2,350,259	\$ 925,725	\$ 1,770,142
LIABILITIES					
Accounts payable	\$ 15,193	\$ -	\$ 22,755	\$ 11,647	\$ 2,924
Unearned revenue	-	-	-	-	-
Total liabilities	15,193	-	22,755	11,647	2,924
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
FUND BALANCES					
Restricted	-	455,148	2,327,504	-	-
Committed	2,132,204	-	-	914,078	1,767,218
Assigned	-	-	-	-	-
Total fund balances	2,132,204	455,148	2,327,504	914,078	1,767,218
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,147,397	\$ 455,148	\$ 2,350,259	\$ 925,725	\$ 1,770,142

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2021

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	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 20,550,671
Receivables:	
Property taxes, net	193,043
Governments	516,366
Other	33,440
Due from other funds	<u>5,000,000</u>
Total assets	<u><u>\$ 26,293,520</u></u>
LIABILITIES	
Accounts payable	\$ 1,225,492
Unearned revenue	<u>191,206</u>
Total liabilities	<u>1,416,698</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	<u>37,967</u>
FUND BALANCES	
Restricted	17,337,980
Committed	6,629,654
Assigned	<u>871,221</u>
Total fund balances	<u>24,838,855</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 26,293,520</u></u>

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

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	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
REVENUES					
Property taxes	\$ 4,301,081	\$ 1,549,392	\$ -	\$ 3,545,682	\$ 1,405,989
Intergovernmental:					
County	483,791	249,494	-	-	-
State other	483,791	249,494	-	-	-
Federal	13,428	5,602	6,364,583	-	-
Charges for services	43,262	65	465,757	-	-
Interest	956	1,020	507	1,332	363
Miscellaneous	-	-	-	-	-
Total revenues	5,326,309	2,055,067	6,830,847	3,547,014	1,406,352
EXPENDITURES					
Current:					
Instruction	-	-	-	2,813,465	1,169,925
Support services:					
Students	-	-	-	-	-
Instructional staff	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	3,091	1,762	-	-	-
Student transportation	4,651,892	2,141,645	-	-	-
Food services	-	-	5,876,979	-	-
Extracurricular	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	4,654,983	2,143,407	5,876,979	2,813,465	1,169,925
Excess (deficiency) of revenues over expenditures	671,326	(88,340)	953,868	733,549	236,427
OTHER FINANCING USES					
Transfers out	-	-	-	-	-
Net change in fund balances	671,326	(88,340)	953,868	733,549	236,427
Fund balances - beginning	556,774	679,172	321,453	146,102	378
Prior period adjustments-Note 4	-	-	(225,060)	-	-
Fund balances - ending	\$ 1,228,100	\$ 590,832	\$ 1,050,261	\$ 879,651	\$ 236,805

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

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	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 286,383	\$ 1,288,663
Intergovernmental:					
County	13,395,616	7,469,400	-	-	-
State other	-	-	299,862	-	-
Federal	-	-	2,437,972	-	-
Charges for services	-	-	-	-	168,351
Interest	3,817	1,061	-	759	580
Miscellaneous	-	-	257,971	1,882	-
Total revenues	13,399,433	7,470,461	2,995,805	289,024	1,457,594
EXPENDITURES					
Current:					
Instruction	8,031,973	3,939,394	1,472,708	264,163	519,953
Support services:					
Students	871,727	369,815	23,549	4,588	205,529
Instructional staff	614,505	286,549	109,865	27	-
General administration	37,164	16,636	14	-	-
School administration	459,212	345,017	820,340	53,249	499,564
Business services	180,872	126,886	-	-	-
Operation and maintenance	813,811	387,798	209,143	34,033	16,913
Student transportation	164,173	45,106	-	-	-
Food services	-	-	-	-	-
Extracurricular	126,054	203,803	-	-	-
Capital outlay	-	-	12,434	5,217	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	11,299,491	5,721,004	2,648,053	361,277	1,241,959
Excess (deficiency) of revenues over expenditures	2,099,942	1,749,457	347,752	(72,253)	215,635
OTHER FINANCING USES					
Transfers out	-	-	-	-	-
Net change in fund balances	2,099,942	1,749,457	347,752	(72,253)	215,635
Fund balances - beginning	3,055,785	1,020,947	1,702,605	522,066	364,470
Prior period adjustments-Note 4	-	-	-	-	-
Fund balances - ending	\$ 5,155,727	\$ 2,770,404	\$ 2,050,357	\$ 449,813	\$ 580,105

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

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	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
REVENUES					
Property taxes	\$ -	\$ -	\$ 1,213,906	\$ 1,113,377	\$ -
Intergovernmental:					
County	-	-	-	-	-
State other	134,925	-	68,722	36,861	345,456
Federal	-	-	-	-	-
Charges for services	382,695	-	-	-	-
Interest	109	3	9,108	8,485	2,983
Miscellaneous	2,895	-	-	-	-
Total revenues	520,624	3	1,291,736	1,158,723	348,439
EXPENDITURES					
Current:					
Instruction	449,764	-	999,671	729,875	56,769
Support services:					
Students	-	-	-	-	-
Instructional staff	-	-	312,912	373,333	20,303
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	7,607	-	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Capital outlay	-	-	26,858	13,228	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	457,371	-	1,339,441	1,116,436	77,072
Excess (deficiency) of revenues over expenditures	63,253	3	(47,705)	42,287	271,367
OTHER FINANCING USES					
Transfers out	-	-	(168,586)	(483,593)	-
Net change in fund balances	63,253	3	(216,291)	(441,306)	271,367
Fund balances - beginning	125,082	512	334,654	568,587	1,544,787
Prior period adjustments-Note 4	-	-	-	-	-
Fund balances - ending	\$ 188,335	\$ 515	\$ 118,363	\$ 127,281	\$ 1,816,154

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

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	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:					
County	-	-	-	-	-
State other	497,079	-	-	-	-
Federal	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	3,492	754	4,066	1,489	2,937
Miscellaneous	143	377,570	1,693,077	368,837	456,672
Total revenues	500,714	378,324	1,697,143	370,326	459,609
EXPENDITURES					
Current:					
Instruction	141,049	-	-	47,905	86,734
Support services:					
Students	-	-	-	276,546	175,131
Instructional staff	1,451	-	-	-	4,020
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	353,819	1,468,756	-	-
Capital outlay	-	-	16,396	-	15,500
Debt service					
Principal	-	-	107,163	-	-
Interest and other charges	-	-	9,818	-	-
Total expenditures	142,500	353,819	1,602,133	324,451	281,385
Excess (deficiency) of revenues over expenditures	358,214	24,505	95,010	45,875	178,224
OTHER FINANCING USES					
Transfers out	-	-	-	-	-
Net change in fund balances	358,214	24,505	95,010	45,875	178,224
Fund balances - beginning	1,773,990	-	-	868,203	1,588,994
Prior period adjustments-Note 4	-	430,643	2,232,494	-	-
Fund balances - ending	\$ 2,132,204	\$ 455,148	\$ 2,327,504	\$ 914,078	\$ 1,767,218

BILLINGS PUBLIC SCHOOLS
 COMBINING STATEMENT OF
 REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2021

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	<u>Total</u>
REVENUES	
Property taxes	\$ 14,704,473
Intergovernmental:	
County	21,598,301
State other	2,116,190
Federal	8,821,585
Charges for services	1,060,130
Interest	43,821
Miscellaneous	<u>3,159,047</u>
Total revenues	<u>51,503,547</u>
EXPENDITURES	
Current:	
Instruction	20,723,348
Support services:	
Students	1,926,885
Instructional staff	1,722,965
General administration	53,814
School administration	2,177,382
Business services	307,758
Operation and maintenance	1,474,158
Student transportation	7,002,816
Food services	5,876,979
Extracurricular	2,152,432
Capital outlay	89,633
Debt service	
Principal	107,163
Interest and other charges	<u>9,818</u>
Total expenditures	<u>43,625,151</u>
Excess (deficiency) of revenues over expenditures	<u>7,878,396</u>
OTHER FINANCING USES	
Transfers out	<u>(652,179)</u>
Net change in fund balances	7,226,217
Fund balances - beginning	15,174,561
Prior period adjustments-Note 4	<u>2,438,077</u>
Fund balances - ending	<u><u>\$ 24,838,855</u></u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY TRANSPORTATION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 4,252,362	\$ 4,252,362	\$ 4,301,081	\$ -	\$ 4,301,081
Intergovernmental:					
County	485,000	485,000	483,791	-	483,791
State other	485,000	485,000	483,791	-	483,791
Federal	11,010	11,010	13,428	-	13,428
Charges for services	-	-	43,262	-	43,262
Interest	-	-	956	-	956
Total revenues	5,233,372	5,233,372	5,326,309	-	5,326,309
EXPENDITURES					
Current:					
Support services:					
Operation and maintenance	9,849	9,849	3,091	-	3,091
Student transportation	5,223,523	5,223,523	4,651,892	-	4,651,892
Total expenditures	5,233,372	5,233,372	4,654,983	-	4,654,983
Net change in fund balances	\$ -	\$ -	671,326	-	671,326
Fund balances - beginning			556,774	-	556,774
Fund balances - ending			\$ 1,228,100	\$ -	\$ 1,228,100

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL TRANSPORTATION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,525,839	\$ 1,525,839	\$ 1,549,392	\$ -	\$ 1,549,392
Intergovernmental:					
County	250,000	250,000	249,494	-	249,494
State other	250,000	250,000	249,494	-	249,494
Federal	4,590	4,590	5,602	-	5,602
Charges for services	-	-	65	-	65
Interest	-	-	1,020	-	1,020
Total revenues	2,030,429	2,030,429	2,055,067	-	2,055,067
EXPENDITURES					
Current:					
Support services:					
Operation and maintenance	7,149	7,149	1,762	-	1,762
Student transportation	2,250,851	2,250,851	2,141,645	-	2,141,645
Total expenditures	2,258,000	2,258,000	2,143,407	-	2,143,407
Net change in fund balances	\$ (227,571)	\$ (227,571)	(88,340)	-	(88,340)
Fund balances - beginning			679,172	-	679,172
Fund balances - ending			\$ 590,832	\$ -	\$ 590,832

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY TUITION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 3,501,915	\$ 3,501,915	\$ 3,545,682	\$ -	\$ 3,545,682
Interest	-	-	1,332	-	1,332
Total revenues	<u>3,501,915</u>	<u>3,501,915</u>	<u>3,547,014</u>	<u>-</u>	<u>3,547,014</u>
EXPENDITURES					
Current:					
Instruction	<u>3,648,017</u>	<u>3,648,017</u>	<u>2,813,465</u>	<u>-</u>	<u>2,813,465</u>
Total expenditures	<u>3,648,017</u>	<u>3,648,017</u>	<u>2,813,465</u>	<u>-</u>	<u>2,813,465</u>
Net change in fund balances	<u>\$ (146,102)</u>	<u>\$ (146,102)</u>	733,549	-	733,549
Fund balances - beginning			<u>146,102</u>	<u>-</u>	<u>146,102</u>
Fund balances - ending			<u>\$ 879,651</u>	<u>\$ -</u>	<u>\$ 879,651</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL TUITION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,385,783	\$ 1,385,783	\$ 1,405,989	\$ -	\$ 1,405,989
Interest	-	-	363	-	363
Total revenues	1,385,783	1,385,783	1,406,352	-	1,406,352
EXPENDITURES					
Current:					
Instruction	1,386,161	1,386,161	1,169,925	-	1,169,925
Total expenditures	1,386,161	1,386,161	1,169,925	-	1,169,925
Net change in fund balances	\$ (378)	\$ (378)	236,427	-	236,427
Fund balances - beginning			378	-	378
Fund balances - ending			\$ 236,805	\$ -	\$ 236,805

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY RETIREMENT FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
County	\$ 13,395,616	\$ 13,395,616	\$ 13,395,616	\$ -	\$ 13,395,616
Interest	-	-	3,817	-	3,817
Total revenues	13,395,616	13,395,616	13,399,433	-	13,399,433
EXPENDITURES					
Current:					
Instructional	10,587,530	10,587,530	8,031,973	-	8,031,973
Support services:					
Students	832,055	832,055	871,727	-	871,727
Instructional staff	602,180	602,180	614,505	-	614,505
General administration	26,020	26,020	37,164	-	37,164
School administration	824,578	824,578	459,212	-	459,212
Business services	146,824	146,824	180,872	-	180,872
Operation and maintenance	566,412	566,412	813,811	-	813,811
Student transportation	114,534	114,534	164,173	-	164,173
Extracurricular	9,367	9,367	126,054	-	126,054
Total expenditures	13,709,500	13,709,500	11,299,491	-	11,299,491
Net change in fund balances	\$ (313,884)	\$ (313,884)	2,099,942	-	2,099,942
Fund balances - beginning			3,055,785	-	3,055,785
Fund balances - ending			\$ 5,155,727	\$ -	\$ 5,155,727

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL RETIREMENT FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
County	\$ 7,469,400	\$ 7,469,400	\$ 7,469,400	\$ -	\$ 7,469,400
Interest	-	-	1,061	-	1,061
Total revenues	<u>7,469,400</u>	<u>7,469,400</u>	<u>7,470,461</u>	<u>-</u>	<u>7,470,461</u>
EXPENDITURES					
Current:					
Instructional	5,778,794	5,778,794	3,939,394	-	3,939,394
Support services:					
Students	368,985	368,985	369,815	-	369,815
Instructional staff	267,709	267,709	286,549	-	286,549
General administration	29,013	29,013	16,636	-	16,636
School administration	540,098	540,098	345,017	-	345,017
Business services	85,846	85,846	126,886	-	126,886
Operation and maintenance	321,282	321,282	387,798	-	387,798
Student transportation	39,026	39,026	45,106	-	45,106
Food services	12,542	12,542	-	-	-
Extracurricular	26,105	26,105	203,803	-	203,803
Total expenditures	<u>7,469,400</u>	<u>7,469,400</u>	<u>5,721,004</u>	<u>-</u>	<u>5,721,004</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,749,457	-	1,749,457
Fund balances - beginning			1,020,947	-	1,020,947
Fund balances - ending			<u>\$ 2,770,404</u>	<u>\$ -</u>	<u>\$ 2,770,404</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY ADULT EDUCATION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 281,184	\$ 281,184	\$ 286,383	\$ -	\$ 286,383
Interest	-	-	759	-	759
Miscellaneous	-	-	1,882	-	1,882
Total revenues	<u>281,184</u>	<u>281,184</u>	<u>289,024</u>	<u>-</u>	<u>289,024</u>
EXPENDITURES					
Current:					
Instructional	422,655	422,655	264,163	-	264,163
Support services:					
Students	4,500	4,500	4,588	-	4,588
Instructional staff	-	-	27	-	27
School administration	129,545	129,545	53,249	-	53,249
Operation and maintenance	38,300	38,300	34,033	-	34,033
Capital Outlay	-	-	5,217	-	5,217
Total expenditures	<u>595,000</u>	<u>595,000</u>	<u>361,277</u>	<u>-</u>	<u>361,277</u>
Net change in fund balances	<u>\$ (313,816)</u>	<u>\$ (313,816)</u>	(72,253)	-	(72,253)
Fund balances - beginning			<u>522,066</u>	<u>-</u>	<u>522,066</u>
Fund balances - ending			<u>\$ 449,813</u>	<u>\$ -</u>	<u>\$ 449,813</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL ADULT EDUCATION FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,270,000	\$ 1,270,000	\$ 1,288,663	\$ -	\$ 1,288,663
Charges for services	280,000	280,000	168,351	-	168,351
Interest	-	-	580	-	580
Total revenues	1,550,000	1,550,000	1,457,594	-	1,457,594
EXPENDITURES					
Current:					
Instructional	498,605	498,605	519,953	-	519,953
Support services:					
Students	202,839	202,839	205,529	-	205,529
School administration	737,986	737,986	499,564	-	499,564
Operation and maintenance	83,970	83,970	16,913	-	16,913
Capital Outlay	26,600	26,600	-	-	-
Total expenditures	1,550,000	1,550,000	1,241,959	-	1,241,959
Net change in fund balances	\$ -	\$ -	215,635	-	215,635
Fund balances - beginning			364,470	-	364,470
Fund balances - ending			\$ 580,105	\$ -	\$ 580,105

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY TECHNOLOGY FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,213,906	\$ -	\$ 1,213,906
Intergovernmental:					
State other	68,722	68,722	68,722	-	68,722
Interest	-	-	9,108	-	9,108
Total revenues	<u>1,268,722</u>	<u>1,268,722</u>	<u>1,291,736</u>	<u>-</u>	<u>1,291,736</u>
EXPENDITURES					
Current:					
Instructional	728,404	794,560	999,671	-	999,671
Support services:					
Instructional staff	826,789	733,775	312,912	-	312,912
Capital Outlay	<u>48,183</u>	<u>75,041</u>	<u>26,858</u>	<u>-</u>	<u>26,858</u>
Total expenditures	<u>1,603,376</u>	<u>1,603,376</u>	<u>1,339,441</u>	<u>-</u>	<u>1,339,441</u>
Excess (deficiency) of revenues over expenditures	<u>(334,654)</u>	<u>(334,654)</u>	<u>(47,705)</u>	<u>-</u>	<u>(47,705)</u>
OTHER FINANCING USES					
Transfers out	<u>-</u>	<u>-</u>	<u>(168,586)</u>	<u>-</u>	<u>(168,586)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(168,586)</u>	<u>-</u>	<u>(168,586)</u>
Net change in fund balances	<u>\$ (334,654)</u>	<u>\$ (334,654)</u>	<u>(216,291)</u>	<u>-</u>	<u>(216,291)</u>
Fund balances - beginning			<u>334,654</u>	<u>-</u>	<u>334,654</u>
Fund balances - ending			<u>\$ 118,363</u>	<u>\$ -</u>	<u>\$ 118,363</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL TECHNOLOGY FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,099,459	\$ 1,099,459	\$ 1,113,377	\$ -	\$ 1,113,377
Intergovernmental:					
State other	36,861	36,861	36,861	-	36,861
Interest	-	-	8,485	-	8,485
Total revenues	1,136,320	1,136,320	1,158,723	-	1,158,723
EXPENDITURES					
Current:					
Instructional	957,559	957,559	729,875	-	729,875
Support services:					
Instructional staff	714,064	714,064	373,333	-	373,333
Capital Outlay	33,284	33,284	13,228	-	13,228
Total expenditures	1,704,907	1,704,907	1,116,436	-	1,116,436
Excess (deficiency) of revenues over expenditures	(568,587)	(568,587)	42,287	-	42,287
OTHER FINANCING USES					
Transfers out	-	-	(483,593)	-	(483,593)
Total other financing uses	-	-	(483,593)	-	(483,593)
Net change in fund balances	\$ (568,587)	\$ (568,587)	(441,306)	-	(441,306)
Fund balances - beginning			568,587	-	568,587
Fund balances - ending			\$ 127,281	\$ -	\$ 127,281

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

ELEMENTARY FLEXIBILITY FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
State other	\$ 345,456	\$ 345,456	\$ 345,456	\$ -	\$ 345,456
Interest	-	-	2,983	-	2,983
Total revenues	<u>345,456</u>	<u>345,456</u>	<u>348,439</u>	<u>-</u>	<u>348,439</u>
EXPENDITURES					
Current:					
Instructional	1,381,589	1,381,589	56,769	-	56,769
Support services:					
Instructional staff	<u>508,653</u>	<u>508,653</u>	<u>20,303</u>	<u>-</u>	<u>20,303</u>
Total expenditures	<u>1,890,242</u>	<u>1,890,242</u>	<u>77,072</u>	<u>-</u>	<u>77,072</u>
Net change in fund balances	<u>\$ (1,544,786)</u>	<u>\$ (1,544,786)</u>	271,367	-	271,367
Fund balances - beginning			<u>1,544,787</u>	<u>-</u>	<u>1,544,787</u>
Fund balances - ending			<u>\$ 1,816,154</u>	<u>\$ -</u>	<u>\$ 1,816,154</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUND

HIGH SCHOOL FLEXIBILITY FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
State other	\$ 497,079	\$ 497,079	\$ 497,079	\$ -	\$ 497,079
Interest	-	-	3,492	-	3,492
Miscellaneous	-	-	143	-	143
Total revenues	<u>497,079</u>	<u>497,079</u>	<u>500,714</u>	<u>-</u>	<u>500,714</u>
EXPENDITURES					
Current:					
Instructional	1,708,767	1,708,767	141,049	-	141,049
Support services:					
Instructional staff	<u>562,302</u>	<u>562,302</u>	<u>1,451</u>	<u>-</u>	<u>1,451</u>
Total expenditures	<u>2,271,069</u>	<u>2,271,069</u>	<u>142,500</u>	<u>-</u>	<u>142,500</u>
Net change in fund balances	<u>\$ (1,773,990)</u>	<u>\$ (1,773,990)</u>	358,214	-	358,214
Fund balances - beginning			<u>1,773,990</u>	<u>-</u>	<u>1,773,990</u>
Fund balances - ending			<u>\$ 2,132,204</u>	<u>\$ -</u>	<u>\$ 2,132,204</u>

Nonmajor Debt Service Funds

Budgeted:

Debt Service Fund - (High School) Debt Service funds are used to account for the annual payment of principal, interest, and expenditures on long-term obligation debt. Under State of Montana statutes, this fund is also used to pay special improvement District assessment charges against District-owned property.

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUND
 June 30, 2021

	Elementary Debt Service	High School Debt Service	Total
ASSETS			
Cash and cash equivalents	\$ 8,349,203	\$ 6,536,548	\$ 14,885,751
Receivables:			
Property taxes, net	137,618	9,729	147,347
Total assets	<u>\$ 8,486,821</u>	<u>\$ 6,546,277</u>	<u>\$ 15,033,098</u>
LIABILITIES			
Accounts payable	\$ 2,200	\$ 65,394	\$ 67,594
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	26,518	2,288	28,806
FUND BALANCES			
Restricted	8,458,103	6,478,595	14,936,698
Total fund balances	8,458,103	6,478,595	14,936,698
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,486,821</u>	<u>\$ 6,546,277</u>	<u>\$ 15,033,098</u>

BILLINGS PUBLIC SCHOOLS**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NONMAJOR DEBT SERVICE FUND**

For the Year Ended June 30, 2021

	Elementary Debt Service	High School Debt Service	Total
REVENUES			
Property taxes	\$ 10,764,564	\$ 675,709	\$ 11,440,273
Intergovernmental:			
State aid	352,616	61,416	414,032
Federal	536,275	494,010	1,030,285
Interest	25,167	20,109	45,276
Total revenues	11,678,622	1,251,244	12,929,866
EXPENDITURES			
Debt service:			
Principal	5,100,000	-	5,100,000
Interest and other charges	5,721,689	571,370	6,293,059
Total expenditures	10,821,689	571,370	11,393,059
Excess (deficiency) of revenues over (under) expenditures	856,933	679,874	1,536,807
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	81,305,000	-	81,305,000
Payment to refunded bond escrow agent	(80,858,130)	-	(80,858,130)
Total other financing sources (uses)	446,870	-	446,870
Net change in fund balances	1,303,803	679,874	1,983,677
Fund balances - beginning	7,154,300	5,798,721	12,953,021
Fund balances - ending	\$ 8,458,103	\$ 6,478,595	\$ 14,936,698

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR DEBT SERVICE FUND

ELEMENTARY DEBT SERVICE FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 10,660,535	\$ 10,660,535	\$ 10,764,564	\$ -	\$ 10,764,564
Intergovernmental:					
State aid	-	-	352,616	-	352,616
Federal	563,000	563,000	536,275	-	536,275
Interest	-	-	25,167	-	25,167
Total revenues	11,223,535	11,223,535	11,678,622	-	11,678,622
EXPENDITURES					
Debt Service:					
Principal	6,526,593	6,526,593	5,100,000	-	5,100,000
Interest and other charges	4,710,792	4,710,792	5,721,689	-	5,721,689
Total expenditures	11,237,385	11,237,385	10,821,689	-	10,821,689
Excess (deficiency) of revenues over expenditures	(13,850)	(13,850)	856,933	-	856,933
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	81,305,000	-	81,305,000
Payment to refunded bond escrow agent	-	-	(80,858,130)	-	(80,858,130)
Total other financing sources (uses)	-	-	446,870	-	446,870
Net change in fund balances	\$ (13,850)	\$ (13,850)	1,303,803	-	1,303,803
Fund balances - beginning			7,154,300	-	7,154,300
Fund balances - ending			\$ 8,458,103	\$ -	\$ 8,458,103

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR DEBT SERVICE FUND

HIGH SCHOOL DEBT SERVICE FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 672,086	\$ 672,086	\$ 675,709	\$ -	\$ 675,709
Intergovernmental:					
State aid	-	-	61,416	-	61,416
Federal	487,000	487,000	494,010	-	494,010
Interest	-	-	20,109	-	20,109
Total revenues	<u>1,159,086</u>	<u>1,159,086</u>	<u>1,251,244</u>	<u>-</u>	<u>1,251,244</u>
EXPENDITURES					
Debt Service:					
Principal	1,133,785	1,133,785	-	-	-
Interest and other charges	<u>48,272</u>	<u>48,272</u>	<u>571,370</u>	<u>-</u>	<u>571,370</u>
Total expenditures	<u>1,182,057</u>	<u>1,182,057</u>	<u>571,370</u>	<u>-</u>	<u>571,370</u>
Net change in fund balances	<u>\$ (22,971)</u>	<u>\$ (22,971)</u>	679,874	-	679,874
Fund balances - beginning			<u>5,798,721</u>	<u>-</u>	<u>5,798,721</u>
Fund balances - ending			<u>\$ 6,478,595</u>	<u>\$ -</u>	<u>\$ 6,478,595</u>

Nonmajor Capital Projects Funds

Budgeted:

Building Reserve Fund - (Elementary and High School) To account for the financial resources segregated for the acquisition, construction or repair of major capital facilities.

Nonbudgeted:

Building Fund - (High School) To account for the proceeds of bonds, insurance proceeds for damaged property or the sale or rental of property.

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 June 30, 2021

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
ASSETS					
Cash and cash equivalents	\$ 7,632,311	\$ 873,761	\$ 1,689,416	\$ 430,994	\$ 10,626,482
Receivables:					
Property taxes, net	-	-	8,466	5,076	13,542
Other	2,612	-	-	-	2,612
Total assets	<u>\$ 7,634,923</u>	<u>\$ 873,761</u>	<u>\$ 1,697,882</u>	<u>\$ 436,070</u>	<u>\$ 10,642,636</u>
LIABILITIES					
Accounts payable	\$ 276,507	\$ 104,069	\$ 16,830	\$ 2,125	\$ 399,531
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	1,734	1,075	2,809
FUND BALANCES					
Restricted	7,358,416	769,692	1,679,318	432,870	10,240,296
Total fund balances	7,358,416	769,692	1,679,318	432,870	10,240,296
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,634,923</u>	<u>\$ 873,761</u>	<u>\$ 1,697,882</u>	<u>\$ 436,070</u>	<u>\$ 10,642,636</u>

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended June 30, 2021

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
REVENUES					
Property taxes	\$ -	\$ -	\$ 648,619	\$ 362,953	\$ 1,011,572
Intergovernmental:					
State other	-	-	534,617	213,443	748,060
Charges for services	11,758	5,054	-	-	16,812
Interest	20,859	1,351	2,153	302	24,665
Miscellaneous	19,432	2,102	-	-	21,534
Total revenues	52,049	8,507	1,185,389	576,698	1,822,643
EXPENDITURES					
Current:					
Instruction	8,657	-	-	-	8,657
Support services:					
Business services	28,443	12,531	-	-	40,974
Operation and maintenance	1,465,137	1,109,042	214,039	64,078	2,852,296
Capital outlay	3,340,414	-	742,801	409,522	4,492,737
Total expenditures	4,842,651	1,121,573	956,840	473,600	7,394,664
Excess (deficiency) of revenues over expenditures	(4,790,602)	(1,113,066)	228,549	103,098	(5,572,021)
OTHER FINANCING SOURCES					
Insurance recoveries	875,000	1,300,000	-	-	2,175,000
Net change in fund balances	(3,915,602)	186,934	228,549	103,098	(3,397,021)
Fund balances - beginning	11,274,018	582,758	1,450,769	329,772	13,637,317
Fund balances - ending	\$ 7,358,416	\$ 769,692	\$ 1,679,318	\$ 432,870	\$ 10,240,296

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR CAPITAL PROJECTS FUND

ELEMENTARY BUILDING RESERVE FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 650,558	\$ 650,558	\$ 648,619	\$ -	\$ 648,619
Intergovernmental:					
State other	547,942	547,942	534,617	-	534,617
Interest	-	-	2,153	-	2,153
Total revenues	<u>1,198,500</u>	<u>1,198,500</u>	<u>1,185,389</u>	<u>-</u>	<u>1,185,389</u>
EXPENDITURES					
Current:					
Operation and maintenance	-	-	214,039	-	214,039
Capital Outlay	<u>2,649,269</u>	<u>2,649,269</u>	<u>742,801</u>	<u>-</u>	<u>742,801</u>
Total expenditures	<u>2,649,269</u>	<u>2,649,269</u>	<u>956,840</u>	<u>-</u>	<u>956,840</u>
Net change in fund balances	<u>\$ (1,450,769)</u>	<u>\$ (1,450,769)</u>	228,549	-	228,549
Fund balances - beginning			<u>1,450,769</u>	<u>-</u>	<u>1,450,769</u>
Fund balances - ending			<u>\$ 1,679,318</u>	<u>\$ -</u>	<u>\$ 1,679,318</u>

BILLINGS PUBLIC SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

NONMAJOR CAPITAL PROJECTS FUND

HIGH SCHOOL BUILDING RESERVE FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 358,437	\$ 358,437	\$ 362,953	\$ -	\$ 362,953
Intergovernmental:					
State other	218,763	218,763	213,443	-	213,443
Interest	-	-	302	-	302
Total revenues	<u>577,200</u>	<u>577,200</u>	<u>576,698</u>	<u>-</u>	<u>576,698</u>
EXPENDITURES					
Current:					
Operation and maintenance	-	-	64,078	-	64,078
Capital Outlay	<u>906,972</u>	<u>906,972</u>	<u>409,522</u>	<u>-</u>	<u>409,522</u>
Total expenditures	<u>906,972</u>	<u>906,972</u>	<u>473,600</u>	<u>-</u>	<u>473,600</u>
Net change in fund balances	<u>\$ (329,772)</u>	<u>\$ (329,772)</u>	103,098	-	103,098
Fund balances - beginning			<u>329,772</u>	<u>-</u>	<u>329,772</u>
Fund balances - ending			<u>\$ 432,870</u>	<u>\$ -</u>	<u>\$ 432,870</u>

Proprietary Funds

Internal Service Funds:

Internal service funds are used to account for services provided by other departments or agencies of the government, or to other governments on a cost reimbursement basis.

Warehouse Fund - This fund is used to account for supplies, equipment and printing provided to other departments of the Billings Public Schools.

Self-Insurance Health Fund - This fund is used to account for the insurance premiums collected and claims paid out for employees, retirees and ex-employees on the COBRA plan.

Self-Insurance Property Fund - This fund is used to account for revenues collected and deductibles paid out for property and liability claims.

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BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF NET POSITION-ALL INTERNAL SERVICE FUNDS

June 30, 2021

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 381,392	\$ 12,771,462	\$ 350	\$ 13,153,204
Accounts receivables, net	1,149	427,551	-	428,700
Prepaid items	-	98,940	-	98,940
Total current assets	382,541	13,297,953	350	13,680,844
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	-	3,108,705	-	3,108,705
LIABILITIES				
Current Liabilities:				
Accounts payable	7,338	2,322,557	-	2,329,895
Unearned revenue	-	6,829	-	6,829
Compensated absences	2,754	2,436	-	5,190
Total current liabilities	10,092	2,331,822	-	2,341,914
Noncurrent liabilities:				
Compensated absences	24,789	21,925	-	46,714
Total other postemployment benefits	-	23,344,967	-	23,344,967
Total noncurrent liabilities	24,789	23,366,892	-	23,391,681
Total liabilities	34,881	25,698,714	-	25,733,595
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	-	269,054	-	269,054
NET POSITION (DEFICIT)				
Unrestricted	347,660	(9,561,110)	350	(9,213,100)
Total net position (deficit)	\$ 347,660	\$ (9,561,110)	\$ 350	\$ (9,213,100)

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-

ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2021

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 345,783	\$ 21,926,932	\$ -	\$ 22,272,715
Total operating revenues	345,783	21,926,932	-	22,272,715
OPERATING EXPENSES				
Personal services - salaries	128,416	133,371	-	261,787
Personal services - benefits	33,065	24,887	-	57,952
Purchased property services	34,371	21,001	-	55,372
Other purchased services	16,154	1,084,679	-	1,100,833
Supplies and materials	94,938	15,598	-	110,536
Insurance claims and expenses	-	21,911,777	-	21,911,777
Miscellaneous	-	50	-	50
Total operating expenses	306,944	23,191,363	-	23,498,307
Operating income (loss)	38,839	(1,264,431)	-	(1,225,592)
NONOPERATING REVENUES				
Interest revenue	-	25,875	-	25,875
Total nonoperating revenues	-	25,875	-	25,875
Change in net position	38,839	(1,238,556)	-	(1,199,717)
Net position - beginning	308,821	(8,322,554)	350	(8,013,383)
Net position - ending	\$ 347,660	\$ (9,561,110)	\$ 350	\$ (9,213,100)

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2021

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from health insurance premiums	\$ -	\$ 21,942,494	\$ -	\$ 21,942,494
Cash received from interfund services	345,039	-	-	345,039
Medical claims paid	-	(20,913,959)	-	(20,913,959)
Cash paid to employees health insurance services	-	(163,110)	-	(163,110)
Cash paid to employees for interfund services	(164,418)	-	-	(164,418)
Cash paid to suppliers for goods and services health insurance services	-	(1,121,328)	-	(1,121,328)
Cash paid to suppliers for goods and services interfund services	(145,138)	-	-	(145,138)
Net cash provided (used) by operating activities	35,483	(255,903)	-	(220,420)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	-	25,875	-	25,875
Net cash provided by investing activities	-	25,875	-	25,875
Change in cash and cash equivalents	35,483	(230,028)	-	(194,545)
Cash and cash equivalents - beginning	345,909	13,001,490	350	13,347,749
Cash and cash equivalents - ending	\$ 381,392	\$ 12,771,462	\$ 350	\$ 13,153,204
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 38,839	\$ (1,264,431)	\$ -	\$ (1,225,592)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other postemployment benefits	-	733,934	-	733,934
(Increase) decrease in accounts receivable	(744)	373,305	-	372,561
Increase in prepaid items	-	(98,940)	-	(98,940)
Increase in accounts payable	325	1,668	-	1,993
Increase in unearned revenue	-	3,413	-	3,413
Decrease in compensated absences	(2,937)	(4,852)	-	(7,789)
Net cash provided (used) by operating activities	\$ 35,483	\$ (255,903)	\$ -	\$ (220,420)

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**SUPPLEMENTAL INFORMATION MANDATED BY
MONTANA OFFICE OF PUBLIC INSTRUCTION**

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BILLINGS PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN NET POSITION - EXTRACURRICULAR
For the Year Ended June 30, 2021

Location	Balance July 1, 2020	Revenues	Expenditures	Balance June 30, 2021
Native American	\$ 168	\$ -	\$ -	\$ 168
Career Center	171,854	102,504	98,318	176,040
Senior High School	563,100	428,470	434,292	557,278
West High School	498,297	449,665	415,355	532,607
Skyview High School	283,601	409,237	377,676	315,162
Middle Schools-Athletics	117,338	121,014	78,970	159,382
Lewis & Clark Middle School	25,920	18,073	13,916	30,077
Lincoln Education Center	391	887	-	1,278
Riverside Middle School	32,936	11,103	13,791	30,248
Will James Middle School	75,482	34,203	48,000	61,685
Castlerock Middle School	61,921	27,279	41,791	47,409
Ben Steele Middle School	40,799	123,778	119,236	45,341
Medicine Crow Middle School	28,416	11,484	12,874	27,026
Arrowhead Elementary	4,798	1,509	1,739	4,568
Beartooth Elementary	2,233	1,556	1,153	2,636
Bench Elementary	2,107	348	310	2,145
Boulder Elementary	3,074	1,504	3,724	854
Broadwater Elementary	574	1	443	132
Burlington Elementary	3,538	2,804	3,740	2,602
Central Heights Elementary	3	225	3	225
Highland Elementary	1,285	2	1	1,286
McKinley Elementary	1,328	2	-	1,330
Meadowlark Elementary	1	62	-	63
Miles Elementary	4,773	4,523	1,427	7,869
Newman Elementary	2,624	495	2,612	507
Orchard Elementary	5,820	131	570	5,381
Poly Elementary	2,650	4	1,450	1,204
Ponderosa Elementary	629	5,378	224	5,783
Special Olympics	82	-	-	82
Rose Park Elementary	1,350	2	9	1,343
Sandstone Elementary	356	1	1	356
Adult Education	816	1	497	320
Washington Elementary	1,023	16	14	1,025
Alkali Creek Elementary	1,606	3	-	1,609
Big Sky Elementary	4,783	11,932	7,379	9,336
Exec Director of Activities	688,823	263,193	229,465	722,551
Coordinator of Music	28,638	44,078	46,972	25,744
	<u>\$ 2,663,137</u>	<u>\$ 2,075,467</u>	<u>\$ 1,955,952</u>	<u>\$ 2,782,652</u>

This schedule has been summarized by school. A detail schedule is available upon request.

BILLINGS PUBLIC SCHOOLS

ENROLLMENT SCHEDULE

For the Year Ended June 30, 2021

	Per Enrollment Reports	Audit Per District Records	Difference
Fall Enrollment - October 2020			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,153	1,153	-
(b) Kindergarten (enrolled 181-719 hours per year)	10	10	-
(c) Kindergarten (enrolled < 181 hours per year)	1	1	-
(d) Grades 1-5 (enrolled 720+ hours per year)	5,864	5,864	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	2	2	-
(f) Grades 1-5 (enrolled < 181 hours per year)	-	-	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,950	3,950	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	1	1	-
(i) Grades 6-8 (enrolled < 181 hours per year)	-	-	-
(j) Total Elementary (add lines a through i)	10,981	10,981	-
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,515	5,515	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	32	32	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	4	4	-
(n) Total High School (add lines k through m)	5,551	5,551	-
(o) 19 Year-olds included on line k	-	-	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
Spring Enrollment - February 2021			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,156	1,156	-
(b) Kindergarten (enrolled 181-719 hours per year)	10	10	-
(c) Kindergarten (enrolled < 181 hours per year)	1	1	-
(d) Grades 1-5 (enrolled 720+ hours per year)	5,882	5,882	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	2	2	-
(f) Grades 1-5 (enrolled < 181 hours per year)	-	-	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,891	3,891	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	10	10	-
(i) Grades 6-8 (enrolled < 181 hours per year)	-	-	-
(j) Total Elementary (add lines a through i)	10,952	10,952	-
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,344	5,344	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	31	31	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	5	5	-
(n) Total High School (add lines k through m)	5,380	5,380	-
(o) 19 Year-olds included on line k	1	1	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
(r) Early Graduates	31	31	-

SECTION III - STATISTICAL SECTION

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SECTION III - STATISTICAL SECTION

This part of Billings Public Schools annual comprehensive financial report presents detailed information as a means for understanding what information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

Contents	<u>Page</u>
Financial Trends	97-101
<i>These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.</i>	
Revenue Capacity	102-108
<i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	
Debt Capacity	109-113
<i>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	114-115
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</i>	
Operating Information	116-122
<i>The schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year

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BILLINGS PUBLIC SCHOOLS
NET POSITION - GOVERNMENTAL ACTIVITIES
 Last Ten Fiscal Years
 (accrual basis of accounting)

Table 1

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net investment in capital assets	\$ 57,733,805	\$ 55,266,962	\$ 52,466,677	\$ 51,771,080	\$ 51,729,935	\$ 51,818,256	\$ 51,101,069	\$ 50,535,448	\$ 49,955,870	\$ 49,450,364
Restricted	7,793,006	10,730,765	10,916,571	15,270,912	16,398,869	18,713,270	18,731,517	22,958,641	24,876,408	38,034,357
Unrestricted (deficit)	<u>(14,127,147)</u>	<u>(12,518,164)</u>	<u>(8,862,940)</u>	<u>(112,975,416)</u>	<u>(103,472,531)</u>	<u>(127,071,672)</u>	<u>(133,392,674)</u>	<u>(138,083,731)</u>	<u>(141,880,118)</u>	<u>(148,832,654)</u>
Total net position	<u>\$ 51,399,664</u>	<u>\$ 53,479,563</u>	<u>\$ 54,520,308</u>	<u>\$ (45,933,424)</u>	<u>\$ (35,343,727)</u>	<u>\$ (56,540,146)</u>	<u>\$ (63,560,088)</u>	<u>\$ (64,589,642)</u>	<u>\$ (67,047,840)</u>	<u>\$ (61,347,933)</u>
				1		2	3			4

1 Implemented GASB Statements 68 and 71

2 Implemented GASB Statement 73

3 Implemented GASB Statement 75

4 Implemented GASB Statement 84

BILLINGS PUBLIC SCHOOLS

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Instruction	\$ 90,996,777	\$ 92,876,108	\$ 96,301,172	\$ 96,651,543	\$ 97,005,016	\$ 105,539,862	\$ 111,758,344	\$ 118,621,733	\$ 129,428,619	\$ 146,237,476
Support services:										
Students	11,562,508	11,518,499	12,203,272	12,710,349	12,726,817	13,901,843	14,041,977	15,671,822	17,091,484	18,707,694
Instructional staff	7,768,857	7,760,274	8,060,342	7,940,616	8,909,748	8,520,641	10,138,104	10,225,276	10,454,633	10,941,020
General administration	2,183,458	1,728,213	1,917,754	2,060,920	2,094,473	2,255,636	1,964,370	1,943,138	1,855,131	2,008,889
School administration	10,076,339	9,790,142	10,166,229	10,285,418	10,911,561	11,154,175	11,915,815	12,318,998	13,908,822	14,498,993
Business services	2,321,858	2,002,743	2,103,298	2,424,217	2,336,752	2,330,041	2,528,926	2,772,612	2,601,673	2,996,494
Operation and maintenance	12,055,291	12,395,350	12,666,923	12,298,862	12,297,661	14,026,596	15,707,111	15,573,888	16,001,493	18,876,172
Student transportation	5,550,126	5,713,801	5,527,358	5,713,291	5,795,959	6,126,048	6,674,494	6,527,449	6,550,565	7,297,869
Food services	5,893,493	5,697,047	5,707,254	5,975,077	6,285,333	6,536,691	6,728,995	6,798,120	5,786,392	6,102,984
Community services	16,681	17,822	14,149	10,100	6,150	-	-	-	-	-
Extracurricular	2,399,701	2,563,371	2,553,595	2,602,188	2,729,817	3,073,078	3,180,993	3,422,143	3,470,394	5,153,499
Other current charges	13,693	-	-	-	-	-	-	-	-	-
Interest	670,408	1,625,782	2,523,052	4,455,186	5,583,903	5,536,184	5,424,464	5,262,594	5,251,382	5,598,471
Total expenses	151,509,190	153,689,152	159,744,398	163,127,767	166,683,190	179,000,795	190,063,593	199,137,773	212,400,588	238,419,561
Program revenues:										
Charges for services:										
Instruction	714,937	796,991	745,180	773,615	840,445	770,718	906,861	1,373,797	993,227	1,000,762
Support services:										
School administration	-	-	-	-	-	-	-	-	-	38,252
Operation and maintenance	50,315	64,230	64,694	57,034	418,069	160,782	57,945	78,734	79,176	208,730
Student transportation	39,704	39,393	34,550	36,618	40,285	36,411	56,946	70,783	62,636	43,327
Food services	2,452,515	2,271,012	2,185,261	2,089,187	2,303,357	2,042,033	2,031,519	2,135,611	1,655,999	465,757
Operating grants and contributions	30,073,832	31,165,921	31,443,773	34,661,238	34,311,787	36,670,029	34,920,643	38,061,642	48,098,641	72,610,223
Capital grants and contributions	48,665	139,927	54,637	97,003	177,026	422,990	320,499	164,404	193,938	-
Total program revenues	33,379,968	34,477,474	34,528,095	37,714,695	38,090,969	40,102,963	38,294,413	41,884,971	51,083,617	74,367,051
Net expense	(118,129,222)	(119,211,678)	(125,216,303)	(125,413,072)	(128,592,221)	(138,897,832)	(151,769,180)	(157,252,802)	(161,316,971)	(164,052,510)
General revenues:										
Property taxes	39,255,766	40,099,921	41,926,382	48,002,113	51,132,533	54,492,742	58,103,653	61,058,675	62,686,937	63,670,285
Unrestricted intergovernmental:										
State aid	54,645,645	57,753,278	60,768,215	64,120,939	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390
State other	5,720,810	6,484,021	6,244,913	7,322,579	6,907,224	6,928,173	623,278	153,971	264,776	260,474
County	13,636,532	14,978,791	15,809,305	15,458,169	15,643,024	17,154,480	17,735,249	18,525,340	18,406,726	20,865,016
Interest	217,250	133,528	196,214	580,470	582,535	735,757	872,224	1,326,947	1,100,598	201,992
Contributions and donations	988,900	995,403	1,127,943	1,242,275	838,217	667,437	528,760	304,256	271,894	396,692
Miscellaneous	1,038,092	534,177	496,534	828,766	568,855	746,367	1,082,835	1,092,444	844,536	2,920,491
Gain on disposal of capital assets	-	-	-	8,139	-	-	305	14,699	-	-
Total general revenues	115,502,995	120,979,119	126,569,506	137,563,450	139,181,918	145,332,325	147,990,255	156,223,248	158,858,773	167,314,340
Change in net position	\$ (2,626,227)	\$ 1,767,441	\$ 1,353,203	\$ 12,150,378	\$ 10,589,697	\$ 6,434,493	\$ (3,778,925)	\$ (1,029,554)	\$ (2,458,198)	\$ 3,261,830

BILLINGS PUBLIC SCHOOLS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,650	\$ 30,000	\$ -	\$ -
Assigned	623,244	804,770	1,261,432	695,086	274,135	349,511	165,846	30,000	129,287	101,685
Unassigned	4,015,233	4,950,752	6,848,264	10,331,887	16,216,463	17,236,642	15,553,390	13,164,574	12,830,370	24,993,301
Total general fund	<u>\$ 4,638,477</u>	<u>\$ 5,755,522</u>	<u>\$ 8,109,696</u>	<u>\$ 11,026,973</u>	<u>\$ 16,490,598</u>	<u>\$ 17,586,153</u>	<u>\$ 15,727,886</u>	<u>\$ 13,224,574</u>	<u>\$ 12,959,657</u>	<u>\$ 25,094,986</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 1,659	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -
Restricted	12,268,876	18,773,122	99,009,127	53,835,242	53,229,035	31,443,705	23,937,766	24,849,725	31,905,152	42,514,974
Committed	2,319,633	2,610,838	3,209,175	3,869,220	4,221,789	4,729,480	5,065,484	5,164,372	6,060,618	6,898,226
Assigned	6,024,273	6,816,264	5,288,065	9,335,756	10,175,831	11,392,598	12,195,610	12,577,161	12,058,011	9,944,816
Total all other governmental funds	<u>\$ 20,612,782</u>	<u>\$ 28,200,224</u>	<u>\$ 107,506,367</u>	<u>\$ 67,041,877</u>	<u>\$ 67,626,655</u>	<u>\$ 47,565,783</u>	<u>\$ 41,198,860</u>	<u>\$ 42,706,258</u>	<u>\$ 50,023,781</u>	<u>\$ 59,358,016</u>

BILLINGS PUBLIC SCHOOLS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 39,518,352	\$ 40,006,403	\$ 42,518,450	\$ 47,163,854	\$ 53,365,029	\$ 52,928,392	\$ 59,688,055	\$ 60,901,465	\$ 60,704,851	\$ 65,918,571
Intergovernmental:										
County	14,480,834	15,862,391	16,621,981	16,313,938	16,477,104	17,958,672	18,550,708	19,275,036	19,142,277	21,598,301
State aid	54,645,645	57,753,278	60,768,215	64,120,939	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390
State other	20,936,835	22,328,332	22,299,555	26,390,195	25,342,892	27,744,479	19,405,841	20,996,830	28,021,070	31,619,944
Federal	14,013,505	14,438,010	14,576,455	14,689,534	15,011,200	15,032,163	15,312,111	16,455,487	19,466,798	40,415,148
Tuition	144,228	243,312	215,980	210,943	204,913	330,996	336,731	747,032	575,426	449,716
Charges for services	3,111,333	2,947,509	2,818,719	2,754,282	3,014,927	2,751,143	2,716,540	2,911,893	2,215,612	1,076,942
Interest	188,638	116,722	168,041	525,184	530,978	644,480	745,116	1,140,929	944,008	176,117
Miscellaneous	1,301,766	1,529,580	1,624,477	2,119,360	1,437,911	1,433,784	1,622,105	1,410,300	1,256,428	3,419,503
Total revenues	148,341,136	155,225,537	161,611,873	174,288,229	178,894,484	183,431,478	187,421,158	197,585,888	207,609,776	243,673,632
Expenditures										
Instruction	87,658,280	90,187,253	92,966,202	95,684,521	97,255,949	100,659,911	105,519,529	110,265,854	120,561,969	127,594,888
Support services:										
Students	11,420,156	11,286,445	11,968,564	12,823,247	12,579,662	13,486,341	13,480,220	14,944,978	16,090,236	17,042,189
Instructional staff	7,660,634	7,596,063	7,931,366	7,863,139	8,851,876	8,323,039	9,792,095	9,902,452	9,852,505	10,098,398
General administration	2,095,958	1,785,865	1,897,129	2,060,623	2,101,720	2,213,056	1,951,195	1,907,776	1,795,310	1,928,809
School administration	10,196,532	9,553,940	10,224,366	10,579,520	11,206,165	11,117,070	11,661,222	12,039,005	13,401,069	13,429,886
Business services	2,234,008	1,960,014	2,054,553	2,469,323	2,366,351	2,360,883	2,418,418	2,713,934	2,466,019	2,878,108
Operations and maintenance	12,166,696	12,164,592	12,475,533	12,393,710	12,710,622	14,287,143	15,095,368	15,198,855	16,332,088	19,842,533
Student transportation	5,518,265	5,707,029	5,511,248	5,707,091	5,814,423	6,119,000	6,603,013	6,563,372	6,472,898	7,141,451
Food services	5,807,668	5,598,212	5,606,418	5,865,132	6,165,203	6,361,179	6,526,032	6,589,819	5,570,415	5,881,494
Community services	16,681	17,822	14,149	10,100	6,150	-	-	-	-	-
Extracurricular	2,248,253	2,435,096	2,424,350	2,505,235	2,636,320	2,890,536	2,961,203	3,164,849	3,087,992	4,737,576
Other current charges	13,693	-	-	-	-	-	-	-	-	-
Capital outlay	6,566,027	10,837,415	14,217,934	46,298,754	41,129,075	24,964,129	9,310,879	5,063,782	4,729,452	5,357,012
Debt service										
Principal	199,015	165,203	124,227	1,474,250	2,869,250	4,114,250	4,234,250	4,315,000	4,505,000	5,207,163
Interest	653,852	1,412,218	1,767,896	6,170,436	6,132,494	6,213,824	6,092,924	5,927,274	5,823,897	6,302,877
Total expenditures	154,455,718	160,707,167	169,183,935	211,905,081	211,825,260	203,110,361	195,646,348	198,596,950	210,688,850	227,442,384
Excess (deficiency) of revenues over expenditures	(6,114,582)	(5,481,630)	(7,572,062)	(37,616,852)	(32,930,776)	(19,678,883)	(8,225,190)	(1,011,062)	(3,079,074)	16,231,248
Other financing sources (uses)										
Transfers in	-	9,845	-	196,450	-	-	-	-	2,400,000	652,179
Transfers out	-	(9,845)	-	(196,450)	-	-	-	-	(2,400,000)	(652,179)
Premium on long-term debt issued	-	-	8,332,379	-	5,119,685	-	-	-	712,645	-
Insurance recoveries	284,904	41,615	-	61,500	859,494	507,789	-	-	1,019,035	2,353,369
Long-term debt issued	-	14,144,502	80,900,000	-	33,000,000	-	-	-	8,400,000	81,305,000
Payment to refunded bond agent	-	-	-	-	-	-	-	-	-	(80,858,130)
Sale of capital assets	-	-	-	8,139	-	205,777	-	15,148	-	-
Total other financing sources (uses)	284,904	14,186,117	89,232,379	69,639	38,979,179	713,566	-	15,148	10,131,680	2,800,239
Net change in fund balances	\$ (5,829,678)	\$ 8,704,487	\$ 81,660,317	\$ (37,547,213)	\$ 6,048,403	\$ (18,965,317)	\$ (8,225,190)	\$ (995,914)	\$ 7,052,606	\$ 19,031,487
Debt service as a percentage of non-capital expenditures	0.58%	1.05%	1.22%	4.62%	5.27%	5.80%	5.54%	5.29%	5.02%	5.18%

BILLINGS PUBLIC SCHOOLS
GENERAL FUND EXPENDITURES BY FUNCTION
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 5

Fiscal Year	Instruction	Support Services						
		Students	Instructional Staff	General Administration	School Administration	Business Services	Operation and Maintenance	Student Transportation
2012	\$ 64,228,160	\$ 6,865,200	\$ 5,743,805	\$ 1,696,286	\$ 7,640,231	\$ 1,623,144	\$ 10,593,673	\$ 20,604
2013	66,777,286	6,850,794	5,865,148	1,419,132	7,435,562	1,692,700	10,820,835	26,459
2014	68,011,115	6,992,701	6,063,526	1,562,697	8,095,258	1,786,921	11,146,363	34,289
2015	68,686,471	7,143,315	5,898,708	1,711,703	8,119,218	2,146,282	11,030,807	28,222
2016	72,270,831	7,078,580	6,598,488	1,684,614	8,805,402	1,829,231	11,021,525	74,376
2017	76,287,523	7,423,399	6,372,883	1,808,934	8,845,283	1,685,627	12,300,559	47,659
2018	79,163,807	7,492,513	7,384,705	1,894,009	9,289,126	1,683,725	13,200,719	118,420
2019	82,836,991	8,234,720	7,169,843	1,856,733	9,630,170	1,968,641	13,419,996	51,131
2020	87,422,540	8,909,313	7,413,001	1,739,833	10,692,590	1,819,495	12,993,990	78,732
2021	86,631,493	8,838,101	7,877,074	1,874,995	6,156,297	2,017,454	13,934,752	107,480

Fiscal Year	Community Services/Food Services	Extracurricular	Capital Outlay	Debt Service	Total
2012	\$ -	\$ 1,973,861	\$ 461,616	\$ 203,367	\$ 101,049,947
2013	-	2,133,334	475,317	166,963	103,663,530
2014	585	2,124,122	676,220	124,426	106,618,223
2015	800	2,172,992	709,158	84,250	107,731,926
2016	-	2,353,949	580,466	84,250	112,381,712
2017	-	2,642,100	925,201	84,250	118,423,418
2018	1,140	2,633,238	1,068,645	84,800	124,014,847
2019	1,402	2,839,163	724,591	-	128,733,381
2020	1,387	2,712,417	617,704	-	134,401,002
2021	4,515	2,585,144	488,379	-	130,515,684

BILLINGS PUBLIC SCHOOLS
PROPERTY TAX ASSESSMENT AND COLLECTIONS
Last Ten Fiscal Years

Table 6

Fiscal Year	Assessed Value	Estimated Actual Value	Percent of Assessed Value to Est. Actual Value	Mill Levy	Taxes Levied	Collected within the Fiscal Year of the Levy		Tax Collections after Levy Year	Total Collections to Date	
						Amount Collected	Percent of Levy		Amount Collected	Percent of Levy
Elementary District:										
2012	\$ 177,014,509	\$ 5,985,087,238	2.96%	128.09	\$ 22,673,788	\$ 22,336,226	98.51%	\$ 331,190	\$ 22,667,416	99.97%
2013	176,069,203	6,154,532,525	2.86%	134.13	23,616,162	23,205,489	98.26%	314,028	23,519,517	99.59%
2014	178,803,178	6,455,299,303	2.77%	144.10	25,765,538	25,064,410	97.28%	631,015	25,695,425	99.73%
2015	175,238,138	6,572,130,535	2.67%	179.93	31,530,598	30,637,906	97.17%	831,626	31,469,532	99.81%
2016	194,587,614	11,650,594,235	1.67%	178.55	34,743,618	34,618,695	99.64%	118,022	34,736,717	99.98%
2017	198,430,778	11,739,775,974	1.69%	190.24	37,749,471	35,633,279	94.39%	905,083	36,538,362	96.79%
2018	208,808,937	12,511,911,961	1.67%	197.33	41,204,268	39,734,170	96.43%	579,790	40,313,960	97.84%
2019	210,943,808	12,828,718,518	1.64%	200.37	42,266,811	41,182,157	97.43%	685,996	41,868,153	99.06%
2020	220,594,741	13,538,463,900	1.63%	195.58	43,143,919	40,901,016	94.80%	1,573,899	42,474,915	98.45%
2021	224,174,751	13,673,306,701	1.64%	202.02	45,287,783	44,056,452	97.28%	-	44,056,452	97.28%
High School District:										
2012	\$ 235,424,143	\$ 7,974,802,129	2.95%	71.10	\$ 16,738,657	\$ 16,322,166	97.51%	\$ 303,167	\$ 16,625,333	99.32%
2013	235,345,707	8,256,450,287	2.85%	70.40	16,568,338	16,120,642	97.30%	398,130	16,518,772	99.70%
2014	238,407,131	8,647,326,911	2.76%	71.44	17,031,805	16,462,130	96.66%	539,041	17,001,171	99.82%
2015	235,586,169	8,873,443,960	2.65%	69.82	16,448,626	16,004,297	97.30%	439,591	16,443,888	99.97%
2016	264,033,676	15,451,136,712	1.71%	66.53	17,566,160	17,513,945	99.70%	47,892	17,561,837	99.98%
2017	269,574,516	15,595,752,243	1.73%	65.28	17,597,824	16,686,155	94.82%	446,066	17,132,221	97.35%
2018	283,156,573	16,626,343,898	1.70%	66.63	18,866,722	18,199,329	96.46%	301,199	18,500,528	98.06%
2019	261,369,448	15,885,942,424	1.65%	72.36	18,912,693	18,471,081	97.66%	324,257	18,795,338	99.38%
2020	273,951,707	16,720,129,997	1.64%	73.48	20,129,971	19,160,959	95.19%	702,854	19,863,813	98.68%
2021	278,825,706	16,893,462,738	1.65%	70.89	19,765,954	19,291,805	97.60%	-	19,291,805	97.60%

Source: Montana Department of Revenue
Yellowstone County Treasurer

BILLINGS PUBLIC SCHOOLS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Forest and Agricultural Land	Residential	Commerical	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Value	Total Direct Rate
Elementary District:							
2012	\$ 3,352,379	\$ 6,922,553,883	\$ 2,018,786,035	\$ 8,944,692,297	2.04%	\$ 182,699,309	128.09
2013	3,320,188	6,984,712,335	2,035,516,027	9,023,548,550	2.01%	180,988,182	134.13
2014	3,316,162	7,084,649,509	2,068,778,163	9,156,743,834	2.01%	184,389,943	144.10
2015	3,218,779	7,215,631,126	2,096,142,884	9,314,992,789	1.94%	180,732,615	179.93
2016	3,187,810	8,018,376,528	2,452,252,649	10,473,816,987	1.94%	203,169,677	184.43
2017	3,222,429	8,131,584,232	2,428,808,679	10,563,615,340	1.95%	205,672,718	190.24
2018	3,567,668	8,823,846,226	2,450,924,446	11,278,338,340	1.93%	217,454,879	197.33
2019	3,781,750	8,985,738,447	2,425,187,449	11,414,707,646	1.92%	218,879,455	200.37
2020	3,998,143	9,583,698,842	2,501,776,754	12,089,473,739	1.90%	229,514,103	195.58
2021	3,955,427	9,697,517,804	2,496,704,984	12,198,178,215	1.91%	232,730,057	202.02
High School District:							
2012	\$ 25,121,843	\$ 8,240,575,293	\$ 3,141,091,614	\$ 11,406,788,750	2.11%	\$ 240,722,855	71.10
2013	25,170,347	8,329,054,288	3,167,868,899	11,522,093,534	2.09%	240,304,103	70.40
2014	25,088,887	8,488,897,645	3,220,110,183	11,734,096,715	2.08%	244,633,523	71.44
2015	24,964,930	8,688,407,933	3,283,800,234	11,997,173,097	2.01%	241,680,305	69.82
2016	26,613,215	9,718,463,873	3,952,407,813	13,697,484,901	2.00%	274,208,077	68.85
2017	27,176,869	9,884,831,869	3,898,833,351	13,810,842,089	2.01%	277,573,545	65.28
2018	29,835,506	10,748,240,209	4,032,797,240	14,810,872,955	1.98%	293,037,782	66.63
2019	28,629,702	10,482,223,166	3,722,295,772	14,233,148,640	1.90%	270,294,412	72.36
2020	30,362,075	11,197,011,388	3,845,275,985	15,072,649,448	1.88%	284,044,924	73.48
2021	30,269,563	11,364,691,864	3,833,119,457	15,228,080,884	1.90%	288,694,228	70.89

BILLINGS PUBLIC SCHOOLS

Table 8

PRINCIPAL PROPERTY TAX PAYERS IN THE ELEMENTARY DISTRICT

Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Phillips 66 Company	\$ 18,880,185	1	8.42%	\$ -	-	0.00%
Northwestern Energy - T & D	15,070,486	2	6.72%	10,547,495	2	5.96%
Montana Dakota Utilities - Gas Dist	4,143,246	3	1.85%	1,899,879	6	1.07%
Charter Communications Inc	3,890,523	4	1.74%	-	-	0.00%
Verizon Inc	1,733,118	5	0.77%	1,059,758	7	0.60%
Jupiter Sulphur LLC	1,618,732	6	0.72%	-	-	0.00%
Phillips 66 Carrier LLC	1,614,655	7	0.72%	-	-	0.00%
Lumen Technologies Inc DBA Lumen	1,120,196	8	0.50%	-	-	0.00%
Yellowstone Pipeline Co	932,373	9	0.42%	-	-	0.00%
AT&T Mobility LLC	909,980	10	0.41%	-	-	0.00%
ConocoPhillips Company	-	-	0.00%	14,980,618	1	8.46%
Bresnan Broadband Holdings	-	-	0.00%	4,938,050	3	2.79%
PPL Montana LLC	-	-	0.00%	3,307,272	4	1.87%
Qwest Corporation	-	-	0.00%	2,703,039	5	1.53%
Walmart	-	-	0.00%	812,083	9	0.46%
Conco Pipeline Company	-	-	0.00%	886,260	8	0.50%
Western Sugar Company	-	-	0.00%	657,960	10	0.37%
Total	<u>\$ 49,913,494</u>		<u>22.27%</u>	<u>\$ 41,792,414</u>		<u>23.61%</u>

Source: Montana Department of Revenue

BILLINGS PUBLIC SCHOOLS

Table 8a

PRINCIPAL PROPERTY TAX PAYERS IN THE HIGH SCHOOL DISTRICT

Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Phillips 66 Company	\$ 18,882,522	1	6.77%	\$ -	-	0.00%
Northwestern Energy - T & D	16,710,388	2	5.99%	12,345,675	2	5.24%
Montana Dakota Utilities - Gas Dist	4,659,521	3	1.67%	1,899,879	7	0.81%
Charter Communications Inc	3,890,523	4	1.40%	-	-	0.00%
Verizon Wireless	1,942,660	5	0.70%	1,281,133	8	0.54%
Phillips 66 Carrier LLC	1,939,636	6	0.70%	-	-	0.00%
Jupiter Sulphur LLC	1,618,732	8	0.58%	-	-	0.00%
AT&T Mobility LLC	1,563,356	9	0.56%	887,778	10	0.38%
Lumen Technologies Inc DBA Lumen	1,186,296	10	0.43%	887,778	10	0.38%
Qwest Corporation/Centurylink Inc	-	-	0.00%	2,984,591	6	1.27%
ConocoPhillips Company	-	-	0.00%	14,980,618	1	6.36%
Exxon Mobile Corporation	-	-	0.00%	10,336,775	3	4.39%
Bresnan Broadband Holdings	-	-	0.00%	4,938,050	4	2.10%
PPL Montana LLC	-	-	0.00%	3,347,488	5	1.42%
Conoco Pipeline Co	-	-	0.00%	1,057,547	9	0.45%
Total	<u>\$ 52,393,634</u>		<u>18.79%</u>	<u>\$ 54,947,312</u>		<u>23.34%</u>

Source: Montana Department of Revenue

BILLINGS PUBLIC SCHOOLS
REVENUE BY SOURCE - ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2021
(modified accrual basis of accounting)

Table 9

Source	Actual Revenue	Percent of Total Revenue
Revenue from local and intermediate sources:		
Property taxes	\$ 65,918,571	27.05%
Tuition	449,716	0.18%
Interest	176,117	0.07%
Charges for service	1,076,942	0.44%
County retirement	20,865,016	8.56%
County transportation	733,285	0.30%
Miscellaneous	3,419,503	1.40%
Total revenue from local and intermediate sources	92,639,150	38.00%
Revenue from state sources:		
Direct state aid	50,417,110	20.69%
State quality educator	4,232,552	1.74%
State at risk	487,830	0.20%
State Indian education for all	393,536	0.16%
State American Indian achievement gap	448,360	0.18%
State special education allowable cost payment	5,226,753	2.14%
State Data for Achievement	376,816	0.15%
State guaranteed tax base aid	28,582,280	11.73%
State transportation	733,285	0.30%
State Medicaid	3,334,160	1.37%
State on-behalf payment	12,970,533	5.32%
State other	3,416,119	1.40%
Total revenue from state sources	110,619,334	45.38%
Revenue from federal sources:		
Federal grants	34,050,565	14.01%
Federal food service	6,364,583	2.61%
Total revenue from federal sources	40,415,148	16.62%
Total revenue	\$ 243,673,632	100.00%

Source: District Financial Records

BILLINGS PUBLIC SCHOOLS
GENERAL FUND REVENUE BY SOURCE
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 10

Year	Property Taxes	State of Montana	Federal	Tuition	Interest	Miscellaneous	Total
2012	\$ 32,602,150	\$ 68,856,591	\$ 45,406	\$ 144,228	\$ 18,796	\$ 5,213	\$ 101,672,384
2013	32,307,421	72,210,365	-	243,312	9,632	-	104,770,730
2014	33,357,543	75,379,776	-	215,980	19,098	-	108,972,397
2015	32,304,925	77,974,914	-	210,943	158,421	-	110,649,203
2016	35,308,571	82,271,777	-	204,913	60,076	-	117,845,337
2017	33,306,466	85,762,048	-	330,996	119,463	-	119,518,973
2018	39,050,117	82,621,625	-	336,731	148,107	-	122,156,580
2019	36,340,558	88,948,435	-	747,032	194,044	-	126,230,069
2020	36,272,793	96,072,499	-	575,426	115,367	-	133,036,085
2021	38,762,253	102,728,355	-	449,716	18,510	40,000	141,998,834

BILLINGS PUBLIC SCHOOLS
GENERAL FUND REVENUE PER STUDENT
 Last Ten Fiscal years
 (modified accrual basis of accounting)

Table 11

Year	District Revenue	State Revenue	Federal Revenue	Total Revenue	October Enrollment	Revenue Per Student			
						District	State	Federal	Total
2012	\$ 32,770,387	\$ 68,856,591	\$ 45,406	\$ 101,672,384	15,965	\$ 2,053	\$ 4,313	\$ 3	\$ 6,369
2013	32,560,365	72,210,365	-	104,770,730	16,220	2,007	4,452	-	6,459
2014	33,592,621	75,379,776	-	108,972,397	16,268	2,065	4,634	-	6,699
2015	32,674,289	77,974,914	-	110,649,203	16,318	2,002	4,778	-	6,780
2016	35,573,560	82,271,777	-	117,845,337	16,356	2,175	5,030	-	7,205
2017	33,756,925	85,762,048	-	119,518,973	16,637	2,029	5,155	-	7,184
2018	39,534,955	82,621,625	-	122,156,580	16,645	2,375	4,964	-	7,339
2019	37,281,634	88,948,435	-	126,230,069	16,966	2,197	5,243	-	7,440
2020	36,963,586	96,072,499	-	133,036,085	17,030	2,170	5,641	-	7,811
2021	39,270,479	102,728,355	-	141,998,834	16,532	2,375	6,214	-	8,589

Source: District Records

BILLINGS PUBLIC SCHOOLS

Table 12

Ratio of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	General Obligation Bonded Debt	Less: Amounts Available in Debt Service Funds	Net General Obligation Bonded Debt	Percentage of Net G.O. Bonded Debt to Assessed Value	Net G.O. Bonded Debt per Capita	Net G.O. Bonded Debt as a % of Per Capita Income
Elementary District								
2012	107,977	\$ 177,014,509	\$ 4,420,000	\$ 407,252	\$ 4,012,748	2.27%	\$ 37.16	0.10%
2013	107,857	176,069,203	14,784,502	1,531,348	13,253,154	7.53%	122.88	0.31%
2014	109,059	178,803,178	104,180,290	2,451,448	101,728,842	56.89%	932.79	2.18%
2015	110,248	175,238,138	102,289,421	3,955,846	98,333,575	56.11%	891.93	2.09%
2016	111,902	194,587,614	136,931,249	4,457,585	132,473,664	68.08%	1,183.84	2.66%
2017	113,581	198,430,778	132,144,396	4,103,545	128,040,851	64.53%	1,127.31	2.39%
2018	114,967	208,808,937	127,237,543	5,338,967	121,898,576	58.38%	1,060.29	2.18%
2019	116,370	210,943,808	122,249,940	6,605,955	115,643,985	54.82%	993.76	1.91%
2020	117,790	220,594,741	126,184,982	7,154,300	119,030,682	53.96%	1,010.53	1.89%
2021	119,227	224,174,751	123,531,049	8,458,103	115,072,946	51.33%	965.16	1.79%
High School District								
2012	127,987	\$ 235,424,143	\$ 7,580,000	\$ 641,386	\$ 6,938,614	2.95%	\$ 54.21	0.14%
2013	127,011	235,345,707	11,360,000	1,370,152	9,989,848	4.24%	78.65	0.20%
2014	128,281	238,407,131	11,360,000	2,064,230	9,295,770	3.90%	72.46	0.17%
2015	130,625	235,586,169	11,360,000	2,665,249	8,694,751	3.69%	66.56	0.16%
2016	132,584	264,033,676	11,360,000	3,238,093	8,121,907	3.08%	61.26	0.14%
2017	134,573	269,574,516	11,360,000	3,777,519	7,582,481	2.81%	56.34	0.12%
2018	136,215	283,156,573	11,360,000	4,464,184	6,895,816	2.44%	50.62	0.10%
2019	137,877	262,118,050	11,360,000	5,153,235	6,206,765	2.37%	45.02	0.09%
2020	139,560	273,951,707	11,360,000	5,798,721	5,561,279	2.03%	39.85	0.07%
2021	141,263	278,825,706	11,360,000	6,478,595	4,881,405	1.75%	34.56	0.07%

Source and other information:

1 Census taken every ten years. Actual census figures given for 2011.

2 All other years are estimated by City/County Planning department , Yellowstone County, Montana

3 Department Revenue/State of Montana/Yellowstone County , Montana, Assessors office

(these amounts do not include the incremental increases to the tax increment district).

BILLINGS PUBLIC SCHOOLS

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Limited Obligation Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income (1)	Population	Debt Per Capita
2012	\$ 12,000,000	\$ -	\$ 505,500	\$ 120,930	\$ 12,626,430	0.26%	127,987	\$ 98.65
2013	26,144,502	-	421,250	39,977	26,605,729	0.53%	127,011	209.48
2014	115,203,290	-	337,000	-	115,540,290	2.11%	128,281	900.68
2015	113,396,671	-	252,750	-	113,649,421	2.04%	130,625	870.04
2016	148,122,749	-	168,500	-	148,291,249	2.51%	132,584	1,118.47
2017	143,420,146	-	84,250	-	143,504,396	2.26%	134,573	1,066.37
2018	138,597,543	536,276	-	-	139,133,819	2.19%	136,215	1,021.43
2019	133,609,940	435,195	-	-	134,045,135	2.03%	137,877	972.21
2020	137,544,982	331,117	-	-	137,876,099	1.85%	139,560	987.93
2021	134,891,049	223,954	-	-	135,115,003	1.70%	141,263	956.48

(1) Personal income is disclosed on table 17

BILLINGS PUBLIC SCHOOLS
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended June 30,

Table 14

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary District:										
Maximum debt limit	\$ 173,621,490	\$ 180,280,680	\$ 187,023,650	\$ 380,545,000	\$ 384,973,600	\$ 405,467,400	\$ 404,230,800	\$ 431,019,180	\$ 434,107,800	\$ 472,250,740
Total net debt applicable to limit	5,006,523	15,232,536	96,021,502	94,547,252	124,678,002	120,479,502	116,329,502	112,014,502	115,909,502	121,109,502
Legal debt margin	<u>\$ 168,614,967</u>	<u>\$ 165,048,144</u>	<u>\$ 91,002,148</u>	<u>\$ 285,997,748</u>	<u>\$ 260,295,598</u>	<u>\$ 284,987,898</u>	<u>\$ 287,901,298</u>	<u>\$ 319,004,678</u>	<u>\$ 318,198,298</u>	<u>\$ 351,141,238</u>
Total net debt applicable to limit as a percentage of debt limit	2.88%	8.45%	51.34%	24.85%	32.39%	29.71%	28.78%	25.99%	26.70%	25.65%
High School District:										
Maximum debt limit	\$ 186,698,955	\$ 190,562,190	\$ 199,032,120	\$ 411,396,870	\$ 424,453,320	\$ 461,250,790	\$ 474,496,880	\$ 495,251,770	\$ 511,545,780	\$ 545,152,900
Total net debt applicable to limit	7,619,907	11,373,193	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000
Legal debt margin	<u>\$ 179,079,048</u>	<u>\$ 179,188,997</u>	<u>\$ 187,672,120</u>	<u>\$ 400,036,870</u>	<u>\$ 413,093,320</u>	<u>\$ 449,890,790</u>	<u>\$ 463,136,880</u>	<u>\$ 483,891,770</u>	<u>\$ 500,185,780</u>	<u>\$ 533,792,900</u>
Total net debt applicable to limit as a percentage of debt limit	4.08%	5.97%	5.71%	2.76%	2.68%	2.46%	2.39%	2.29%	2.22%	2.08%
Debt Limitation Calculation										
	<u>Elementary</u>		<u>High School</u>							
2020/21 Statewide Average Per ANB	\$ 39,230		\$ 96,830							
X FY21 ANB	<u>12,038</u>		<u>5,630</u>							
Total	<u>472,250,740</u>		<u>545,152,900</u>							
X Debt Limit Rate of 1.0	<u>1.00</u>		<u>1.00</u>							
Equals: Maximum Debt Capacity	472,250,740		545,152,900							
Less: bonded indebtedness	121,109,502		11,360,000							
Less: other indebtedness	<u>-</u>		<u>-</u>							
Estimated Debt Capacity Remaining	<u>\$ 351,141,238</u>		<u>\$ 533,792,900</u>							

Note: ANB, Average Number Belonging, is calculated by averaging the previous year's October and February enrollment figures.

Montana Code Annotated Section 20-9-406 provides for the issuance of bonds to an amount not to exceed the greater of 1) 100% of the latest available taxable valuation of property which is subject to taxation within the District or 2) the statewide average taxable valuation per student multiplied by the average number of students belonging in a particular district multiplied by 100%. The District used the statewide average taxable value method.

BILLINGS PUBLIC SCHOOLS

Table 15

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT For the Year Ended June 30, 2021

Governmental Unit	Debt	Applicable to Elementary District		Applicable to Portion of High School District Lying Outside Elementary District	
DIRECT BONDED INDEBTEDNESS					
		Percent	Amount	Percent	Amount
Elementary District:					
General Obligation Bonds	\$ 123,531,049	100.00%	\$ 123,531,049	0.00%	\$ -
Elementary District Total	123,531,049		123,531,049		-
High School District:					
General Obligation Bonds	11,360,000	80.48%	9,142,528	19.52%	2,217,472
Capital leases	223,954	80.48%	180,238	19.52%	43,716
High School District Total	11,583,954		9,322,766		2,261,188
Total Direct Debt	<u>\$ 135,115,003</u>		<u>\$ 132,853,815</u>		<u>\$ 2,261,188</u>
OVERLAPPING BONDED INDEBTEDNESS					
Yellowstone County:					
Various Issues	\$ 9,147,106	58.16%	\$ 5,319,952	14.18%	\$ 1,297,060
City of Billings:					
Various Issues	24,259,578	48.88%	11,857,483	10.86%	2,634,467
Total Overlapping Debt	33,406,684		17,177,435		3,931,527
Total Direct and Overlapping Debt	<u>\$ 168,521,687</u>		<u>\$ 150,031,250</u>		<u>\$ 6,192,714</u>

Source and other information:

Does not include special assessment with government commitment or tax increment debt

Finance Department, Yellowstone County, Montana.

City of Billings, Montana

The percentage of overlapping debt applicable to the District is estimated using taxable property values.

Applicable percentages were estimated by determining the portion of the other government's taxable value that is within the district's boundaries and dividing it by the other government's total taxable value.

BILLINGS PUBLIC SCHOOLS

Table 16

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL SUBFUND EXPENDITURES

Last Ten Fiscal Years

(budget basis of accounting)

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Subfund Expenditures	Percentage of Debt Service to General Subfund Expenditures
Elementary:					
2012	\$ -	\$ 239,680	\$ 239,680	\$ 64,820,488	0.4%
2013	-	582,139	582,139	66,987,206	0.9%
2014	-	628,104	628,104	69,868,558	0.9%
2015	1,390,000	5,599,366	6,989,366	70,203,949	10.0%
2016	2,785,000	5,561,348	8,346,348	71,748,948	11.6%
2017	4,030,000	5,643,304	9,673,304	76,154,334	12.7%
2018	4,150,000	5,606,104	9,756,104	79,756,039	12.2%
2019	4,315,000	5,355,904	9,670,904	79,245,339	12.2%
2020	4,505,000	5,252,527	9,757,527	80,121,216	12.2%
2021	5,100,000	5,017,283	10,117,283	74,848,573	13.5%
High School:					
2012	\$ -	\$ 409,820	\$ 409,820	\$ 36,229,459	1.1%
2013	-	552,174	552,174	36,676,324	1.5%
2014	-	571,020	571,020	36,749,665	1.6%
2015	-	571,070	571,070	37,527,977	1.5%
2016	-	571,146	571,146	40,632,764	1.4%
2017	-	570,520	570,520	42,269,084	1.3%
2018	-	571,070	571,070	44,258,808	1.3%
2019	-	571,370	571,370	49,484,394	1.2%
2020	-	571,370	571,370	54,279,786	1.1%
2021	107,163	581,188	688,351	55,667,111	1.2%

Source: District Financial Records

BILLINGS PUBLIC SCHOOLS
DEMOGRAPHIC STATISTICS
 Last Ten Fiscal Years

Table 17

Year	Elementary District Population	High School District Population	Per Capita Income	Total Elementary District Personal Income	Total High School District Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	107,977	127,987	\$ 38,488	\$ 4,155,818,776	\$ 4,925,963,656	38.5	15,965	4.9%
2013	107,857	127,011	39,640	4,275,451,480	5,034,716,040	38.4	16,220	4.2%
2014	109,059	128,281	42,720	4,659,000,480	5,480,164,320	37.8	16,268	4.0%
2015	110,248	130,625	42,735	4,711,448,280	5,582,259,375	36.8	16,318	4.0%
2016	111,902	132,584	44,573	4,987,807,846	5,909,666,632	38.0	16,356	4.0%
2017	113,581	134,573	47,169	5,357,502,189	6,347,673,837	37.1	16,637	3.5%
2018	114,967	136,215	48,553	5,581,992,751	6,613,646,895	38.0	16,645	3.5%
2019	116,370	137,877	52,019	6,053,451,030	7,172,223,663	39.4	16,966	3.5%
2020	117,790	139,560	53,580	6,311,188,200	7,477,624,800	39.5	17,030	4.5%
2021	119,227	141,263	54,019	6,440,523,313	7,630,885,997	39.7	16,532	4.5%

Sources and other information:

Bureau of Economic Analysis

United States Census

Big Sky Economic Development Corporation

BILLINGS PUBLIC SCHOOLS

Table 18

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2021		2012	
Private Employers By Class, Alphabetically	Employer Class Size	Private Employers By Class, Alphabetically	Employer Class Size
Albertsons Food & Drug	8	Advanced Employment Services	7
Billings Clinic	9	Albertsons Food & Drug	8
Cenex Harvest States	8	Billings Clinic Health System	9
Charter Communications	7	CHS Inc. (Cenex)	7
Costco	7	Costco	7
ExxonMobil	7	Employee Benefit Management Services (EBI	7
First Interstate Bank	8	ExxonMobil	7
McDonalds	7	First Interstate Bank	8
Phillips 66 Company	7	Food Services of America	7
Rocky Mountain College	7	Rocky Mountain College	7
ROI Solutions	7	Sodexo	6
SCL Health Medical Group	8	St. John's Lutheran Home	8
St. John's Lutheran Home	8	St. Vincent Healthcare	9
St. Vincent Healthcare	9	Sysco Food Services	7
Sysco Food Services	7	Target	7
Target	7	The Billings Gazette	9
Town Pump	7	UPS	6
United Parcel Service	7	Wal-Mart	9
Wal-Mart	9	Wells Fargo	8
Wells Fargo	8	Yellowstone Boys and Girls Ranch	7

Public Employers By Class, Alphabetically	Employer Class Size	Public Employers By Class, Alphabetically	Employer Class Size
Billings Public Schools District #	9	Billings Public Schools #2	9
City of Billings	9	City of Billings	9
Montana State University Billings	8	Montana State University of Billings	8
Yellowstone County	8	Yellowstone County	8

Size Class Breakdown
Class 6: 100-249 employees
Class 7: 250-499 employees
Class 8: 500-999 employees
Class 9: 1,000+ employees

Note: The percentage of total employment that each listed employer represents is not available.

Source: Montana Department of Labor & Industry (Research and Analysis Bureau)

Based on Yellowstone County

BILLINGS PUBLIC SCHOOLS
OPERATING STATISTICS
 Last Ten Fiscal Years
 (accrual basis of accounting)

Table 19

Fiscal Year	Expenses (1)	Enrollment	Cost per Pupil	Percentage Change	Certified Staff (FTE) (2)	Pupil/Certified Staff Ratio
2012	\$ 151,509,190	15,965	\$ 9,490	-2.37%	1,101.9	14.5
2013	153,378,480	16,220	9,456	-0.36%	1,120.7	14.5
2014	159,744,398	16,268	9,820	3.84%	1,144.9	14.2
2015	163,127,767	16,318	9,997	1.81%	1,137.3	14.3
2016	166,683,190	16,356	10,191	1.94%	1,143.2	14.3
2017	179,319,639	16,637	10,778	5.76%	1,141.1	14.6
2018	190,063,593	16,645	11,419	5.94%	1,187.4	14.0
2019	199,137,773	16,966	11,737	2.79%	1,216.4	13.9
2020	212,400,588	17,030	12,472	6.26%	1,218.3	14.0
2021	238,419,561	16,532	14,422	15.63%	1,193.1	13.9

1 Expenses are from Statement of Activities

2 Certified Staff is comprised of Teachers, Librarians, Counselors, Psychologists, Speech Pathologists, OT/PT, Social Workers, Audiologists and Grant Writers.

BILLINGS PUBLIC SCHOOLS
EMPLOYEE FULL TIME EQUIVALENCY (FTE) BY FUNCTION
Last Ten Fiscal Years

Table 20

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Administrators	-	-	-	-	-	-	-	-	-	-
Certified Staff	974.8	995.9	1,012.7	1,003.8	1,009.5	1,008.4	1,050.5	1,075.9	1,074.6	1,061.7
Classified Employees	202.5	202.9	202.4	196.8	199.4	179.1	190.0	190.6	206.4	195.2
Support Services										
Administrators	4.0	4.0	5.0	6.0	6.0	7.0	7.0	7.0	7.0	7.9
Administrative Support	-	-	-	-	-	-	-	1.0	1.0	1.0
Certified Staff	125.1	123.8	131.2	132.5	132.7	132.7	136.9	140.5	143.7	131.4
Classified Employees	65.6	64.9	64.2	59.9	61.2	71.3	69.0	77.6	78.2	82.4
General Administration										
Administrators	13.7	10.0	6.9	8.9	9.9	9.0	8.4	9.6	9.7	9.7
Administrative Support	10.5	10.5	10.5	14.5	12.5	10.5	10.0	10.5	10.5	11.5
Certified Staff	1.0	-	-	-	-	-	-	-	-	-
Classified Employees	20.8	19.4	19.2	19.0	21.5	25.7	18.2	20.1	16.7	20.1
Building Administration										
Administrators	45.0	45.0	48.0	48.0	47.0	47.9	52.0	52.0	52.0	52.0
Administrative Support	-	-	-	-	-	-	-	-	-	-
Certified Staff	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Classified Employees	81.4	80.6	80.9	78.5	79.2	70.8	89.5	87.9	87.4	81.8
Operations and Maintenance										
Administrators	2.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Classified Employees	143.1	142.8	142.5	142.8	144.7	145.9	142.4	142.1	151.0	136.0
Student Transportation										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.3	1.3	1.3
Administrative Support	-	-	-	-	-	-	-	1.0	1.0	1.0
Classified Employees	42.8	35.1	33.1	32.8	33.3	42.6	42.4	33.3	37.4	40.7
Extracurricular Activities										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Classified Employees	2.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Total	1,737.3	1,741.9	1,763.6	1,750.5	1,763.9	1,756.9	1,821.3	1,855.4	1,882.9	1,838.7
Summary - 2021										
	Admin		Admin Support		Certified Staff		Classified Employees		Total FTE	
Instruction	-		-		1,061.7		195.2		1,256.9	
Support Services	7.9		1.0		131.4		82.4		222.7	
General Administration	9.7		11.5		-		20.1		41.3	
Building Administration	52.0		-		-		81.8		133.8	
Operations and Maintenance	2.0		-		-		136.0		138.0	
Student Transportation	1.3		1.0		-		40.7		43.0	
Extracurricular Activities	1.0		-		-		2.0		3.0	
	73.9		13.5		1,193.1		558.2		1,838.7	

Source: District Records

BILLINGS PUBLIC SCHOOLS
CERTIFIED STAFF EDUCATION AND EXPERIENCE
November 1, 2020

Table 21

<u>Educational Attainment</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
Bachelor's Degree	208.0	17.4%
Bachelor's Degree + 15 Credits	59.0	4.9%
Bachelor's Degree + 30 Credits	37.3	3.1%
Bachelor's Degree + 45 Credits	51.5	4.3%
Bachelor's Degree + 60 Credits	32.1	2.7%
Bachelor's Degree + 75 Credits	27.0	2.3%
Bachelor's Degree + 90 Credits	30.1	2.5%
Bachelor's Degree + 105 Credits	138.1	11.6%
Master's Degree	127.6	10.7%
Master's Degree + 15 Credits	82.9	6.9%
Master's Degree + 30 Credits	70.9	5.9%
Master's Degree + 45 Credits	324.2	27.2%
Doctorate's Degree	<u>4.4</u>	<u>0.4%</u>
Total	<u><u>1,193.1</u></u>	<u><u>100%</u></u>
<u>Years of Experience</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
0-5	413.0	35%
6-10	261.3	22%
11-15	184.8	15%
16-20	137.0	11%
21-25	105.0	9%
26 and Above	<u>92.0</u>	<u>8%</u>
Total	<u><u>1,193.1</u></u>	<u><u>100%</u></u>

Source: District Records

	Year Built	Year Additions Built	Square Footage	Functional Capacity (1)	Enrollment	Percentage of Capacity Used
<u>Elementary</u>						
<u>K-5 Schools:</u>						
Alkali Creek	1979	-	43,470	394	340	86.29%
Arrowhead	1978	-	41,700	460	419	91.09%
Beartooth	1974	1980	41,600	416	352	84.62%
Bench	1955	1974, 1978	39,930	394	300	76.14%
Big Sky	1986	-	43,505	394	357	90.61%
Bitterroot	1964	1965, 1970	26,800	350	303	86.57%
Boulder	1962	1971, 2007	40,185	416	484	116.35%
Broadwater	1910	1916, 1920, 1956, 2015	56,301	400	314	78.50%
Burlington	1956	1957	32,190	263	216	82.13%
Central Heights	1962	1965, 1979	36,400	329	278	84.50%
Eagle Cliffs	1986	-	44,000	460	396	86.09%
Highland	1947	1956	30,420	285	245	85.96%
McKinley	1906	1918, 1958, 2015	54,391	400	269	67.25%
Meadowlark	1964	1971, 2007	44,200	460	505	109.78%
Miles	1955	1957, 1965	30,081	329	255	77.51%
Newman	1953	1957	28,130	263	217	82.51%
Orchard	1960	1948, 1956, 1987, 2006	58,100	438	281	64.16%
Poly	1952	1955, 1960	34,388	329	305	92.71%
Ponderosa	1965	2007	39,800	394	281	71.32%
Rimrock	1952	1976, 1979	23,043	-	-	0.00%
Rose Park	1958	1962	30,345	307	243	79.15%
Sandstone	1978	-	41,700	460	411	89.35%
Washington	1948	1952, 1962	36,590	263	259	98.48%
<u>6-8 Schools</u>						
Ben Steele	2017	-	119,268	715	805	112.59%
Castle Rock	1979	-	110,417	715	681	95.24%
Lewis & Clark	1956	1962	146,008	743	726	97.71%
Medicine Crow	2016	-	117,632	715	580	81.12%
Riverside	1963	1979	86,609	604	558	92.38%
Will James	1967	1974	91,143	664	601	90.51%
<u>High Schools:</u>						
Career Center	1975	-	133,394	N/A	N/A	N/A
Senior	1940	1953, 1967, 1974	228,314	1,560	1,806	115.77%
Skyview	1987	-	242,336	1,558	1,647	105.71%
West	1959	1962, 1966, 1975, 1976	218,458	1,601	2,098	131.04%
<u>Administration:</u>						
Lincoln Center	1913	1921, 1935, 1951, 1964, 1968, 1985	136,805			
Facilities	1958	1962	24,000			
Warehouse	1994	-	35,460			
<u>Vacant Land Sites:</u>						
H.S. - 62.66 acres						

Source: District Records

Note: Rimrock Elementary has been closed since 2008, but is still owned by the District

(1) Tied to facilities master plan

BILLINGS PUBLIC SCHOOLS

Table 23

PERCENTAGE OF STUDENTS WHO QUALIFIED FOR FREE AND REDUCED LUNCH

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (3)
<u>Elementary Schools:</u>										
<u>K-6 Schools:</u>										
Alkali Creek	23.6%	24.8%	24.1%	21.3%	20.2%	23.6%	31.7%	33.6%	33.8%	N/A
Arrowhead	8.0%	7.3%	8.7%	7.6%	8.0%	11.5%	10.6%	16.3%	16.0%	N/A
Beartooth	44.7%	45.8%	47.9%	46.5%	45.0%	47.8%	47.3%	47.2%	45.5%	N/A
Bench	61.0%	61.7%	61.5%	63.1%	65.8%	65.8%	60.8%	66.6%	57.2%	N/A
Big Sky	28.8%	32.9%	31.1%	35.8%	33.2%	39.7%	45.2%	48.9%	46.2%	N/A
Bitterroot	41.0%	36.2%	36.1%	38.4%	34.8%	40.5%	46.1%	46.0%	47.7%	N/A
Boulder	25.3%	22.0%	20.3%	18.7%	21.7%	17.0%	13.1%	14.4%	12.8%	N/A
Broadwater	56.7%	59.3%	64.5%	69.3%	63.1%	59.4%	53.4%	58.3%	56.0%	N/A
Burlington	37.1%	38.3%	38.8%	41.2%	40.4%	42.7%	47.1%	52.0%	41.4%	N/A
Central Heights	44.9%	36.6%	36.4%	39.7%	39.4%	35.3%	45.7%	51.9%	41.4%	N/A
Eagle Cliffs	26.2%	22.6%	23.1%	25.8%	26.5%	24.0%	25.4%	27.0%	26.1%	N/A
Highland	41.2%	36.1%	36.4%	31.9%	37.5%	36.5%	40.4%	43.0%	38.9%	N/A
McKinley	71.6%	65.0%	64.5%	73.8%	63.9%	68.7%	100.0%	100.0%	100.0%	N/A *
Meadowlark	34.3%	33.7%	33.1%	30.6%	30.9%	29.5%	24.1%	24.1%	20.7%	N/A
Miles	56.1%	57.2%	55.8%	65.8%	62.0%	58.2%	60.3%	56.4%	51.2%	N/A
Newman	73.8%	70.9%	72.4%	73.9%	71.2%	70.9%	100.0%	100.0%	100.0%	N/A *
Orchard	86.2%	85.7%	85.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A *
Poly	21.0%	21.0%	20.7%	24.1%	23.3%	22.3%	22.5%	24.9%	24.0%	N/A
Ponderosa	73.1%	74.8%	74.7%	68.6%	72.8%	72.1%	100.0%	100.0%	100.0%	N/A *
Rose Park	38.0%	38.1%	42.5%	42.1%	43.7%	39.5%	46.3%	54.8%	46.3%	N/A
Sandstone	42.3%	44.4%	44.4%	38.7%	44.4%	42.2%	45.5%	47.2%	38.8%	N/A
Washington	75.9%	77.9%	77.7%	77.8%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A *
<u>7-8 Schools:</u>										
Ben Steele (2)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.2%	19.3%	16.2%	N/A
Castle Rock	31.4%	30.8%	31.6%	32.6%	35.0%	27.8%	27.3%	34.3%	28.8%	N/A
Lewis & Clark	38.6%	40.7%	41.8%	44.6%	41.6%	38.6%	41.3%	49.9%	43.4%	N/A
Medicine Crow (1)	0.0%	0.0%	0.0%	0.0%	0.0%	40.6%	43.6%	52.2%	49.8%	N/A
Riverside	55.9%	56.6%	60.1%	66.6%	64.4%	58.6%	61.9%	77.5%	100.0%	N/A *
Will James	21.7%	19.8%	17.8%	14.2%	18.1%	16.9%	34.1%	38.6%	34.8%	N/A
<u>High Schools:</u>										
Senior	32.3%	29.7%	29.8%	31.7%	31.3%	32.8%	32.4%	41.5%	34.7%	N/A
Skyview	25.3%	23.4%	24.2%	24.0%	22.4%	25.2%	25.6%	32.7%	26.1%	N/A
West	22.5%	22.8%	22.1%	21.0%	19.0%	20.1%	17.6%	23.4%	18.2%	N/A

(1), (2) New school opened August 2016 and August 2017 respectively.

(3) During fiscal year 2021, all students ate for free due to the pandemic. As a result, the district did not determine who qualified for free and reduced lunch.

* These schools now run under the USDA's Community Eligibility Program and do not collect Free & Reduced forms. All students at these schools eat free.

Source: District Records

BILLINGS PUBLIC SCHOOLS

ATTENDANCE DATA

Last Ten Fiscal Years

Table 24

Year Ended June 30	October Enrollment	Prior Years' Percent Increase (Decrease)	Average Number Belonging (ANB)		
			ANB	Percent Increase (Decrease)	Percent of Prior Year's Enrollment
2012	15,965	1.60	16,486	2.07	102.07
2013	16,220	1.60	16,737	1.52	101.52
2014	16,268	0.30	16,787	0.30	100.30
2015	16,318	0.31	16,913	0.75	100.75
2016	16,356	0.23	17,101	1.11	101.11
2017	16,637	1.72	17,271	0.99	100.99
2018	16,645	0.05	17,392	0.70	100.70
2019	16,966	1.93	17,227	(0.95)	99.05
2020	17,030	0.38	17,457	1.34	101.34
2021	16,532	(2.92)	17,668	1.21	101.21

Source: District Records

I. Commercial Property	
A. Policy #:	TO201
B. Carrier:	Affiliated FM Insurance Company
C. Policy Period:	7/1/20-7/1/21
D. Coverage:	Buildings/Contents
E. Limits:	\$500,000,000
II. Commercial General Liability	
A. Policy #:	GPPA-PF-6056582-02
B. Carrier:	Glatfelter Public Practice
C. Policy Period:	7/1/20-7/1/21
D. Coverage:	General Liability, Sexual Molestation, Employee Benefits
E. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
III. Commercial Auto	
A. Policy #:	GPPA-PF-6056582-02
B. Carrier:	Glatfelter Public Practice
C. Policy Period:	7/1/20-7/1/21
D. Coverage:	Automobile Liability and Physical Damage
E. Limits:	\$1,000,000
IV. Boiler and Machinery Policy	
A. Policy #:	Included in AFM Property Policy
B. Carrier:	
C. Policy Period:	
D. Limits:	
V. Environmental Liability	
A. Policy #:	000569609
B. Carrier:	Ironshore Specialty Insurance Company
C. Policy Period:	7/1/20-7/1/21
D. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
VI. Commercial Excess Liability	
A. Policy #:	GPPA-PF-6056582-02
B. Carrier:	Glatfelter Public Practice
C. Policy Period:	7/1/20-7/1/21
D. Limits:	\$10,000,000
VII. Crime	
A. Policy #:	105638404
B. Carrier:	Travelers Casualty & Surety Co
C. Policy Period:	7/1/20-7/1/21
D. Limits:	\$100,000 and \$500,000 depending on coverage
VIII. Educators Legal Liability	
A. Policy #:	GPPA-PF-6056582-02
B. Carrier:	Glatfelter Public Practice
C. Policy Period:	7/1/20-7/1/21
D. Limits:	\$1,000,000 aggregate
IX. Privacy Protection Policy	
A. Policy #:	105638404
B. Carrier:	Travelers Casualty & Surety Co
C. Policy Period:	7/1/20-7/1/21
D. Limits:	\$1,000,000
X. Builders Risk Reporting Policy	
A. Policy #:	IMP448843505
B. Carrier:	Great American Insurance Company
C. Policy Period:	6/1/20-6/1/21
D. Limits:	\$450,000
XI. Workers' Compensation	
A. Policy #:	WC-16-31147
B. Carrier:	Montana Schools Group Insurance Authority
C. Policy Period:	7/1/20-6/30/21
D. Limits:	\$1,500,000

SINGLE AUDIT SECTION

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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

To the Board of Directors
Billings Public Schools
Billings, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Billings Public Schools' basic financial statements and have issued our report thereon dated February 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Billings Public Schools' 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 Billings Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Billings Public Schools' internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Billings Public Schools' 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 Billings Public Schools failed to comply with the provisions of the Compliance Supplement for Audits of Montana Local Government Entities.

Purpose of this Report

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

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Billings, Montana
February 24, 2022

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

To the Board of Trustees
Billings Public Schools
Billings, Montana

Report on Compliance for the Major Federal Program

We have audited Billings Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Billings Public Schools' major federal programs for the year ended June 30, 2021. Billings Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Billings Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Billings Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Billings Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Billings Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control over Compliance

Management of Billings Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Billings Public School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Billings Public School's internal control over compliance.

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

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

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

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

Billings, Montana
February 24, 2022

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BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2020	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2021
<u>U.S. Department of Education:</u>							
Direct programs:							
Indian Education Grants to LEA's	84.060	S060A192167	\$ 370,353	\$ (28,580)	\$ 54,865	\$ (26,285)	\$ -
Indian Education Grants to LEA's	84.060	S060A202167	441,144	-	326,521	(405,637)	(79,116)
<i>CFDA Subtotal</i>				<i>(28,580)</i>	<i>381,386</i>	<i>(431,922)</i>	<i>(79,116)</i>
Total Direct Programs				<i>(28,580)</i>	<i>381,386</i>	<i>(431,922)</i>	<i>(79,116)</i>
Passed Through State Office of Public Instruction:							
Adult Education-Basic Grants to States	84.002	5609665620	269,294	(25,561)	25,561	-	-
Adult Education-Basic Grants to States	84.002	5609665621	239,069	-	239,069	(239,069)	-
<i>CFDA Subtotal</i>				<i>(25,561)</i>	<i>264,630</i>	<i>(239,069)</i>	<i>-</i>
Title I Grants to LEA's	84.010	5609668120	52,200	(3,017)	44,057	(41,040)	-
Title I Grants to LEA's	84.010	5609653120	107,783	(37,149)	49,853	(12,704)	-
Title I Grants to LEA's	84.010	5609653220	4,046,631	(83,633)	329,931	(246,298)	-
Title I Grants to LEA's	84.010	5609653121	104,999	-	28,784	(95,965)	(67,181)
Title I Grants to LEA's	84.010	5609653221	4,067,668	-	3,455,491	(3,612,610)	(157,119)
<i>CFDA Subtotal</i>				<i>(123,799)</i>	<i>3,908,116</i>	<i>(4,008,617)</i>	<i>(224,300)</i>
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664219	45,570	-	2,178	(2,178)	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664220	60,342	(18,018)	27,285	(9,267)	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664221	37,092	-	20,669	(32,402)	(11,733)
<i>CFDA Subtotal</i>				<i>(18,018)</i>	<i>50,132</i>	<i>(43,847)</i>	<i>(11,733)</i>
Career and Technical Education-Basic Grants to States	84.048	5609668120	384,653	(83,628)	83,628	-	-
Career and Technical Education-Basic Grants to States	84.048	5609668121	342,312	-	299,136	(335,077)	(35,941)
<i>CFDA Subtotal</i>				<i>(83,628)</i>	<i>382,764</i>	<i>(335,077)</i>	<i>(35,941)</i>
Special Education Cluster:							
Special Education Grants to States	84.027	5609657720	4,129,012	(95,936)	95,936	-	-
Special Education Grants to States	84.027	5609657721	4,326,248	-	4,036,583	(4,221,301)	(184,718)
<i>CFDA Subtotal</i>				<i>(95,936)</i>	<i>4,132,519</i>	<i>(4,221,301)</i>	<i>(184,718)</i>
Special Education Preschool Grants	84.173	5609657920	130,863	(14,328)	14,328	-	-
Special Education Preschool Grants	84.173	5609657921	131,599	-	131,599	(131,599)	-
<i>CFDA Subtotal</i>				<i>(14,328)</i>	<i>145,927</i>	<i>(131,599)</i>	<i>-</i>
Special Education Cluster Subtotal				<i>(110,264)</i>	<i>4,278,446</i>	<i>(4,352,900)</i>	<i>(184,718)</i>
Education for Homeless Children and Youth	84.196	5609655719	41,340	-	38,704	(38,704)	-
Education for Homeless Children and Youth	84.196	5609655720	38,544	(817)	8,114	(7,297)	-
<i>CFDA Subtotal</i>				<i>(817)</i>	<i>46,818</i>	<i>(46,001)</i>	<i>-</i>
English Language Acquisition State Grants	84.365	5609654119	33,783	-	9,490	(9,490)	-
English Language Acquisition State Grants	84.365	5609654120	33,350	(9,630)	9,395	(4,237)	(4,472)
English Language Acquisition State Grants	84.365	5609654121	4,286	-	4,286	(4,286)	-
<i>CFDA Subtotal</i>				<i>(9,630)</i>	<i>23,171</i>	<i>(18,013)</i>	<i>(4,472)</i>
Supporting Effective Instruction State Grants	84.367	5609651420	1,346,985	(124,170)	135,841	(11,671)	-
Supporting Effective Instruction State Grants	84.367	5609651421	1,491,623	-	833,233	(1,118,161)	(284,928)
<i>CFDA Subtotal</i>				<i>(124,170)</i>	<i>969,074</i>	<i>(1,129,832)</i>	<i>(284,928)</i>

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2020	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2021
Passed Through State Department of Public Health and Human Services:							
Special Education-Grants for Infants and Families	84.181	18-143-1800	382,968	-	382,968	(382,968)	-
<i>CFDA Subtotal</i>				-	382,968	(382,968)	-
Rehabilitative Services Vocational Rehabilitation Grants to States	84.126	20011750032	211,650	555,334	217,250	(71,125)	701,459
<i>CFDA Subtotal</i>				555,334	217,250	(71,125)	701,459
Covid-19 Education Stabilization Fund	84.425	5906959220	344,181	-	-	(9,286)	(9,286)
Covid-19 Education Stabilization Fund	84.425	5609659120	3,205,766	-	-	(3,205,766)	(3,205,766)
Covid-19 Education Stabilization Fund	84.425	5609659121	12,814,285	-	-	(12,107,214)	(12,107,214)
Covid-19 Education Stabilization Fund	84.425	5609659721	56,174	-	-	(5,892)	(5,892)
<i>CFDA Subtotal</i>				-	-	(15,328,158)	(15,328,158)
Total Pass Through Programs				59,447	10,523,369	(25,955,607)	(15,372,791)
Total U.S. Department of Education				\$ 30,867	\$ 10,904,755	\$ (26,387,529)	\$ (15,451,907)
<u>U.S. Department of Health and Human Services:</u>							
Passed Through State Department of Public Health and Human Services:							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5609653821	573,694	\$ -	\$ 107,635	\$ (147,033)	(39,398)
<i>CFDA Subtotal</i>				-	107,635	(147,033)	(39,398)
Social Services Block Grant	93.667	8022900205	602,264	-	602,264	(602,264)	-
<i>CFDA Subtotal</i>				-	602,264	(602,264)	-
Total U.S. Department of Health and Human Services				\$ -	\$ 709,899	\$ (749,297)	\$ (39,398)
<u>U.S. Department of Agriculture:</u>							
Passed Through State Office of Public Instruction:							
Child Nutrition Cluster:							
Non-Cash Assistance (Commodities):							
Summer Food Service Program for Children	10.559	N/A	485,804	\$ -	\$ 485,804	\$ (485,804)	\$ -
Non-Cash Assistance Subtotal				-	485,804	(485,804)	-
Cash Assistance:							
School Breakfast Program	10.553	N/A	40,925	-	40,925	(40,925)	-
National School Lunch Program	10.555	N/A	162,565	-	162,565	(162,565)	-
Summer Food Service Program for Children	10.559	N/A	5,675,288	(147,737)	5,592,763	(5,187,685)	257,341
Cash Assistance Subtotal				(147,737)	5,796,253	(5,391,175)	257,341
<i>Child Nutrition Cluster Subtotal</i>				(147,737)	6,282,057	(5,876,979)	257,341
Total U.S. Department of Agriculture				\$ (147,737)	\$ 6,282,057	\$ (5,876,979)	\$ 257,341
<u>U.S. Department of Justice:</u>							
Direct programs:							
Public Safety Partnership and Community Policing Grants	16.71	2020SVWX0152	108,794	\$ -	\$ -	\$ (4,581)	\$ (4,581)
<i>CFDA Subtotal</i>				-	-	(4,581)	(4,581)
Total U.S. Department of Justice				\$ -	\$ -	\$ (4,581)	\$ (4,581)

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2020	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2021
<u>U.S. Department of Treasury:</u>							
Passed Through State Department of Administration:							
Covid-19 Coronavirus Relief Fund	21.019	N/A	7,395,134	\$ (3,249,060)	\$ 8,998,679	\$ (5,749,619)	\$ -
Covid-19 Coronavirus Relief Fund	21.019	N/A	19,030	-	19,030	(19,030)	-
<i>CFDA Subtotal</i>				<u>(3,249,060)</u>	<u>9,017,709</u>	<u>(5,768,649)</u>	<u>-</u>
Total U.S. Department of Treasury				<u>\$ (3,249,060)</u>	<u>\$ 9,017,709</u>	<u>\$ (5,768,649)</u>	<u>\$ -</u>
Total Federal Awards				<u>\$ (3,365,930)</u>	<u>\$ 26,914,420</u>	<u>\$ (38,787,035)</u>	<u>\$ (15,238,545)</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of Billings Public Schools under programs of the federal government for the year ended June 30, 2021. The Information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of the 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 government, it is not intended to and does not present the financial position or changes in net position of the government.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Billings Public Schools received federal awards both directly from federal agencies and indirectly through pass-through entities. No federal financial assistance has been provided to a subrecipient.

Billings Public Schools has not elected to use the 10% de minimis cost rate.

NOTE B - SCHOOLWIDE TITLE I PROGRAM

Billings Public Schools operates a schoolwide Title I program. Since schoolwide programs are not a separate federal program, amounts used in the schoolwide programs are included in the total expenditures of the program contributing the funds in the accompanying schedule of expenditures of federal awards. The programs included in Billings Public Schools schoolwide Title I program include Title I, Title II, Title IV Competitive, and Title IX.

NOTE C - FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of commodities received and disbursed.

NOTE D - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$394,833 and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or CFDA numbers. The donated PPE is not included in the schedule of expenditure of federal awards.

NOTE E - RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

The following is a reconciliation of cash receipts on the schedule of expenditures of federal awards to federal revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds.

Cash receipts	\$ 26,914,420
Revenue accrual adjustments	12,470,443
Federal revenues not subject to Uniform Guidance	<u>1,030,285</u>
Federal revenues	<u>\$ 40,415,148</u>

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Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
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	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
Special Education Cluster	84.027, 84.173
Covid-19 Education Stabilization Fund	84.425
Child Nutrition Cluster	10.553, 10.555, 10.559
Covid-19 Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$1,163,611
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – State of Montana Compliance Findings

None reported

END OF REPORT

