LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES

LINCOLN BOARD ROOM
215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, January 11, 2021

REGULAR BOARD MEETING
PAGE 1

Meeting ID
meet.google.com/zjr-pmqq-yaa

Phone Numbers
(US)+1 515-518-4693
PIN: 740 421 218#

CALL TO ORDER (6:00 p.m.)

1. Roll Call
2. Pledge of Allegiance
3. Motion to Set Agenda
4. Presentation –Cushing-Terrell Architect Firm
5. Report—Student Representative
6. Report—LEA Report
7. Report—Committees of the Board
8. Calendar Items, Concerns, Correspondence, Etc.

SUPERINTENDENT'S REPORT

9. Report – 2019-2020 Audit Report
10. Report—Election Information
11. Report – Budget
12. Report--- Investment
13. Report---Superintendent

PUBLIC PARTICIPATION

14. Recognition of Parents, Patrons, and Others Who Wish to Address the Board on Non-Agenda Items

ACTION ITEMS

MINUTES

15. Minutes of the December 14, 2020, Regular Board Meeting
    Minutes of the December 21, 2020 Special Board Meeting

APPROVAL OF CLAIMS

16. Claims

LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES

LINCOLN BOARD ROOM

215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, January 11, 2021

REGULAR BOARD MEETING

-CONTINUED PAGE 2-

INDIVIDUAL ITEMS

17. Approve Superintendent Contract
18. Approve Addendum to the Memorandum of Understanding with Lewistown Education Association Allowing a One-Time Additional Work Duty Compensation of $500
19. Approve a One-Time Additional Work Duty Compensation of $500 for Classified & Certified Administrators
20. Approve One-Time Bonus of $250 for Full-Time (30 hours/week or greater) and 12 Month Classified Staff and $125 for Part-Time (less than 30 hours/week) Classified Staff hired before December 31, 2020
21. Approve Changes to the Extra Duty Contract language beginning in 2021-2022
22. Action on Retirement Incentive
23. Approve Additions to the Substitute List for the 2020-2021 School Year
24. Approve Personnel Report

ADJOURNMENT

A hard copy of the complete Agenda is available at the LPS Central Office
Or, on the Lewistown Public Schools Website:
http://www.lewistown.k12.mt.us/content/266

PUBLIC PARTICIPATION

The Board of Education encourages participation at public School Board meetings. Under normal circumstances it is desirable to allow everyone to address the Board. However, when there are many persons who wish to address the Board, the following rules shall apply to protect the public's right to be heard:

- Speaker must first be recognized by the Chair and identify him/herself.
- Comments may not infringe on the rights to privacy of another.
- Each speaker shall be allowed a presentation not to exceed three (3) minutes at the appropriate time on the Agenda.
- There will be a limit of one presentation per person.
- The Board requests that organizations and groups be represented by a single spokesperson. The spokesperson for each group shall be limited .to a presentation of three (3) minutes. To save repetition and time, the Board also requests that persons not speak if a previous speaker has expressed a similar position on the same issue.
- Appropriate comments are welcome but no action is likely to be taken at this time to ensure that others have the opportunity to address the same issue also. Items discussed may, at the discretion of the Board, be placed on a later agenda.
- The Board will accept comments from the public on each agenda item as it is discussed.

By a majority vote of the Board, these rules may be suspended for special reasons at any particular meeting. Further, the Board may reserve the right to adjust the length of time.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11//2021

Agenda Item No. 4

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent** ☐ **Action – Indiv.**

ITEM TITLE: PRESENTATION — CUSHING-TERRELL ARCHITECT FIRM

Requested By: Board of Trustees **Prepared By:** Thom Peck

SUMMARY:

Cushing-Terrell Architect Firm (previous firm name CTA Architect Firm) will present to the Board of Trustees information for the purposes of facility planning and a potential bond initiative.

SUGGESTED ACTION: Informational

☐ **Additional Information Attached** **Estimated cost/fund source** ____________

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 5

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent** ☐ **Action – Indiv.**

ITEM TITLE: REPORT---STUDENT REPRESENTATIVE

Requested By: Board of Trustees **Prepared By:** Cooper Birdwell

SUMMARY:

Fergus High School Student Representative to the Board of Trustees will provide a report on upcoming activities at Fergus High School.

The January Regular Board Meeting will be Copper's last as Student Representative. Malorie Woolett is the new Representative who will be recognized at that time. Thank You Cooper!!

SUGGESTED ACTION: Informational

☐ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 6

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent** ☐ **Action – Indiv.**

ITEM TITLE: REPORT—LEWISTOWN EDUCATION ASSOCIATION (LEA)

Requested By: Board of Trustees **Prepared By:** LEA Representative

SUMMARY:

The Lewistown Education Association (LEA) would like to update the Board of Trustees on the activities and happenings for their organization.

SUGGESTED ACTION: Informational

☐ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date — 01/11/2021

Agenda Item No. — 7

☐ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent**
☐ **Action – Indiv.**

ITEM TITLE: REPORT—COMMITTEES OF THE BOARD

Requested By: Board of Trustees **Prepared By:** Committee

SUMMARY:

The Board of Trustees has the opportunity to provide updates on their various committees.

Attached is the list for Standing Committees of the Board for the 2020-2021 School Year.

Calendar Committee LEA Representatives:
Amanda Bateman, Katherine Spraggins, Nycole LaRowe, Leslie Long, Polly Weichel, and we are still hoping for a L&C Representative.

SUGGESTED ACTION: Informational

☒ **Additional Information Attached** **Estimated cost/fund source** __________

NOTES:

STANDING COMMITTEES OF THE BOARD
2020-2021 School Year

Committee	Number on Comm.	CJ Bailey	Kris Birdwell	Doreen Heintz	Phil Koterba	Jeff Southworth	Jennifer Thompson	Monte Weeden
Building & Grounds	3	X			X			X
Insurance Risk Committee	2		X				X	
Transportation	3			X		X		X

OTHER COMMITTEES WITH BOARD REPRESENTATION
2020-2021 School Year

Committee	Number on Comm.	CJ Bailey	Kris Birdwell	Doreen Heintz	Phil Koterba	Jeff Southworth	Jennifer Thompson	Monte Weeden
Activities	3			X		X		X
Curriculum Committees:								
English Language Arts	1				X			
Math	1			X				
Health Insurance Program	2					X	X	
School Calendar	1	X						
Vocational Advisory Council	1					X		
Gaining	3		X	X			X	
Policy Review	3	X			X		X	
Assessment	1			X				
Classified Salary/Benefit Review	2					X		X

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 8

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent** ☐ **Action – Indiv.**

ITEM TITLE: CALENDAR ITEMS, CONCERNS, CORRESPONDENCE, ETC.

Requested By: Board of Trustees **Prepared By:**

SUMMARY:

Time is provided on the agenda for the Board to discuss calendar items, concerns, correspondence, future agenda items, and comments for the good of the district.

OPI Letters from Superintendent Elsie Arntzen

20 Day Plans

SUGGESTED ACTION: Informational

☐ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 9

☐ **Minutes/Claims** ☐ **Board of Trustees** ☒ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: REPORT—2019-2020 AUDIT RESULTS

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Paul Strom and Associates completed the audit for FY2019-2020.

Rebekah Rhoades and Mr. Peck attended the exit interview with Mr. Strom in September and there were no findings reported. If the board has questions, Mr. Strom can be invited to attend an upcoming meeting.

The audit report will be posted in its entirety on the District website as well as a hard copy at the District Business Office for the public to view. A copy of the audit will also be available at the meeting for your convenience.

SUGGESTED ACTION: Informational Report

☒ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

LEWISTOWN SCHOOL DISTRICT NO. 1

FERGUS COUNTY
LEWISTOWN, MONTANA

FINANCIAL AND COMPLIANCE REPORT

Fiscal Year Ended June 30, 2020

Strom & Associates, P. C.
PO BOX 1980
Billings, Montana 59103

LEWISTOWN SCHOOL DISTRICT NO. 1
FERGUS COUNTY
LEWISTOWN, MT 59457

TABLE OF CONTENTS

LEWISTOWN SCHOOL DISTRICT NO. 1
FERGUS COUNTY
LEWISTOWN, MT 59457

ORGANIZATION

BOARD OF TRUSTEES

OFFICIALS

Thom Peck .... Superintendent

Rebekah Rhoades .... District Clerk

Rhonda Long .... County Superintendent

Kent Sipe .... County Attorney

Lewistown Public Schools
Management Discussion and Analysis (MD&A)
For The Year Ended June 30, 2020

The Business Manager of the Lewistown Public Schools has provided this MD&A to give the reader of these statements an overview of the financial position and activities of the school district for the fiscal year ended June 30, 2020.

Using This Financial Report

The general format of the report is required by Statement No. 34 of the Governmental Accounting Standards Board (GASB). Thus is born the GASB 34 requirement.

Reporting the School District as a Whole

The report includes two district-wide statements that focus on operations of the district as a whole. These statements measure operations using an economic resources measurement focus, and use the accrual basis accounting. Activities that are fiduciary in nature are not included in these statements.

A. The Statement of Net Position shows “assets” (what is owned), “liabilities” (what is owed), and the “net position” (the resources that would remain if all obligations were settled) of the school district. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in “fixed” or “capital” assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

B. The Statement of Activities shows the amounts of program-specific and general school district revenue used to support the school district’s various functions.

The Statement of Net Position and the Statement of Activities divide the activities of the school district into three categories:

Governmental activities – The school functions including instruction, student services, administration, etc. Property taxes, state and federal revenues usually support most of these functions of the district.

Proprietary (business-type) activities – school operations included in this category include IMC, Central Supply Store, and Central Transportation.

Reporting the District’s Most Significant Funds

The fund statements provide detailed information about the funds used by the school district. State law and Generally Accepted Accounting Procedures (GAAP) established the fund structure of school districts. State law generally requires school districts to segregate money generated for certain purposes, like transportation and debt service, in separate fund accounts.

The fund statements report balances and activities of the most significant or “major” funds separately and combine the activities of less significant funds under a single category. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the school district’s operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate set of financial statements.

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are shown for governmental funds such as the general funds, special revenue funds for transportation and school food service, and debt service and capital outlay funds. These funds use the modified accrual basis of accounting and represent the majority of the district's activities and programs.

Fund statements include a reconciliation of the governmental fund statements to the district-wide statements. Most significant differences result from the use of different presentation basis. The district-wide statements are presented using the accrual basis of accounting and the fund statements for governmental funds use the modified accrual basis. In addition, general capital assets and general long-term debt are reported in the district-wide statements but not in the fund statements.

Reporting the District's Trust and Fiduciary Responsibilities
The District is the trustee, or fiduciary, for endowments (including Eveline Eccles and Alweis Scholarships) and the student extracurricular funds.

This report includes the activities in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position because the district cannot use these assets to fund its operation.

The District is responsible for ensuring these assets are used for their intended purpose.

Budget–to-Actual Comparisons

The district consistently reconciles its books monthly.

THE DISTRICT AS A WHOLE

Net Position serves over time as a useful indicator of a school district's financial position. In the Lewistown Public Schools, liabilities exceeded assets by $2,515,663 as of June 30, 2020. In 2018, the District was required to implement the new OPEB GASB 75 standard for liability accounting of post-employment benefits (non-pension). In 2019, it was required that this be reviewed annually, rather than the every 3 years it was previously This number, in addition to the required reporting of the TRS and PERS liability that was implemented in 2015, has caused liabilities to exceed assets. This is the first year in the past 3 years where our assets have exceeded liabilities.

Lewistown Public Schools
Condensed Statement of Net Position

Governmental Activities

	FY2019	FY2020
Current and other assets	6,532,094	6,841,786
Capital assets	7,571,197	10,829,793
Total Assets	**14,103,291**	**17,671,579**
Current liabilities	104,111	124,475
Non-current liabilities	15,393,099	16,364,448
Total Liabilities	**15,497,210**	**16,488,923**
Invested in capital assets,		
Net of debt	7,571,197	10,829,793
Restricted	4,482,780	4,593,289
Unrestricted	(12,400,049)	(12,907,419)
Total Net Position	**(346,072)**	**2,515,663**

Lewistown Public Schools
Changes in Net Position

Governmental Activities

	FY2019	FY2020
GENERAL REVENUES		
District Levy	4,216,532	4,394,847
State Equalization	3,618,876	3,667,784
Other State Revenue	2,616,927	2,648,637
County	1,257,102	1,272,131
Federal	0	0
Investment Earning	88,558	109,300
Gain on Asset	16,826	30,344
Other	178,165	118,835
Total General Revenue	**14,677,984**	**18,740,154**
GOVERNMENT OPERATIONS		
Instruction (includes OPEB)	7,832,920	8,197,869
Support	374,673	375,848
Media	301,101	418,615
Administration	2,206,615	2,436,520
O & M	1,921,016	1,966,391
Transportation	885,794	851,593
Extracurricular	644,792	668,769
School Food	727,128	599,436
Other Current Charges	(4,974)	0
Community Services	0	5,437
Intergovernmental	81,754	68,428
Interest and Other Charges	0	0
Depreciation – unallocated	116,517	289,513
Total Operations	**15,086,044**	**15,878,419**

Capital Assets

As of June 30, 2020, the District had invested over $10 million in capital assets including land and land improvements, buildings and improvements, and machinery and equipment. General fixed assets are reported at historical cost. Historical cost was established at the initial booking of fixed assets by determining actual costs or estimating using standard costing procedure. The District's fixed asset policy is set to include items of $5,000 and a useful life in excess of one year. The following schedule presents capital balances with accumulated depreciation as of June 30th.

	FY2019	FY2020
Land and Improvements	2,040,208	2,053,551
Accumulated Depreciation	(1,010,355)	(1,050,957)
	1,029,853	1,002,594
Buildings and Improvements	13,072,765	16,530,240
Construction in Progress	0	27,500
Accumulated Depreciation	(7,736,145)	(8,258,371)
	5,336,620	8,299,369
Machinery and Equipment	4,074,117	4,467,765
Accumulated Depreciation	(2,869,393)	(2,939,934)
	1,204,724	1,527,831

The District's Future

State law enables districts to use three-year average or current year enrollment (whichever is higher) when calculating budgets. Over the past five years, enrollment has remained steady in the elementary while decreasing significantly in the high school. In 2019-2020 we saw the lowest enrollment at the High School in at least the past 15 years. In 2020-21, we will see an increase in enrollment at the High School, but will not benefit from the ANB of those students until 2021-22. Even then, the 3 year average will continue to utilize the enrollment from 2019-20 impacting the budget for the next 3 years. There continues to be a growing need for services for special needs students, but little assistance from the State. Legislature has allowed a permissive levy for high needs students, but this puts more stress on the local taxpayers. The current Lewistown Collective Bargaining Agreement extends though FY22, and included a 1.0% (FY21) and 1.5% (FY22) raise for employees. Over the past several years, we had many retirements, causing the demographics of the District to change to a younger population.

The district also faces other challenges and decisions including:

- The Lewistown Board of Trustees ran successful levies in both the elementary and high school in FY20. In addition, recent Legislative decisions have "shifted" some of the costs of education to the local taxpayers in the form of non-voted levies. The intent to increase these levies is now required to be posted and advertised to the public each year in March. The Board will need to continue to be diligent in their consideration of both voted and non-voted levies in the future.

- The District estimates that general building repairs and maintenance in excess of $10 million will be necessary over the next several years. Both an Elementary and High School Building Reserve Levy passed in May 2016, helping to support the needs of upkeep of the District's facilities. In 2017, Legislature added the ability to "permissively" levy in the Building Reserve Fund. In 2019, the Board determined not to use this new authority, but has taking advantage of the matching State dollars since FY20. The District has begun the process of consideration of a Bond election in the near future to address building needs in the district.
- Safety has become top priority in many Districts, ours being no exception. In the 2019 Legislature, the "permissive" Building Reserve Fund Levy was expanded to include the ability to use those funds for building safety, School Resource Officers and Counselors. With these funds being open to both Facility and Safety purposes, the Board may have to choose which takes higher priority. The Bond currently being considered would also address safety concerns. There is also the ability to run a voted Safety Levy, but the Board has yet to consider that option.
- The ever-increasing use of technology in the classrooms has put a financial dilemma upon the District. Currently, both the Elementary and High School have permanent levies in place. The Elementary yearly levy is $61,498 and the High School's is $54,165, not enough to keep all technology within the District up-to-date. Due to changes in state law, if additional funds are requested of voters, the levy may not exceed 10 years. The Board will need to determine if non-permanent Technology Levy request will need to be presented to voters in the future. Due to the Coronavirus Pandemic, we were given additional funds in 2019-20 that will allow us to purchase technology equipment and take some immediate pressure off of the Technology Levy.
- The Coronavirus Pandemic that closed schools in March 2020 has created its own unique challenges. It is unknown how the pandemic will affect State revenues and ultimately School Budgets. As a District, it is important that we use the funds we are given wisely and consider how to use those funds to assist us in the future, not just in the moment.

In the end, all of the District's finances come down to how effectively we are educating our children with the resources that we have. We must continue to keep our focus on our students' education and allocate our resources in the manner that best serves them. The pandemic has increased the challenges we face, both budgetary and in determining how to meet the needs of students.

Contact for Additional Information

If you have questions about this report or need additional information, contact the Business Manager at the Lewistown Public Schools, 215 7th Avenue South, Lewistown, MT 59457, (406)-535-8777 x1116.

STROM & ASSOCIATES, P.C.
Certified Public Accountants

3203 3rd Ave N. Suite 208
PO Box 1980
Billings, MT 59103

Phone: 406-252-2765
E-mail: audit@stromcpa.net

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, MT 59457

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 the Lewistown School District No. 1 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lewistown School District No. 1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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 the Lewistown School District No. 1 as of June 30, 2020, 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.

Change in Accounting Principle

As described in Notes 1 and 9 to the financial statements, during the year ended June 30, 2020, Lewistown School District No. 1 adopted GASB Statement No. 84 – *Fiduciary Activities* which resulted in a restatement of the net position as of July 1, 2019. 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 (pages 3-7), the Schedule of Funding Progress - Postemployment Benefits Other than Pensions (page 44), the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions to Montana Retirement Systems (pages 45-50), and the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (pages 51-54) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lewistown School District No. 1's basic financial statements. The accompanying Schedule of Revenues, Expenses, and Balances - Student Activity Funds (pages 55-56) and Schedule of Reported Enrollment (page 57) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards (pages 58-59) is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying Schedule of Revenues, Expenses, and Balances - Student Activity Funds, Schedule of Reported Enrollment, and 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 accompanying Schedule of Revenues, Expenses, and Balances - Student Activity Funds, Schedule of Reported Enrollment, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of the Lewistown School District No. 1 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lewistown School District No. 1 internal control over financial reporting and compliance.

Strom & Associates, P.C.

STROM & ASSOCIATES, PC
Billings, Montana
December 23, 2020

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 6,569,426
Taxes Receivable	137,626
Due from Other Governments	87,372
Other Current Assets	5
Inventories	47,357
Total Current Assets	6,841,786
Noncurrent Assets:	
Capital Assets:	
Land	590,530
Construction in Progress	27,500
Net Depreciable Assets	10,211,763
Total Noncurrent Assets	10,829,793
Total Assets	17,671,579
DEFERRED OUTFLOWS OF RESOURCES:	
Employer Pension Plan Related	1,506,804
Other Postemployment Benefits Related	925,660
Total Deferred Outflows of Resources	2,432,464
Total Assets and Deferred Outflows of Resources	$ 20,104,043
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	$ 4,712
Other Current Liabilities	27,500
Current Portion of Long-term Debt Obligations	44,800
Current Portion of Compensated Absences	47,463
Total Current Liabilities	124,475
Noncurrent Liabilities:	
Compensated Absences	406,816
Net Pension Accrual	10,381,949
Other Postemployment Benefits	5,575,683
Total Noncurrent Liabilities	16,364,448
Total Liabilities	16,488,923
DEFERRED INFLOWS OF RESOURCES:	
Employer Pension Plan Related	637,334
Other Postemployment Benefits Related	462,123
Total Deferred Inflows of Resources	1,099,457
NET POSITION:	
Net Investment in Capital Assets	10,829,793
Restricted	4,593,289
Unrestricted (Deficit)	(12,907,419)
Total Net Position	2,515,663
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 20,104,043

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
					Primary Government
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENT OPERATIONS:					
Instructional Services	$ 8,197,869	$ 37,780	$ 1,644,104	$ 3,442,764	$ (3,073,221)
Support Services - Students	375,848	-	27,902	-	(347,946)
Support Services - Instructional	418,615	-	7,330	-	(411,285)
General Administrative Services	2,436,520	159,513	80,775	-	(2,196,232)
Operation and Maintenance Services	1,966,391	17,056	177,499	-	(1,771,836)
Transportation Services	851,593	-	134,098	-	(717,495)
School Food Services	668,769	205,355	263,698	-	(199,716)
Extracurricular	599,436	300,402	-	-	(299,034)
Community Services	5,437	-	-	-	(5,437)
Intergovernmental	68,428	-	-	-	(68,428)
Unallocated Depreciation Expense *	289,513	-	-	-	(289,513)
Total Governmental Operations	15,878,419	720,106	2,335,406	3,442,764	(9,380,143)
GENERAL REVENUES:					
District Levies					4,394,847
State Equalization					3,667,784
Other State Revenues					2,648,637
County					1,272,131
Interest					109,300
Other					118,835
Gain (loss) on Sale of Assets					30,344
Total General Revenues					12,241,878
Change in Net Position					2,861,735
NET POSITION:					
Beginning of the Year					(674,912)
Prior Period Adjustments					328,840
End of the Year					$ 2,515,663

* Excludes depreciation included in direct expenses of the various functions

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	MAJOR				
	General	Building Reserve (Elem.)	Interlocal Agreement (HS)	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 1,399,076	$ 713,573	$ 791,379	$ 3,555,632	$ 6,459,660
Taxes Receivable	92,352	4,184	-	41,090	137,626
Interfund Receivable	-	-	-	7,572	7,572
Due from Other Governments	-	-	-	87,372	87,372
Other Current Assets	-	-	-	5	5
Inventories	-	-	-	47,357	47,357
Total Assets	1,491,428	717,757	791,379	3,739,028	6,739,592
DEFERRED OUTFLOWS OF RESOURCES:					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 1,491,428	$ 717,757	$ 791,379	$ 3,739,028	$ 6,739,592
LIABILITIES:					
Current Liabilities:					
Unearned Revenue	-	-	-	4,712	4,712
Interfund Payable	-	-	-	7,572	7,572
Other Current Liabilities	-	-	27,500	-	27,500
Total Liabilities	-	-	27,500	12,284	39,784
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Taxes Receivable	92,352	4,184	-	41,090	137,626
Total Deferred Inflows of Resources	92,352	4,184	-	41,090	137,626
FUND BALANCE (DEFICITS):					
Nonspendable	-	-	-	47,357	47,357
Restricted	-	713,573	148,788	3,638,297	4,500,658
Unassigned	1,399,076	-	615,091	-	2,014,167
Total Fund Balance	1,399,076	713,573	763,879	3,685,654	6,562,182
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,491,428	$ 717,757	$ 791,379	$ 3,739,028	$ 6,739,592

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance Reported Above	$ 6,562,182
Internal Service Fund Net Position	109,766
Unavailable Property Taxes Receivable	137,626
Governmental Capital Assets	10,829,793
Employer Pension Plan Related	1,506,804
Other Postemployment Benefits Related	925,660
Long-term Liabilities	
Long-term Obligations	(44,800)
Compensated Absences	(454,279)
Net Pension Accrual	(10,381,949)
Other Postemployment Benefits	(5,575,683)
Other Postemployment Benefits Related	(462,123)
Employer Pension Plan Related	(637,334)
Net Position of Governmental Activities	$ 2,515,663

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	MAJOR				
	General	Building Reserve (Elem.)	Interlocal Agreement (HS)	Other Governmental Funds	Total Governmental Funds
REVENUES:					
District Levies	$ 2,929,060	$ 137,515	$ -	$ 1,335,452	$ 4,402,027
Interest	29,644	15,975	12,126	51,555	109,300
Charges for Services	-	-	159,512	602,038	761,550
Other	926	-	18,812	116,153	135,891
County	-	-	-	1,339,157	1,339,157
State	6,826,647	59,179	-	207,749	7,093,575
Federal	-	-	-	768,637	768,637
Total Revenues	9,786,277	212,669	190,450	4,420,741	14,610,137
EXPENDITURES:					
Current:					
Instructional Services	5,458,004	-	17,452	1,604,673	7,080,129
Support Services - Students	259,565	11,500	-	103,139	374,204
Support Services - Instructional	260,313	-	2,237	141,741	404,291
General Administrative Services	1,749,588	-	168,687	415,321	2,333,596
Operation and Maintenance Services	1,326,318	42,253	26,721	147,750	1,543,042
Transportation Services	29,636	-	6,680	630,065	666,381
School Food Services	164,113	-	-	496,510	660,623
Extracurricular	252,642	-	-	342,598	595,240
Community Services	-	-	3,880	1,557	5,437
Capital Outlay	19,071	13,343	36,100	577,328	645,842
Intergovernmental	68,428	-	-	-	68,428
Total Expenditures	9,587,678	67,096	261,757	4,460,682	14,377,213
Excess (Deficiency) of Revenues Over Expenditures	198,599	145,573	(71,307)	(39,941)	232,924
OTHER FINANCING SOURCES (USES):					
Sale of Capital Assets	-	-	-	23,344	23,344
Fund Transfers In	-	-	191,169	-	191,169
Fund Transfers (Out)	(191,169)	-	-	-	(191,169)
Total Other Financial Sources (Uses)	(191,169)	-	191,169	23,344	23,344
Net Change in Fund Balance	7,430	145,573	119,862	(16,597)	256,268
FUND BALANCE:					
Beginning of the Year	1,391,646	568,000	644,017	3,373,411	5,977,074
Prior Period Adjustments	-	-	-	328,840	328,840
End of the Year	$ 1,399,076	$ 713,573	$ 763,879	$ 3,685,654	$ 6,562,182

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

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, 2020

Net Changes in Fund Balance		$ 256,268
Change in Net Position from Internal Service Funds		48,272
Revenues on the Statement of Activities not Included in Governmental Funds Statement:		
Capital Contributions	3,442,764	
Increase (Decrease) in Taxes Receivable	(7,180)	
State Pension Aid	664,089	4,099,673
Revenues Reported in the Governmental Funds Statement not Included in the Statement of Activities		
Sale of Capital Assets	23,344	(23,344)
Expenses on the Statement of Activities not Included in the Governmental Funds Statement:		
Depreciation Expense	(837,010)	
Actuarial Pension Expense	(1,014,172)	
(Increase) Decrease in Other Postemployment Benefits	(411,614)	
(Increase) Decrease in Compensated Absence Liability	24,476	(2,238,320)
Expenditures Reported in the Governmental Funds Statement not Included in the Statement of Activities		
Capital Outlays	645,842	
Gain (Loss) on Sale of Assets	30,344	
Principal Payments on Debt	43,000	719,186
Change in net Position Reported on the Statement of Activities		$ 2,861,735

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Governmental Activities - Internal Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 109,766
Total Current Assets	109,766
Total Assets	109,766
DEFERRED OUTFLOWS OF RESOURCES:	
Total Deferred Outflows of Resources	-
Total Assets and Deferred Outflows of Resources	$ 109,766
LIABILITIES:	
Current Liabilities:	
Total Current Liabilities	-
Noncurrent Liabilities:	
Total Noncurrent Liabilities	-
Total Liabilities	-
DEFERRED INFLOWS OF RESOURCES:	
Total Deferred Inflows of Resources	-
NET POSITION:	
Unrestricted (Deficit)	109,766
Total Net Position	109,766
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 109,766

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service
OPERATING REVENUES:	
Charges for Services	$ 174,828
Total Operating Revenues	174,828
OPERATING EXPENSES:	
Purchased Services	126,556
Total Operating Expense	126,556
Change in Net Position	48,272
NET POSITION:	
Beginning of the Year	61,494
End of the Year	$ 109,766

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Services Provided Other Funds	$ 174,828
Purchased Professional and Technical Services	(126,556)
Net Cash Provided (Used) by Operating Activities	48,272
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Non-capital Financing Activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Capital and Related Financing Activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided (Used) by Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	48,272
BALANCE:	
Beginning of the year	61,494
End of the year	$ 109,766
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	$ 48,272
Net cash provided (used) by operating activities	$ 48,272

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Private Purpose Trust Funds
ASSETS:	
Current assets:	
Cash and Cash Equivalents	$ -
Total Assets	$ -
LIABILITIES:	
Current liabilities:	
Due to Individuals and Organizations	-
Total Liabilities	-
NET POSITION:	
Restricted For:	
Individuals and Organizations	-
Total Net Position	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2020

	Private Purpose Trust Funds
ADDITIONS:	
Contributions to Individuals and Organizations	-
Total Additions	-
DEDUCTIONS:	
Distributions to Individuals and Organizations	-
Total Deductions	-
Change in net position	-
NET POSITION:	
Beginning of the year	328,840
Prior period adjustments	(328,840)
End of the year	$ -

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. a. REPORTING ENTITY

The basic financial statements of the Lewistown School District No. 1 (School District) have been prepared on a prescribed basis of accounting that demonstrates compliance with the accounting and budget laws of the State of Montana (Montana), which conforms to Generally Accepted Accounting Principles (GAAP), as applied to governmental units. The School District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

At the end of fiscal year 2020, the School District adopted the following GASB Statements:

- GASB Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The effects on the School District's fiduciary net position of adopting the new accounting principles are 1) the cumulative prior-period effect is shown as a restatement to beginning net position for all fiduciary-fund statements and 2) for custodial funds, the current-year effect is reported as the current-year change in net position in the newly reported Custodial Fund Statement of Fiduciary Activities. The School District implemented this Statement in fiscal year 2020.

- GASB Statement No. 92 – *Omnibus*. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The School District determined that this Statement does not significantly affect its financial reporting. The School District plans to follow the guidance in this Statement as it is applicable to financial reporting of the School District.

- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. This Statement establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The School District determined that this Statement does not significantly affect its financial reporting. The School District does not have any derivative instruments, but will comply with this statement if it enters into any such instruments in the future.

- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships*. This Statement establishes guidance for the various aspects of Public-Private and Public-Public Partnerships (PP&Ps) and Availability Payment Arrangements (APAs). The School District determined that this Statement does not significantly affect its financial reporting. The School District does not have any PP&Ps s or APAs, but will comply with this statement if it enters into any such instruments in the future.

- GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance.* In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, this Statement extends the effective dates of certain accounting and financial reporting provisions that were first effective for reporting periods beginning after June 15, 2018. Except for GASBS No. 84 and GASBS No. 87, whose effective dates are extended by 18 months, the effective dates of other provisions are extended by one year. Early adoption of those provisions is permitted to the extent specified in each pronouncement as initially issued.

The following is a listing of GASB Statements which have been issued and the School District's assessment of effects to the financial statements when implemented.

- GASB Statement No. 87 – *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The School District plans to implement this Statement once it has identified all leases and has reviewed the Q&A on this Statement.

- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement establishes standards of accounting and financial reporting for subscription-based information technology arrangements by a government end user (a government). At the commencement of the subscription term, a government should recognize a subscription liability and an intangible right-to-use asset (a capital asset hereinafter referred to as the subscription asset). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The School District plans to implement this Statement once it has identified how it affects the School District and has reviewed the Q&A on this Statement.

- GASB Statement No. 97 – *Subscription-Based Information Technology Arrangements*. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This Statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021 and some elements are effective for reporting period beginning after June 15, 2021. The School District plans to implement this Statement once it has identified how it affects the School District and has reviewed the Q&A on this Statement.

<u>Services Provided:</u> The School District consists of two legally separate entities, an elementary district which provides education for kindergarten through eighth grade and a high school district which provides education for ninth through twelfth grade. For financial reporting purposes the two school districts are combined because they are controlled by the same central Board of Trustees and managed by the same administration. The Board of Trustees is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. GAAP requires only one general fund for each reporting entity, so the elementary and high school general funds are combined in the accompanying financial statements.

<u>Incorporation:</u> The School District was incorporated under the laws of Montana and, as required by GAAP, the financial statements of the reporting entity include those of the School District (the primary government) and any component units. The criteria for including organizations as component units within the School District's reporting entity are set forth in Section 2100 of the *GASB Codification of Government Accounting and Financial Reporting Standards*. The basic criteria include appointing a voting majority of an organization's governing body, as well as the School District's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the School District. Based on those criteria, the School District has no component units.

1. b. BASIS OF PRESENTATION AND ACCOUNTING

1. b. 1. GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The governmental activities column incorporates data from governmental funds and internal service funds (primary government). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements report using the economic resource measurement focus and the accrual basis of accounting and generally include the elimination of internal activity between or within funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

The Statement of Activities reports the direct expenses of a given governmental function offset by program revenues directly connected with the functional program. Direct expenses are those that are specifically associated with a function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and
- Operating and Capital grants that are restricted to a particular function.

Property taxes, investment earnings, state equalization payments, and other revenue sources not properly included with program revenue are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-supporting or drawing from general revenues.

1. b. 2. FUND ACCOUNTING

The fund financial statements provide information about the government's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Separate statements for each fund category – governmental – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

<u>Governmental fund financial statements</u> are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets. Revenues are recorded when they are both measurable and available. Available means collectible within the current period – collections that occur after June 30 is generally not material. Unavailable income is recorded in governmental funds for delinquent taxes. Expenditures are recorded when the related fund liability is incurred, except for compensated absence payments which are recognized when due. Capital assets are functional expenditures in governmental funds.

Revenues from local sources consist primarily of property taxes. Property tax revenue and revenues received from Montana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Cost reimbursement grant funds are considered to be both measurable and available to the extent the related expenditures were made under the provisions of the grant. When such funds are received before the expenditure was incurred, they are recorded as unearned grant revenues. All other revenue items are considered to be measurable and available only when cash is received by the School District.

<u>Proprietary fund financial statements</u> use the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the dental self-insurance internal service fund is charges to employees and the School District for services. Operating expenses for the internal service fund include the cost of dental care services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

<u>Major fund determination</u> - GASB Statement No. 34 requires the General fund be reported as a major fund and that only one general fund be reported. As such, the elementary and high school General funds have been combined and are reported as one major fund. Other individual governmental funds should be reported in separate columns as major funds based on these criteria:

- Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10% of the corresponding total (assets, liabilities, etc.) for all funds of that category or type (e.g., total governmental funds).

In addition to funds that meet the major fund criteria, any other governmental fund that government officials believe is particularly important to financial statement users may be reported as a major fund.

The School District reports the following major governmental funds:

- General Fund – The General fund is the general operating fund of the School District and accounts for all revenues and expenditures of the School District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. In the governmental fund financial statements, the General fund also includes the activities of the elementary and high school Metal Mines Tax Reserve funds, and the elementary and high school Flexibility funds since the restrictions on those funds are similar to the General fund.

- Elementary Building Reserve Fund – This fund is used to account for financing voter approved building or construction projects funded with School District mill levies, which includes raising money for the future construction, equipping, or enlarging of school buildings and for the purpose of purchasing land needed for school purposes in the School District.

- High School Interlocal Agreement Fund – This fund is used to account for the technology services provided to other school districts or cooperatives, the Construction Academy, general curriculum and maintenance, and Educational Opportunities for Central Montana activities.

1. b. 3. OTHER FUND TYPES

Proprietary Fund Types

Internal Service Funds – These funds account for the financing of goods or services provided by one department to other departments of the School District, or to other governments, on a cost reimbursement basis. The fund includes a self-insured dental insurance fund. Because all of the services predominately benefit governmental rather than business type functions, they are included with governmental activities in the government-wide financial statements.

1. c. ASSETS, LIABILITIES AND NET POSITION (FUND BALANCE)

1. c. 1 CASH AND INVESTMENTS

Allowable Depositories – Cash includes amounts in demand deposits, as well as short-term investments as authorized by Montana statutes. Montana Code Annotated (MCA) allows Montana local governments to invest public money not necessary for immediate use in:

- United States government treasury bills, notes, or bonds
- Certain United States treasury obligations
- United States government security money market fund, if investments consist of those listed above
- Time or savings deposits with a bank or credit union which is Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association insured
- Repurchase agreements as authorized by MCA
- State of Montana Short-Term Investment Pool (STIP)

Interest earned on the pooled investments is distributed to each contributing entity and fund on a pro rata basis. Investments are recorded at fair market value.

Clearing Funds – Warrants written but not redeemed are reported in the School District's payroll and claims clearing funds. However, for financial reporting purposes, these are treated as a cash reconciling items. Cash in the accounting system is held for warrants which were written but have not been paid by the Fergus County Treasurer. A warrant is an order by which the drawer (the person with authority to make the order) directs the School District trustee to pay a particular sum of money to a payee (person or entity) from funds in the School District treasury which are or may become available.

County Investment Pool Collateral – Information regarding the collateral and security for cash held by Fergus County (the County) is not available to the School District. However, Montana statutes require United States government securities be held as collateral to secure deposits of public funds in excess of FDIC insurance. The external investment pool is audited as part of the County's financial statements. This investment pool is not registered with or monitored by the Securities and Exchange Commission (SEC).

Statement of Cash Flows – For purposes of the Statement of Cash Flows, the School District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

1. c. 2. TAXES

Property Tax Levies – Property tax levies are set in connection with the budget process and are based on taxable values listed as of January 1 for all property located in the School District. Taxable values are established by the Montana Department of Revenue based on market values. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Collections – Property taxes are collected by the County Treasurer, who credits to the School District funds its respective share of the collections. Tax levies are collectible in two installments, which become delinquent after November 30 and May 31. After a period of three years, the County may begin foreclosure proceedings and sell the property at auction.

Delinquency – Unpaid property taxes are liens on the property being taxed. Taxes that become delinquent are charged interest at the rate of 5/6 of 1% per month plus a penalty of 2%. After a period of three years, the County may begin foreclosure proceedings and sell real property at auction. In the case of personal property, the property may be seized and sold after the taxes become delinquent. The School District receives its share of the sale proceeds of any such auction.

1. c. 3. INVENTORIES

Food inventory and supplies inventory are carried in an inventory account at average cost and are subsequently charged to expenditures when consumed (using the consumption method).

1. c. 4. CAPITAL ASSETS

The School District's property, plant, and equipment are stated at historical cost and comprehensively reported in the government-wide financial statements. Historical cost was established when the capital assets were initially recorded by determining the actual cost or estimating the cost using standard costing procedures. The School District considers capital assets to be items with a historical cost in excess of $5,000 and with a useful life in excess of one year. The costs of normal maintenance and repair are not capitalized. Depreciation on capital assets is provided over their estimated useful lives on the straight-line method. Land and construction in progress are not depreciated. The useful life of depreciable assets has been estimated as follows:

Capital Asset Classes	Useful Life
Buildings	7 – 50 years
Improvements other than buildings	20 - 25 years
Machinery and Equipment	5 – 25 years

1. c. 5. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Financial Position reports a separate section for Deferred Outflows of Resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (e.g., expense/expenditure) until that time.

In addition to liabilities, the Statement of Financial Position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an increase to net position that applies to a future period(s) and, as such, will not be recognized as an inflow of resources (e.g., revenue) until that time.

Pension Liability– Deferred Outflows and Inflows – The School District recognizes a net pension liability for each qualified pension plan in which it participates. Changes in the net pension liability during the fiscal year are recorded as pension expense, deferred inflows of resources, or deferred outflows of resources depending on the nature of the change and the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense.

Other Postemployment Benefits Liability– Deferred Outflows and Inflows – The School District recognizes a net pension liability for each other postemployment benefits (OPEB) liability plan participates. Changes in OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other OPEB related changes.

Property Taxes – Deferred Inflows – The School District reports deferred inflows under the modified accrual basis of accounting in the governmental funds for property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. In the governmental fund Balance Sheet, they are reported as unavailable from property taxes receivable.

1. c. 6. VACATION, DISCRETIONARY AND SICK LEAVE

Classified School District employees accumulate vacation and sick leave for later use or for payment upon termination, death, or retirement. Classified School District employees earn vacation leave at the rate of 15 days per year during the first 10 years of employment and at increasing rates thereafter to a maximum of 24 days per year after 20 years of employment. There is no requirement that vacation leave be taken, but the maximum permissible accumulation is the amount earned in the most recent two-year period. At termination, employees are paid for any accumulated vacation leave at the current rate of pay. Classified School District employees earn sick leave at the rate of one day per month. There is no limit on the accumulation of unused sick leave. At termination, 25% of accumulated sick leave is paid at the employee's current rate of pay.

Certified School District employees shall be granted 10 discretionary days each year. Unused discretionary days shall be allowed to accumulate to 160 days per employee. After eight consecutive years of employment with the School District, certified employees who terminate employment shall be paid a lump of 30% of their accumulated discretionary leave at their current rate of pay.

Liabilities incurred because of unused vacation and sick leave accumulated by employees are reflected in the financial statements. Expenditures for unused leave are recorded when paid in governmental funds and when accrued on the Statement of Activities. At June 30, 2020, the amount expected to be paid within one year related to governmental activities amounted to $ 47,463 and is generally paid out of the General fund.

1. c. 7. NET POSITION AND FUND BALANCE

The Statement of Net Position includes the following:

- Net Investment in Capital Assets – This component of net position is comprised of the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of these capital assets.
- Restricted – This component of net position is restricted externally by creditors (e.g., debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position is difference between the assets and liabilities that are not reported in the other components of net position.

Governmental fund financial statements include the following fund balances:

- Nonspendable – This balance includes amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.
- Restricted – This balance includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Unassigned – This balance includes amounts that are available for any purpose. These amounts are reported only in the general fund.

At June 30, 2020, fund balance components other than unassigned fund balance were as follows:

Purpose	**Nonspendable**	**Restricted**
Instructional and Support Services	$ 0	$ 265,264
Operations and Maintenance	0	20,887
Student Transportation	0	323,081
Extracurricular	0	214,230
School Food	47,357	194
Third Party Grantor Restrictions	0	909,813
Employer Retirement Benefits	0	445,914
Future Technology	0	329,162
Future Capital Costs	0	1,992,038
Debt Service	0	75
Total	$ 47,357	$ 4,500,658

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the School District considers restricted funds to have been spent first.

1. d. OTHER

1. d. 1. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. d. 2. COUNTY PROVIDED SERVICES

The School District is provided various financial services by the County. The County also serves as cashier and treasurer for the School District for tax and assessment collections and other revenues received by the County which are subject to distribution to the various taxing jurisdictions located in the County. The collections made by the County on behalf of the School District are accounted for in a fiduciary fund in the School District's name. No service charges have been recorded by the School District or the County.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2020, cash and cash equivalents for governmental activities were as follows:

Account Type	Governmental Activities
Cash and Cash Equivalents	$ 6,569,426

The carrying amounts of cash on hand, deposits, and investments at June 30, 2020 were as follows:

	Amount
Demand Accounts	$ 323,995
County Investment Pool	6,245,431
Total	$ 6,569,426

County Investment Pool – Cash resources of the School District are held and managed by the County Treasurer pursuant to Montana law. They are combined with cash resources of other governmental entities within the County to form a pool of cash and cash equivalents. Investments of pooled cash consist primarily of STIP, government securities, repurchase agreements, and certificates of deposit and are carried at fair value. The School District's exposure to credit risk is not available to the School District. Risk in the event of loss is unclear in the state law but appears to be the liability of the County government. Because of the custodial involvement of the County government, and the commingling of cash in County deposits in the name of the County Treasurer, full risk classifications are available in the County's annual report. There is no known maturity and credit rating of the County investment pool.

Custodial Credit Risk – Deposits – The cash of the extracurricular funds is held separately by the School District and, consequently, the deposits may be subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At June 30, 2020, the deposits in the extracurricular fund and dental health insurance account were covered by FDIC insurance.

NOTE 3. TAXES RECEIVABLE

The School District is permitted by Montana statutes to levy taxes up to certain fixed limits for various purposes. The assessed value of the roll as of January 1, 2019, upon which the levy for the 2020 fiscal year was based, amounted to $13,521,290 for the Elementary School District and $14,736,654 for the High School District. The tax rates assessed for the year ended June 30, 2020 to finance School District operations and applicable taxes receivable for the elementary and high schools were as follows:

Fund	Mill Levies	Taxes Receivable
Elementary		
General *	139.34	$ 60,389
Transportation	29.34	12,613
Bus Depreciation	8.90	3,375
Tuition	9.74	4,018
Technology	4.55	2,001
Debt Service	0	335
Building Reserve*	10.27	4,184
High School		
General *	71.39	31,963
Transportation	13.30	5,674
Bus Depreciation	14.50	6,330
Tuition	1.84	881
Adult Education	1.30	741
Technology	3.68	1,666
Building Reserve	7.98	3,456
Total	316.13	$ 137,626

* Denotes Major Fund

Property taxes assessed may be paid under protest and held by the County Treasurer until the action is finally determined to be in favor of or against the governmental entity levying the tax. Money paid under protest is accounted for by the County in a protested tax fiduciary fund until the final determination. The amount reported above includes $1,068 of taxes paid under protest.

NOTE 4. OTHER ASSETS

4. a. DUE FROM OTHER GOVERNMENTS

Due from other governments represent amounts due to the School District for costs incurred but not reimbursed by third party governments. The amounts due from other governments as of June 30, 2020 were as follows:

Fund	Amount	Due From	Reason
Elementary			
Miscellaneous	$ 73,422	State of MT	Title I school-wide grant
Miscellaneous	586	State of MT	Retiree insurance payment
School Food Services	692	State of MT	State matching funds
High School			
Traffic Education	12,672	State of MT	Per pupil reimbursement
Total	$ 87,372		

* Denotes Major Fund

4. b. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables represent the loan of resources from one fund to another fund experiencing a temporary cash shortage. Each fund is a separate fiscal entity and therefore presents interfund borrowing on fund level financial statements. Liabilities arising from interfund borrowing do not constitute general long-term debt. Interfund amounts reported as of June 30, 2020 were as follows:

Interfund Receivable	Amount	Interfund Payable	Purpose of the Transfer
Elementary			
Transportation	$ 7,572	Compensated Absences	To increase comp abs fund to allowable limits

NOTE 5. CAPITAL ASSETS, DEPRECIATION, AND NET CAPITAL ASSETS

5. a. GENERAL CAPITAL ASSETS

The schedule of changes in general capital assets for the year ended June 30, 2020 follows:

Governmental Activities:	**Balance July 1, 2019**	**Additions**	**Deletions**	**Balance June 30, 2020**
Non-depreciable Assets:				
Land	$ 590,530	$ 0	$ 0	$ 590,530
Construction in Progress	0	27,500	0	27,500
Total Non-depreciable Assets	590,530	27,500	0	618,030
Depreciable Assets:				
Buildings	13,072,765	3,457,474	0	16,530,239
Improvements Other than Buildings	1,449,677	13,343	0	1,463,020
Machinery and Equipment	4,040,598	597,289	(170,121)	4,467,766
Total Depreciable Assets	18,563,040	4,068,106	(170,121)	22,461,025
Accumulated Depreciation:				
Buildings	(7,736,144)	(522,226)	0	(8,258,370)
Improvements Other than Buildings	(1,010,355)	(40,602)	0	(1,050,957)
Machinery and Equipment	(2,835,874)	(274,182)	170,121	(2,939,935)
Total Accumulated Depreciation	(11,582,373)	(837,010)	170,121	(12,249,262)
Net Depreciable Assets	6,980,667	3,231,096	0	10,211,763
Net General Capital Assets	$ 7,571,197	$ 3,258,596	$ 0	$ 10,829,793

Depreciation expense charged to governmental functions was as follows:

Function	**Amount**
Instructional Services	$ 10,185
Educational Media Services	13,101
General Administrative Services	10,867
Operation and Maintenance Services	276,357
Transportation Services	220,943
School Food Services	8,612
Extracurricular	7,432
Unallocated	289,513
Total Depreciation Expense	$ 837,010

NOTE 6. CURRENT LIABILITIES

Current liabilities represent amounts due to creditors, suppliers, or others within a period of time less than one year.

6. a. UNEARNED REVENUE

Balances reported as due to other governments as of June 30, 2020 were as follows:

Fund	**Amount**	**Reason**
Elementary		
School Food Services	$ 4,712	Prepaid meals

NOTE 7. LONG-TERM DEBT

7. a. GENERAL LONG-TERM DEBT

The schedule of changes in general long-term debt for the year ended June 30, 2020 follows:

Governmental Activities:	**Balance July 1, 2019**	**New Debt and Other Additions**	**Principal Payments and Other Reductions**	**Balance June 30, 2020**	**Due within One Year**
Other Liabilities:					
Compensated Absences	478,755	0	(24,476)	454,279	47,463
Accrued Pension	10,210,243	213,369	(41,663)	10,381,949	0
Retirement Incentive	87,800	0	(43,000)	44,800	44,800
Other Postemployment Benefits	4,700,532	875,151	0	5,575,683	0
Total Other Liabilities	15,477,330	1,088,520	(109,139)	16,456,711	92,263
Total Governmental Activities - Long-term Debt	$ 15,477,330	$ 1,088,520	$ (109,139)	$ 16,456,711	$ 92,263

7. b. RETIREMENT INCENTIVE

The School District offered certified teachers a one-time incentive to retire as of June 30, 2019. The incentive offered $500 per month for each teacher who accepted the offer, for a period of 12 months. The change in retirement incentive liability are noted in the following schedule:

Description	**Issue Date**	**Interest Rate**	**Term**	**Maturity Date**	**Amount Issued**	**Outstanding June 30, 2019**
Retirement Incentive	Sept 2019	0%	2.8 years	6/30/2022	$ 76,800	$ 44,800

Debt service requirements to maturity for principal on the retirement incentive long-term obligations were as follows:

For the year ended June 30:	**Elementary**	**High School**	**Total**
2021	$ 33,600	$ 11,200	$ 44,800

NOTE 8. DEFERRED INFLOWS OF RESOURCES

The School District reported deferred inflows of resources at June 30, 2020 as follows:

8. a. PROPERTY TAXES

Fund	**Amount**	**Reason**
Elementary		
General *	$ 60,389	Taxes Receivable
Transportation	12,613	Taxes Receivable
Bus Depreciation	3,375	Taxes Receivable
Tuition	4,018	Taxes Receivable
Technology	2,001	Taxes Receivable
Debt Service	335	Taxes Receivable
Building Reserve*	4,184	Taxes Receivable
High School		
General *	31,963	Taxes Receivable
Transportation	5,674	Taxes Receivable
Bus Depreciation	6,330	Taxes Receivable
Tuition	881	Taxes Receivable
Adult Education	741	Taxes Receivable
Technology	1,666	Taxes Receivable
Building Reserve	3,456	Taxes Receivable
Total	$ 137,626	

* Denotes Major Fund

NOTE 9. PRIOR PERIOD ADJUSTMENTS

The School District recorded prior period adjustments at June 30, 2020 as follows:

Fund	Governmental Funds	Fiduciary Funds	Reason
Elementary			
Student Activity	$ 78,077	$ (78,077)	GASB 84 moved to governmental fund type
High School			
Student Activity	135,669	(135,669)	GASB 84 moved to governmental fund type
Scholarship Fund	115,094	(115,094)	GASB 84 moved to governmental fund type
Total	$ 328,840	$ (328,840)	
* Denotes Major Fund			
Governmental Activities	0		
Total	$ 328,840		

NOTE 10. INTERFUND OPERATING TRANSFERS IN AND OUT

The School District recorded interfund transfers during the year ended June 30, 2020 as follows:

Operating Fund - In	Amount	Operating Fund - Out	Purpose
Elementary		Elementary	
Interlocal Agreement *	$ 87,235	General *	General funding of interlocal agreement
High School		High School	
Interlocal Agreement *	43,723	General *	General funding of interlocal agreement
Interlocal Agreement *	60,211	General *	Maintenance funding of interlocal agreement
Total	$ 191,169		
* Denotes Major Fund			

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

11. a. PLAN DESCRIPTION

The School District provides its retiring employees with at least five years of service and who are at least 50 years of age, along with their eligible spouses and dependents, the option to continue participating in the School District group health insurance plan until the retiree becomes eligible for Medicare coverage. This option creates a defined benefit other postemployment benefits (OPEB) plan.

11. b. FUNDING POLICY

The School District pays OPEB liabilities on a pay as you go basis. A trust fund for future liabilities has not been established.

11. c. BENEFITS PROVIDED

The School District provides healthcare benefits for retirees and their dependents. The School District provides the same health care plan to all of its members. Retirees are required to pay 100% of the health insurance premium to retain the healthcare benefits. The School District covers 100% of the premiums for active employees.

11. d. EMPLOYEES COVERED BY BENEFIT TERMS

At as of June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Active employees	155
Inactive employees (may include spouses)	51

11. e. TOTAL OPEB LIABILITY

The School District's total OPEB liability amounted to $5,575,683 at June 30, 2020. The liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

11. f. ASSUMPTIONS AND OTHER INPUTS

The School District obtained an actuarial valuation to determine the OPEB liability.

Valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future and estimated amounts are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for the plan are based on types of benefits provided under the current plan. The valuation assumed that 40% of plan participants would elect to continue coverage after retirement.

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

Average salary increases	2.50%
Discount rate	2.53%
Retiree's share of benefit related costs	100.00%
Health care cost rate trend:	

Year	% Increase
2020	8.30%
2021	7.00%
2022 and after	6.50% down to 3.8%

11. g. CHANGES IN THE TOTAL OPEB LIABILITY

Balance July 1, 2019	$ 4,700,532
Changes for the Year:	
Service Cost (OPEB Expense)	311,070
Interest	175,965
Changes of Benefit Terms	(462,123)
Changes in Assumptions or Other Inputs	925,660
Benefit Payments	(75,421)
Net Changes	875,151
Balance June 30, 2020	$ 5,575,683

Changes in benefit terms and assumptions and other inputs are composed of the following:

- An outflow of $72,819 due to changes in claim cost assumption methodology.
- An outflow of $1,012,720 due to a decrease in the interest rate from 3.50% to 2.53%.
- An outflow of $407,167 due to a decrease in the inflation rate from 4.00% to 2.50%.
- An inflow of $567,046 due to a decrease of participation rate from 45% to 40%.

11. h. SENSITIVITY ANALYSIS

Discount Rate The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (**1.53%**) or 1% higher (**3.53%**) than the current discount rate:

	1% Decrease	**Discount Rate**	**1% Increase**
Total OPEB Liability	$ 6,812,751	$ 5,575,683	$ 4,383,718

Healthcare Cost Trend Rates The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (**8.30% decreasing to 7.30%**) or 1% higher (**8.30% increasing to 9.30%**) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 4,255,433	$ 5,575,683	$ 7,042,771

11. i. OPEB EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

For the year ended June 30, 2020, the School District recognized OPEB expense of $875,151.

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ (462,123)
Changes of Assumptions	925,660	0
Total	$ 925,660	$ (462,123)

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

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	$ 53,062	$ 0
2022	53,062	0
2023	53,062	0
2024	53,062	0
Thereafter (8yrs)	265,440	0

NOTE 12. OTHER COMMITMENTS

12. a. ENCUMBRANCES

An encumbrance is a portion of a budget set aside for spending the current year budget authority. Like the budget itself, an encumbrance is a projection and not yet an accounts payable/liability of the School District. When it comes time to pay necessary encumbered funds, the "encumbrance" disappears in that amount and becomes an actual expenditure of School District.

The School District's encumbrance policy is for fiscal year-end encumbrances exceeding $1,000 to be considered significant encumbrances. All encumbrances are classified as assigned or restricted in the funds noted below:

Fund	Amount
Elementary	
Building Reserve *	$ 13,708
High School	
Building Reserve	6,045
Total	$ 19,753

* Denotes Major Fund

NOTE 13. RISK MANAGEMENT

The School District is exposed to various types of risk of loss, including:

- Damage to and loss of property and contents
- Employee torts
- Professional liability, e.g., errors and omissions
- Environmental damage
- Workers' compensation, e.g., employee injuries
- Medical insurance costs of employees

Several methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for property and contents damage, employee torts, professional liabilities, and employee medical insurance. The School District has joined with other School Districts throughout the state into an interlocal common risk pool to insure workers' compensation for all participating School Districts in a self-insurance pool. The Workers Compensation Risk Retention Program is managed by a board of directors elected annually. Members are responsible for fully funding the Workers Compensation Risk Retention Program through the payment of annual premiums accessed. There is no other liability to the School District other than timely payments of premiums. The School District can withdraw from the Workers Compensation Risk Retention Program with 60 days' notice at any time. The School District has no coverage for potential losses from environmental damages.

Levels of insurance have not changed materially from the prior year and settlements have not exceeded insurance coverage limits during the current or each of the two previous years.

NOTE 14. EMPLOYEE RETIREMENT SYSTEM

The School District participates in two state-wide, cost-sharing multiple employer defined benefit retirement plans which cover all School District employees, except certain substitute teachers and part-time, non-teaching employees. The plans are established under Montana law and are administered by the State. The School District participates in the following Montana administered retirement plans:

- The Teachers' Retirement System (TRS) covers teaching employees, including administrators and aides and
- The Public Employee Retirement System (PERS) covers nonteaching employees

The plans issue publicly available annual reports, stand-alone financial statements, actuarial valuations, experience studies, and plan audited financial statements. Those reports may be obtained from the following:

Teachers Retirement System	Montana Public Employee Retirement Administration
P.O. Box 200139	P.O. Box 200131
1500 Sixth Avenue	100 N. Park Avenue Suite 200
Helena, MT 59620-0139	Helena, MT 59620-0131
Phone: 406-444-3134	Phone: 406-444-3154
www.trs.mt.gov	www.mpera.mt.gov

14. a. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF RETIREMENT SYSTEMS

The Montana Public Employee Retirement Administration (MPERA) and the TRS prepare their financial statements using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, and information about the fiduciary net position and additions to and deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA and TRS. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred.

Investments are reported at fair value. MPERA and TRS adhere to all applicable GASB statements.

14. b. PUBLIC EMPLOYEE RETIREMENT SYSTEM

The PERS-Defined Benefit Retirement Plan (Defined Benefit plan), administered by the MPERA, is a multiple-employer, cost-sharing plan established July 1, 1945 and is governed by Title 19, chapters 2 & 3, MCA. This plan covers the state, local governments, certain employees of the Montana University System, and school districts.

The Defined Benefit provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the State Legislature.

14. b. 1. SUMMARY OF BENEFITS

Eligibility for benefits

Service Retirement:

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

Early Retirement:
(actuarially reduced)

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

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

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

Vesting: 5 years of membership service

Member's Highest Average Compensation (HAC):

- Hired prior to July 1, 2011:
  - HAC during any consecutive 36 months.
- Hired on or after July 1, 2011:
  - HAC during any consecutive 60 months.

Compensation Cap:

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

Monthly Benefit Formula:

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

Guaranteed Annual Benefit Adjustment: After the member has completed 12 full months of retirement, the member's benefit increases by the following percentage each January, inclusive of other adjustments to the member's benefit:

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - 1.5% for each year PERS is funded at or above 90%;
  - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - 0% whenever the amortization period for PERS is 40 years or more.

14. b. 2. OVERVIEW OF CONTRIBUTIONS

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are shown in the table below.

	Member		State & Universities	Local Government		School Districts	
Fiscal Year	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

2. Employer contributions to the system:
   a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions, including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
   b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

3. Non-Employer Contributions:
   a. Special Funding - The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employers who received special funding are all participating employers.
      i. The State contributed 0.1% of members' compensation on behalf of local government entities.
      ii. The State contributed 0.37% of members' compensation on behalf of school district entities.
      iii. The State contributed a Statutory Appropriation from the General Fund amounting to $33,615,000.

14. b. 3. ACTUARIAL ASSUMPTIONS

The Total Pension Liability (TPL) used to calculate the Net Pension Liability (NPL) as of June 30, 2019 was determined by taking the results of the June 30, 2018 actuarial valuation and applying standard roll forward procedures. There were several significant assumptions and other inputs used to measure the TPL. Among those assumptions were the following:

- Investment Return (net of admin expenses) 7.65%
- Admin Expense as % of Payroll 0.26%
- General Wage Growth (includes inflation at 2.75%) 3.50%
- Merit Increases 0.00% to 6.3%
- Postretirement Benefit Increases:
  - GABA. After the member has completed 12 full months of retirement, the member's benefit increases by the following percentage each January, inclusive of all other adjustments to the member's benefit:
    - 3% for members hired prior to July 1, 2007
    - 1.5% for members hired between July 1, 2007 and June 30, 2013
    - Members hired on or after July 1, 2013:
      - 1.5% for each year PERS is funded at or above 90%;
      - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
      - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members and service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections.

14. b. 4. DISCOUNT RATE

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under MCA. The State contributed 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributed coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

14. b. 5. TARGET ALLOCATIONS

The long-term expected return on pension plan assets was reviewed as part of the regular experience study prepared for the Plan. The most recent analysis, performed for the period of July 1, 2011 to June 30, 2016, was outlined in a report dated May 2017 and can be located on the MPERA website. The long-term rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using 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 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocations as of June 30, 2019 are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
	(a)	(b)
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total	100.00%	

14. b. 6. DEFINED CONTRIBUTION PLAN

The School District contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (Defined Contribution plan) for employees that have elected the Defined Contribution plan. The Defined Contribution plan is administered by the Montana Public Employees Retirement Board (PERB) and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the Defined Benefit plan and have a 12-month window during which they may choose to remain in the Defined Benefit plan or join the PERS- Defined Contribution Retirement Plan (Defined Contribution plan) by filing an irrevocable election. Members may not be participants of both the *Defined Benefit* and *Defined Contribution* retirement plans.

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

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the Defined Contribution plan.

At the plan level for the measurement period ended June 30, 2019, the Defined Contribution plan employer did not recognize any net pension liability or pension expense for the Defined Contribution plan. Plan level non-vested forfeitures for the 316 employers that have participants in the PERS-DCRP totaled $714,024.

14. c. TEACHERS' RETIREMENT SYSTEM

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, MCA, and administrative rules set forth in Title 2, Chapter 44 of the Administrative Rules of Montana.

14. c. 1. SUMMARY OF BENEFITS

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan (Tier One). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation (AFC). 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 AFC (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); and
- Tier Two provides for an enhanced benefit calculation (1.85% x AFC x 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 x AFC x years of creditable service for Tier One).

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. The GABA for Tier Two members may vary from 0.5% to 1.5% each year 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.

14. c. 2. OVERVIEW OF CONTRIBUTIONS

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

The table below shows the legislated contribution rates for TRS members, employers, and the State

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

14. c. 3. ACTUARIAL ASSUMPTIONS

The TPL as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the last actuarial experience study, dated May 3, 2018. Among those assumptions were the following:

Total Wage Increases:
(includes 3.25% general wage increase assumption)

- 3.25% to 7.76% for Non-University members
- 4.25% for University members

Investment Return: 7.50%

Price Inflation: 2.50%

Postretirement Benefit Increases:

- Tier One. If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
- Tier Two. The retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.

Mortality:
(among contributing members, service retired members, and beneficiaries)

- RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

Mortality:
(among disabled members)

- Males. RP 2000 Disabled Mortality Table for males, set forward one year, with mortality improvements projected by Scale BB to 2022.
- Females. RP 2000 Disabled Mortality Table for females, set forward five years, with mortality improvements projected by Scale BB to 2022.

14. c. 4. DISCOUNT RATE

The discount rate used to measure the TPL was 7.50%. 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 MCA. In addition to the contributions, the State general fund will contribute $25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. No municipal bond rate was incorporated in the discount rate.

14. c. 5. TARGET ALLOCATIONS

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return*
	(a)	(b)	(a) x (b)
Broad US Equity	35.00%	6.05%	2.12%
Broad International Equity	18.00%	7.01%	1.26%
Private Equity	10.00%	10.53%	1.05%
Natural Resources	3.00%	4.00%	0.12%
Core Real Estate	7.00%	5.65%	0.40%
TIPS	3.00%	1.40%	0.04%
Intermediate Bonds	19.00%	2.17%	0.41%
High Yield Bonds	3.00%	4.09%	0.12%
Cash	2.00%	0.78%	0.02%
Total	100.00%		5.54%
Inflation			2.50%
Portfolio Return Expectation			8.04%

* The assumed rate is comprised of a 2.50% inflation rate and a real long-term expected rate of return of 5.00%.

The long term capital market assumptions published in the Survey of Capital Market Assumptions 2019 Edition by Horizon Actuarial Service, LLC, yield a median real return of 4.91%. Based on this information, the Board's adopted assumption of 5.00% for the real return is reasonable. Combined with the 2.50% inflation assumption, the resulting nominal return is 7.50%.

14. d. SENSITIVITY ANALYSIS

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the below table presents the net pension liability calculated using the discount rate of 7.65% and 7.50% for PERS and TRS, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

As of measurement date	**1.0% Decrease (6.65%)**	**Current Discount Rate (7.65%)**	**1.0% Increase (8.65%)**
PERS			
Net Pension Liability	$ 3,003,181,095	$ 2,090,310,698	$ 1,323,158,712
School District's Net Pension Liability	2,973,322	2,069,528	1,310,003

As of measurement date	**1.0% Decrease (6.50%)**	**Current Discount Rate (7.50%)**	**1.0% Increase (8.50%)**
TRS			
Net Pension Liability	$ 2,637,387,167	$ 1,928,270,704	$ 1,334,146,801
School District's Net Pension Liability	11,369,292	8,312,421	5,751,262

14. e. NET PENSION LIABILITY

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers are required to recognize, and report certain amounts associated with their participation in the PERS and TRS. Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective NPL, Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions. In accordance with Statement 68, PERS and TRS have special funding situations in which the State of Montana is legally responsible for making contributions directly to PERS and TRS that are used to provide pension benefits to the retired members. Due to the existence of this special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid.

As of measurement date	**NPL**		**Percent of Collective NPL**	**Percent of Collective NPL**	**Change in Percent of Collective NPL**
	as of 6/30/19	**as of 6/30/18**	**as of 6/30/19**	**as of 6/30/18***	
PERS					
School District Proportionate Share	$ 2,069,528	$2,111,191	0.099006%	0.101152%	(0.002146%)
State of Montana Proportionate Share associated with Employer	738,330	777,302	0.035322%	0.037242%	(0.001920%)
Total	$ 2,807,857	$2,888,492	0.134328%	0.138394%	(0.004066%)

*To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with Employer Percent of Collective NPL, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

TRS					
School District Proportionate Share	$ 8,312,421	$ 8,099,052	0.4311%	0.4363%	(0.0052%)
State of Montana Proportionate Share associated with Employer	5,033,409	5,034,660	0.2610%	0.2712%	(0.0102%)
Total	$13,345,830	$13,133,712	0.6921%	0.7075%	(0.0154%)

At June 30, 2020, the employer recorded a liability for its proportionate share of the NPL of $2,069,528 and $8,312,421 for PERS and TRS, respectively. At June 30, 2019, the employer's proportion was 0.099006 percent and 0.4311 percent for PERS and TRS, respectively.

The NPL was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of:

- PERS – June 30, 2018 and applying standard roll forward procedures. The roll forward procedures uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.
- TRS – July 1, 2019. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period, July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of TRS' participating employers.

	PERS	TRS
Changes in actuarial assumptions, other inputs, and methods:	There were no changes in assumptions or other inputs that affected the measurement of the TPL.	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.
Changes in benefit terms:	There have been no changes in benefit terms since the previous measurement date.	There have been no changes in benefit terms since the previous measurement date.
Changes in proportionate share:	There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.	There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

14. f. PENSION EXPENSE

	Pension Expense as of 6/30/19	Pension Expense as of 6/30/18
PERS (as of measurement date)		
School District's Proportionate Share	$ 163,618	$ 117,058
Employer Grant Revenue – State of Montana Proportionate Share for employer	6,092	51,876
Employer Grant Revenue – State of Montana State Appropriation for employer	44,033	0
Total	$ 213,743	$ 168,934
TRS		
School District's Proportionate Share	$ 923,869	$ 646,274
State of Montana Proportionate Share associated with the Employer	613,964	238,214
Total	$ 1,537,833	$ 884,488

At June 30, 2019, the employer recognized a Pension Expense of $ 213,743 and $1,537,83 for its proportionate share of the PERS and TRS Pension Expense, respectively. The employer also recognized grant revenue of $50,125 and $613,964 for the support provided by the Montana for its proportionate share of the Pension Expense that is associated with the employer for PERS and TRS, respectively.

14. g. DEFERRED INFLOWS AND OUTFLOWS

At June 30, 2019, the employer reported its proportionate share of PERS and TRS deferred outflows of resources and deferred inflows of resources related to PERS and TRS from the following sources:

	PERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected economic experience	$ 98,133	$ 97,380	$ 55,022	$ 0
Changes in actuarial assumptions	87,858	0	415,059	18,637
Difference between projected and actual investment earnings	25,092	0	80,577	0
Changes in proportion and differences between actual and expected contributions	0	0	1,394	187,699
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	333,618	0	0
Contributions paid subsequent to the measurement date – FY 2020 Contributions *	139,144	0	604,525	0
Total	$ 350,227	$ 430,998	$ 1,156,577	$ 206,336

* Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2021.

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

Year Ended June 30	PERS	TRS
	Amount of Deferred Outflows (Inflows) to be Recognized as an Increase (Decrease) to Pension Expense	
2020	$ (57,369)	$ 255,328
2021	(194,402)	14,969
2022	9,334	8,703
2023	22,520	66,717
2024	0	
Thereafter	0	0

14. h. EMPLOYER'S PROPORTION OF PENSION AMOUNTS

	PERS Employer's Proportionate Share	TRS Employer's Proportionate Share	Employer's Total Pension Amounts
Total Pension Liability	$ 7,914,065	$ 26,505,297	$ 34,419,362
Fiduciary Net Position	5,844,537	18,192,876	24,037,413
Net Pension Liability	2,069,528	8,312,421	10,381,949
Deferred Outflows of Resources	350,227	1,156,577	1,506,804
Deferred Inflows of Resources	430,998	206,336	637,334
Pension Expense	213,743	1,537,833	1,751,576

NOTE 15. COOPERATIVE

15. a. SPECIAL EDUCATION

The School District is a member of the Central Montana Learning Resource Center Cooperative (the Cooperative), a Special Education Cooperative. The financial records of the Cooperative are prepared and maintained by the Cooperative Clerk. The financial records of the Cooperative are separate from those of the School District, and the financial statements of the Cooperative are not included in the School Districts' financial statements. The Cooperative's financial statements are audited separately from those of the School District. All revenue received, including federal, state, or other types of grant payments, and the financial support provided by each of the Cooperative's members are deposited into the Cooperative's funds, which are maintained in the custody of the Fergus County Treasurer. The Superintendent of Public Instruction may directly deposit to the Cooperative the state and federal portion of any participating member School District's budgeted costs for contracted special education services. All capital assets of the Cooperative are included in the Cooperative's financial statements.

A Joint Board of Directors governs the Cooperative. The Joint Board has the power to set policies, enter into contracts, review the performance of the Cooperative annually, review the financial management of the Cooperative annually, and set and approve the annual fiscal budget of the Cooperative.

NOTE 16. SUBSEQUENT REPORTABLE EVENTS

Due to the COVID19 pandemic, the School District may realize delayed collections and receipts in future periods. The likelihood and impact of the potential delays are uncertain.

NOTE 17. CONTINGENCIES

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

NOTE 18. JOINT VENTURE AGREEMENTS

Joint ventures are legal entities or other organizations that result in a contractual arrangement and that are owned, operated, or governed by two or more participants. Each participant retains both an ongoing financial interest and an ongoing financial responsibility.

18. a. MULTIDISTRICT COOPERATIVE

Section 20-3-363, MCA allows for the creation of a multidistrict cooperative between any School District and other public entities under Title 20, Chapter 9 Part 7, MCA. The parties in a multidistrict cooperative may mutually agree to perform any services, activities, and undertakings of the participants and provide for the joint funding and operation and maintenance of all participants in the agreement.

18. a. 1. TECHNICAL SUPPORT

The School District has entered into an agreement with Lewistown Elementary, Fergus High School, Denton Elementary, Denton High School, Grass Range Elementary, Grass Range High School, Harlowton Elementary School, Harlowton High School, Ayers Elementary, Roy K-12 Schools, Winifred K-12 Schools, Moore Elementary, Moore High School, Deerfield Elementary, Spring Creek Colony Elementary, King Colony Elementary, Hobson K-12 Schools, Judith Gap Elementary, Judith Gap High School, Stanford K-12 Schools and the Central Montana Learning Resource Center Cooperative to provide technology services to each participating school district and cooperative.

Fergus High School is the designated prime agency and is responsible for the financial administration of the multidistrict cooperative. The activity of the multidistrict cooperative is accounted for in fund 82 of the Fergus High School.

18. a. 2. INTERLOCAL AGREEMENT FUND

The School District has entered into an agreement with Lewistown Elementary and Lewistown High School, for the purpose of jointly purchasing/paying for salaries, technology, curriculum, utilities and supplies for the participating districts. Lewistown High School is the designated prime agency and is responsible for the financial administration of the multidistrict cooperative. The activity of the multidistrict cooperative is accounted for in fund 82 of the Lewistown High School. During fiscal year ended June 30, 2020 Lewistown Elementary general fund and Lewistown High School general fund transferred $87,235 and $103,934, respectively into the high school's Interlocal agreement fund.

NOTE 19. CITY OF LEWISTOWN

The School District and the City of Lewistown entered into an agreement whereby the School District would use the Lewistown Civic Center for activities such as basketball, volleyball, softball, soccer, floor hockey, superstars, badminton, snowshoeing, roller skating, cross country skiing, and table tennis. For the year ended June 30, 2020, School District payments to the City under the terms of the agreement amounted to $5,355. The District also paid the City $48,335 for a resource officer in fiscal year 2020.

NOTE 20. EVELYN ECCLES FOUNDATION ENDOWMENT

The School District has an endowment from the Evelyn Eccles Foundation. The objective of the foundation was to assist ambitious youth attain worthwhile heights of accomplishment through higher education. At June 30, 2019, the endowment fund 2019 amounted to $117,317 and there was one outstanding loan balance amounting to $5. The School District administers the endowment in accordance with the endowment directives as follows:

- At the end of each school year, the School District's Board of Trustees may "select from the graduating class a student or students, male or female, who have best demonstrated his/her ability to conduct scientific research of any kind or character which looks to the advancement of the best interests of society" and provide a loan from the fund to aid in their securing higher education.

- If a student is selected, the Board of Trustees will determine an amount of the loan "sufficient to materially aid and enable students to attend an Institution of higher learning." A no-Interest promissory note will be executed which shall become due and payable at such time as may be arranged, but not in excess of ten years after the loan agreement has been made.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FUNDING PROGRESS
Other Postemployment Benefits Other Than Pensions
For the year ended June 30, 2020

OTHER POSTEMPLOYMENT BENEFITS
CHANGE IN LIABILITY

Fiscal Year End	Service Cost (a)	Interest (b)	Changes in Benefit Terms (c)	Changes in Assumptions or Other Inputs (d)	Benefit Payments (e)	Net Change in Total OPEB Liability Sum of (a) to (e)=(f)	Total OPEB Liability Beginning (g)	Total OPEB Liability Ending (f)+(g)=(h)
6/30/18	$ 263,917	$ 16,658	$ 0	$ 2,330,713	$ (77,880)	$ 2,677,408	$ 1,392,046	$ 4,069,454
6/30/19	271,452	147,140	0	325,669	(113,183)	631,078	4,069,454	4,700,532
6/30/20	311,070	175,965	(462,123)	925,660	(75,421)	875,151	4,700,532	5,575,683

OTHER POSTEMPLOYMENT BENEFITS
PAYROLL RATIO

Fiscal Year End	Covered Employee Payroll (i)	Total OPEB Liability as a Percentage of Covered Employee Payroll (h)/(i)=(j)
6/30/18	$ 5,903,289	68.94%
6/30/19	6,124,663	76.75%
6/30/20	5,669,468	98.35%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
(Determined as of the measurement date)
For the year ended June 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Year Ended June 30:	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability Associated with the Employer (a)	State of Montana's Proportionate Share of the Net Pension Liability Associated with the Employer (b)	Total (a)+(b)=(c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll (a)/(d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1394%	$ 1,736,425	$ 81,172	$ 1,817,597	$ 1,632,445	111.22%	79.87%
2015	0.1385%	1,935,544	90,951	2,026,495	1,670,709	115.85%	78.40%
2016	0.1415%	2,409,599	112,614	2,522,213	1,751,664	137.56%	74.71%
2017	0.1359%	2,647,456	121,958	2,769,414	1,742,460	151.94%	73.75%
2018	0.1012%	2,111,191	777,302	2,888,492	1,718,275	122.87%	73.47%
2019	0.0990%	2,069,528	738,330	2,807,857	1,686,719	122.70%	73.85%

TEACHERS RETIREMENT SYSTEM

Year Ended June 30:	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability Associated with the Employer (a)	State of Montana's Proportionate Share of the Net Pension Liability Associated with the Employer (b)	Total (a)+(b)=(c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll (a)/(d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.4362%	$ 6,712,796	$ 4,599,979	$ 11,312,775	$ 5,501,106	122.03%	70.36%
2015	0.4441%	7,296,596	4,891,615	12,188,211	5,537,456	131.77%	69.30%
2016	0.4424%	8,081,164	5,267,725	13,348,889	5,651,304	143.00%	66.69%
2017	0.4434%	7,476,217	4,745,760	12,221,977	5,848,407	127.83%	70.09%
2018	0.4363%	8,099,052	5,034,660	13,133,712	5,828,310	138.96%	69.09%
2019	0.4311%	8,312,421	5,033,409	13,345,830	5,851,796	142.05%	68.64%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(Determined as of the reporting date)
For the year ended June 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Year Ended June 30:	Contractually Required Contributions (a)	Plan Choice Rate Required Contribution (b)	Contributions in Relation to Contractually Required Contributions (c)	Contribution Deficiency (Excess) (a)+(b)-(c)=(d)	Employer's Covered Payroll (e)	Contributions as a Percentage of Covered Payroll ((a)+(b))/(e)
2015	$ 133,157	$ 478	$ 133,635	$ 0	$ 1,670,709	8.00%
2016	141,634	295	141,929	0	1,751,664	8.10%
2017	141,142	0	141,142	0	1,742,460	8.10%
2018	140,899	0	140,899	0	1,773,887	8.20%
2019	140,499	0	140,499	0	1,686,719	8.33%
2020	139,144	0	139,144	0	1,656,550	8.40%

TEACHERS RETIREMENT SYSTEM

Year Ended June 30:	Contractually Required Contributions (a)	Contributions in Relation to Contractually Required Contributions (b)	Contribution Deficiency (Excess) (a)+(b)=(c)	Employer's Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (a)/(d)
2015	$ 520,550	$ 520,550	$ 0	$ 5,537,456	9.40%
2016	601,312	601,312	0	5,651,304	10.64%
2017	592,541	592,541	0	5,848,407	10.13%
2018	553,234	553,234	0	5,828,310	9.49%
2019	553,772	553,772	0	5,851,796	9.46%
2020	604,525	604,525	0	5,946,911	10.17%

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

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(As of Measurement Date)
For the year ended June 30, 2020

NOTE 1. PUBLIC EMPLOYEE RETIREMENT SYSTEM

1. a. CHANGES OF BENEFIT TERMS

The following changes to the Public Employee Retirement System (PERS) plan provision were made as identified:

2017:
Working Retiree Limitations – for PERS
Effective July 1, 2017, 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
1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2) Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

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

Lump-sum payouts
Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0.00% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year

Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

NOTE 2. TEACHERS' RETIREMENT SYSTEM

2. a. CHANGES OF BENEFIT TERMS

The following changes to the Teachers' Retirement System (TRS) plan provisions 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.

(1) **Final Average Compensation**: average of earned compensation paid in five consecutive years of full-time service that yields the highest average
(2) **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
(3) **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
(4) **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%
(5) **Annual Contribution**: 8.15% of member's earned compensation
(6) **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:
    a. The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
    b. The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
    c. 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.
(7) **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
(8) **Guaranteed Annual Benefit Adjustment (GABA)**:
    a. 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 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- 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 2018:

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

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

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

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

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

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

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

- For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
- For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

- Mortality among disabled members was updated to the following:
  - For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
  - For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	22 years
Asset valuation method	4-year smoothed market
Inflation	3.25 percent
Salary increase	4.00 to 8.51 percent, including inflation for Non-University Members and 5.00% for University Members;
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General (Elem.)			General (HS)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District Levies	$ 1,884,208	$ 1,884,208	$ 1,879,602	$ 1,051,774	$ 1,051,774	$ 1,049,458
Interest	11,124	11,124	12,146	5,093	5,093	5,393
Other	-	-	-	-	-	25
State	4,619,868	4,619,868	4,619,868	2,206,779	2,206,779	2,206,779
Total Revenues	6,515,200	6,515,200	6,511,616	3,263,646	3,263,646	3,261,655
EXPENDITURES:						
Current:						
Instructional Services			3,954,936			1,503,068
Support Services - Students			161,531			98,034
Support Services - Instructional			156,919			103,394
General Administrative Services			1,097,342			652,246
Operation and Maintenance Services			776,889			549,429
Transportation Services			2,031			27,605
School Food Services			141,404			22,709
Extracurricular			65,810			186,832
Capital Outlay			13,350			5,721
Intergovernmental			57,755			10,673
Total Expenditures	6,515,200	6,515,200	6,427,967	3,263,646	3,263,646	3,159,711
Excess (Deficiency) of Revenues Over Expenditures	-	-	83,649	-	-	101,944
OTHER FINANCING SOURCES (USES):						
Fund Transfers In			-			-
Fund Transfers (Out)			(87,234)			(103,935)
Total Other Financial Sources (Uses)	-	-	(87,234)	-	-	(103,935)
Net Change in Fund Balance	-	-	(3,585)	-	-	(1,991)
FUND BALANCE:						
Beginning of the Year			537,979			306,488
End of the Year			$ 534,394			$ 304,497

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Flexibility (Elem.)			Flexibility (HS)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District Levies	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	2,926	-	-	3,284
Other	-	-	901	-	-	-
State	-	-	-	-	-	-
Total Revenues	-	-	3,827	-	-	3,284
EXPENDITURES:						
Current:						
Instructional Services			-			-
Support Services - Students			-			-
Support Services - Instructional			-			-
General Administrative Services			-			-
Operation and Maintenance Services			-			-
Transportation Services			-			-
School Food Services			-			-
Extracurricular			-			-
Capital Outlay			-			-
Intergovernmental			-			-
Total Expenditures	109,192	109,192	-	169,503	169,503	-
Excess (Deficiency) of Revenues Over Expenditures	(109,192)	(109,192)	3,827	(169,503)	(169,503)	3,284
OTHER FINANCING SOURCES (USES):						
Fund Transfers In			-			-
Fund Transfers (Out)			-			-
Total Other Financial Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(109,192)	(109,192)	3,827	(169,503)	(169,503)	3,284
FUND BALANCE:						
Beginning of the Year			109,192			169,503
End of the Year			$ 113,019			$ 172,787

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended June 30, 2020

NOTE 1. BUDGETS

Budgets are adopted in accordance with Montana budget laws which are consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the General fund, budgeted special revenue funds (e.g., Transportation, Bus Depreciation, Tuition, Retirement, Adult Education, Technology, and Flexibility), debt service funds, and budgeted capital project funds (e.g., Building Reserve). All annual appropriations lapse at fiscal year-end, unless the School District elects to encumber supplies and personal property ordered but not received at year end.

1. a. GENERAL BUDGET POLICIES

The School District's funds are either budgeted or non-budgeted in accordance with Montana statutes. Budgeted funds are those for which a legal budget must be adopted to have expenditures as noted above. All other funds are non-budgeted, meaning a legal budget is not required in order to have expenditures. The Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual has been prepared on the modified accrual basis of accounting and contains financial information for only the major general and special revenue fund budgeted funds. The Elementary Building Reserve fund is a major fund but is not included because it is not a special revenue fund. The Interlocal Agreement fund is not included because it is a non-budgeted fund.

1. b. BUDGET OPERATIONS

The School District operates within the budget requirements for School Districts as specified by Montana law. The financial report reflects the following budgetary standards:

- By the second Monday in July, the Fergus County Assessor transmits a statement of the assessed valuation and taxable valuation of all property in the School District's borders.
- Before the fourth Monday in July, the Fergus County Superintendent estimates the revenue required for each fund.
- Before the fourth Monday in August, the Board of Trustees (Board) must meet to legally adopt the final budget. The final budget for the General fund is fund total only.
- Once adopted, the budget can be amended by subsequent Board action. An increase of the total budget of a given fund requires the adoption of an amended budget in accordance with Montana statutes. Montana statutes prohibit the expenditures of a budgeted fund to exceed the adopted budget.
- At the end of a fiscal year, unencumbered appropriations lapse unless specifically obligated by the School District.

NOTE 2. BUDGET AMENDMENT

The original budgets were not amended so the original budget and the final budget are the same.

NOTE 3. COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL SUB-FUNDS OF THE GENERAL FUND

	Sub-funds						Total
	General (Elem.)	Flexibility (Elem.)	Metal Mines Tax Reserve (Elem.)	General (HS)	Flexibility (HS)	Metal Mines Tax Reserve (HS)	General
REVENUES:							
District Levies	$ 1,879,602	$ -	$ -	$ 1,049,458	$ -	$ -	$ 2,929,060
Interest	12,146	2,927	2,506	5,393	3,284	3,389	29,645
Other	-	901	-	25	-	-	926
State	4,619,868	-	-	2,206,779	-	-	6,826,647
Total Revenues	6,511,615	3,828	2,506	3,261,656	3,284	3,389	9,786,278
EXPENDITURES:							
Current:							
Instructional Services	3,954,936	-	-	1,503,068	-	-	5,458,005
Support Services - Students	161,531	-	-	98,034	-	-	259,565
Support Services - Instructional	156,919	-	-	103,394	-	-	260,313
General Administrative Services	1,097,342	-	-	652,246	-	-	1,749,588
Operation and Maintenance Services	776,888	-	-	549,429	-	-	1,326,316
Transportation Services	2,031	-	-	27,605	-	-	29,636
School Food Services	141,404	-	-	22,709	-	-	164,114
Extracurricular	65,810	-	-	186,832	-	-	252,642
Capital Outlay	13,350	-	-	5,721	-	-	19,071
Intergovernmental	57,755	-	-	10,673	-	-	68,428
Total Expenditures	6,427,965	-	-	3,159,712	-	-	9,587,677
Excess (Deficiency) of Revenues Over Expenditures	83,650	3,828	2,506	101,944	3,284	3,389	198,601
OTHER FINANCING SOURCES (USES):							
Fund Transfers (Out)	(87,235)	-	-	(103,935)	-	-	(191,169)
Total Other Financial Sources (Uses)	(87,235)	-	-	(103,935)	-	-	(191,169)
Net Change in Fund Balance	(3,585)	3,828	2,506	(1,991)	3,284	3,389	7,431
FUND BALANCE:							
Beginning of the Year	537,979	109,192	93,583	306,488	169,503	174,901	1,391,646
End of the Year - GAAP Basis	534,394	113,019	96,089	304,497	172,787	178,290	$ 1,399,077
Less current year encumbrances	-	-	-	-	-	-	
End of the year - budget basis	$ 534,394	$ 113,019	$ 96,089	$ 304,497	$ 172,787	$ 178,290	

In the General sub-funds combining schedule above, the elementary and high school General fund, elementary and high school Metal Mines Tax Reserve fund, and elementary and high school Flexibility fund are added together to get to the aggregate General fund shown as a major fund on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds. The elementary and high school Flexibility fund and elementary and high school Metal Mines Tax Reserve fund are maintained as separate funds for accounting purposes. However, for external financial reporting purposes, they are added to the General fund because they, like the General fund, have unassigned fund balance(s).

On the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, all budgeted major governmental funds display budgeted information for the General and major special revenue funds of the School District. The above General sub-funds display budget and actual information, except for the elementary and high school Metal Mines Tax Reserve fund which are non-budgeted special revenue funds.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY FUNDS
For the year ended June 30, 2020

High School Activity Account Name	**Beginning Balance** 7/1/2019	**Revenues**	**Expenses**	**Ending Balance** 6/30/2020
ANNUAL	$ 5,065	$ 7,999	$ 11,473	$ 1,591
AP TESTING	3,372	5,796	5,030	4,138
BAND	142	117	259	-
EASTERN MT JAZZ FESTIVAL	13	-	13	-
BPA	1,501	3,451	1,831	3,121
CT MT MENTORS	221	-	-	221
CHEERLEADERS	10,380	3,598	7,883	6,095
CONCESSIONS	11,634	15,730	20,069	7,295
NHS/CLAWS	-	635	479	156
EAGLE RENAISSANCE	3,299	-	-	3,299
FCLUB	1,806	-	99	1,707
FFA	13,054	23,670	26,160	10,564
FCCLA	3,064	2,741	1,945	3,860
OUTDOOR CLUB	1,038	-	-	1,038
SPANISH CLUB	1,785	3,954	3,769	1,970
HOW CLUB	143	-	-	143
VICA/SKILLS USA	436	-	-	436
KEY CLUB	3,547	712	844	3,415
ART CLUB	2,185	40	-	2,225
SCIENCE CLUB	1,702	2,068	1,775	1,995
SKI CLUB	4,213	4,736	5,593	3,356
STUDENT COUNCIL	4,009	4,100	3,657	4,452
DRAMA CLUB	1,081	-	-	1,081
TROPHY	2,237	-	-	2,237
VOCAL MUSIC	765	-	604	161
DIST. 8 MUSIC FESTIVAL	3,242	83	-	3,325
WEIGHT CLUB	205	-	-	205
AP GOVT	746	-	-	746
CAREER FAIR	2,002	-	-	2,002
EAGLE WEAR	2,526	-	-	2,526
MODEL UN	-	318	283	35
LEADERSHIP	258	-	-	258
ASTRONOMY CLUB	236	-	-	236
GAY-STRAIGHT ALLIANCE	12	85	-	97
CLASS OF 2019	-	-	-	-
CLASS OF 2020	4,713	-	2,115	2,598
CLASS OF 2021	772	13,934	9,985	4,721
CLASS OF 2022	386	106	78	414
CLASS OF 2023	-	122	-	122
SCHOOL SPONSORED EXTRACURRICULARS	16,492	141,690	139,614	18,568
GIRLS SOFTBALL/BOYS CROSS COUNTRY	27,402	29,318	24,782	31,938
SUBTOTAL	135,684	265,003	268,340	132,347

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY FUNDS (continued)
For the year-ended June 30, 2020

Junior High Activity Account Name	**Beginning Balance** 7/1/2019	**Revenues**	**Expenses**	**Ending Balance** 6/30/2020
GENERAL ACTIVITIES	$ 62,390	$ 16,520	$ 14,262	$ 64,648
LC SERVICE COUNCIL	1,077	493	339	1,231
BUILDERS CLUB	148	-	-	148
CHEERLEADERS	1,312	1,516	2,525	303
CONSUMER TECH	744	-	-	744
FACS	586	1,235	1,162	659
BC, SC STORE	720	2,975	2,010	1,685
MUSIC	297	13	-	310
PHOTO CLUB	3,535	2,500	2,944	3,091
SERVICE LEARNING	386	-	-	386
SKI CLUB	(33)	2,950	2,097	820
STUDENT COUNCIL	484	141	143	482
NEWS	170	-	-	170
GIS CLUB	1,313	-	-	1,313
COMPUTER SERV LEARNING	129	-	-	129
FIELD TRIP/SKI DAY	858	-	-	858
ROBOTICS CLUB	439	-	-	439
SCIENCE OLYMPIAD	481	565	890	156
EXPEDITION YELLOWSTONE	3,039	6,491	5,219	4,311
SUBTOTAL	78,075	35,399	31,591	81,883
Total	$ 213,759	$ 300,402	$ 299,931	$ 214,230

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REPORTED ENROLLMENT
For the year ended June 30, 2020

Fall Enrollment – October 2019

	Full-time Students			**Part-time Students**					
				Less Than					
	Reported	Audited	Variance	181 hours	359 hours	539 hours	719 hours	Audited	Variance
Elementary									
Kindergarten									
Full	96	96	0	0	0	1	0	1	0
Grade 1 - 6	566	566	0	0	0	3	2	5	0
Grade 7 - 8	187	187	0	0	0	0	0	0	0
Total	849	849	0	0	0	4	2	6	0
High School									
Grade 9 - 12	306	306	0	0	0	0	1	1	0

Spring Enrollment – February 2020

	Full-time Students			**Part-time Students**					
				Less Than					
	Reported	Audited	Variance	181 hours	359 hours	539 hours	719 hours	Audited	Variance
Elementary									
Kindergarten									
Full	96	96	0	0	0	1	0	1	0
Grade 1 - 6	563	563	0	0	0	4	2	6	0
Grade 7 - 8	187	187	0	0	0	0	0	0	0
Total	846	846	0	0	0	5	2	7	0
High School									
Grade 9 - 12	304	304	0	0	0	0	1	1	0

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Amount Passed to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
National School Lunch Program (Donated Food) (fn2)	10.555	N/A	$ -	$ 39,060
National School Lunch Program (fn1)	10.555	N/A	-	201,231
Summer Food Service Program for Children	10.559	N/A	-	61,775
Total Child Nutrition Cluster			-	302,066
Total U.S. Department of Agriculture			$ -	$ 302,066
U.S. DEPARTMENT OF EDUCATION DIRECT:				
Rural Education	84.358	N/A	$ -	$ 23,770
PASSED THROUGH CENTRAL MONTANA LEARNING RESOURCE CENTER COOPERATIVE:				
Special Education Grants to States	84.027	014-9691-56-12-259a	-	58,500
PASSED THROUGH MONTANA DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	19-01-175-0034	-	48,805
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
Title I Grants to Local Education Agencies - Part A, Improving Basic Programs	84.010	014-0258-32-20	-	429,191
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	014-0259-81-20	-	24,544
Total U.S. Department of Education			$ -	$ 584,810
Total Federal Financial Assistance			$ -	$ 886,876

The accompanying notes to the SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Lewistown School District No. 1 (School District) under programs of the federal government for the fiscal year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as used in the governmental financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The School District elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FOOTNOTES

Fn1 – No separate funds or accounts maintained; the School District assumes first in first out for program money.
Fn2 – The value of commodities (revenues, expenses or inventory) are not displayed in the basic financial statements.
N/A – Not applicable/available.

STROM & ASSOCIATES, P.C.
Certified Public Accountants

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Billings, MT 59103

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, MT 59457

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 Lewistown School District No. 1 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lewistown School District No. 1's basic financial statements and have issued our report thereon dated December 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewistown School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lewistown School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Lewistown School District No. 1's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

Compliance and Other Matters

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

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.

Strom & Associates, P.C.

STROM & ASSOCIATES, PC
Billings, Montana
December 23, 2020

STROM & ASSOCIATES, P.C.
Certified Public Accountants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
Uniform Guidance

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, MT 59457

Report on Compliance for Each Major Federal Program

We have audited Lewistown School District No. 1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lewistown School District No. 1's major federal programs for the year ended June 30, 2020. Lewistown School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lewistown School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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 Lewistown School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Lewistown School District No. 1's, 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, 2020.

Report on Internal Control Over Compliance

Management of Lewistown School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lewistown School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 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 Lewistown School District No. 1's internal control over compliance.

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

Purpose of this Report

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

Strom & Associates, P.C.

STROM & ASSOCIATES, PC
Billings, Montana
December 23, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor, Strom & Associates, PC, has issued an unmodified opinion on Lewistown School District No. 1 (School District)'s financial statements as of and for the year ended June 30, 2020.

2. Our audit did not identify any material weaknesses relating to internal controls over financial reporting and its operation.

3. Our audit did not identify any significant deficiencies in internal controls over financial reporting and its operation.

4. Our audit did not identify any noncompliance which was material to the financial statements.

Federal Awards

5. Our audit did not identify any material weaknesses relating to internal controls over federal programs.

6. Our audit did not identify any significant deficiencies in internal controls over federal programs.

7. The auditor, Strom & Associates, PC, has issued an unmodified opinion on the School District's compliance with major federal awards programs as of and for the year ended June 30, 2020.

8. The audit disclosed no audit findings which are required to be reported under section 200.516 of Uniform Guidance.

9. The major program for the School District for the year ended June 30, 2020 was:

CFDA Number	**Name of Federal Program or Cluster**
84.010	Title I Grants to Local Education Agencies – Part A, Improving Basic Programs

10. The threshold used to distinguish between Type A and Type B programs was $750,000. The School District has no Type A programs.

11. This School District qualifies as a low risk audit client.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Prior year findings/status

There were no findings or recommendations in the prior audit period.

Current year findings

There were no findings or recommendations in the current audit period.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

The audit disclosed no findings or questioned costs relating to federal awards as defined in section 200.516 of Uniform Guidance in the prior audit report or for the fiscal year ended June 30, 2020.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date **Agenda Item No.**

01/11/2021 10

☐ **Minutes/Claims** ☐ **Board of Trustees** ☒ **Superintendent's Report** ☐ **Action - Consent**
☐ **Action - Indiv.**

ITEM TITLE: REPORT—ELECTION INFORMATION

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will report on the election calendar and procedures for 2021.

Attached are the Terms of Office Listing and the 2021 School Election Calendar.

Board members terms of office that are due to expire in 2021 include: CJ Bailey and Monte Weeden

SUGGESTED ACTION: Informational

☒ **Additional Information Attached** **Estimated cost/fund source** ____________

NOTES:

SCHOOL ELECTION CALENDAR 2021

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
No earlier than 145 days, or later that 40 days before	**Thursday, December 10 through Thursday, March 25**	**Trustee candidates file for election.** A Declaration of Intent and Oath of Candidacy must be filed with district clerk (regardless of who is running the election). **NO CANDIDATE MAY APPEAR ON THE BALLOT UNLESS THE CANDIDATE MEETS THIS DEADLINE.** *Candidate should be registered to vote at the time the Oath is filed.*	13-10-201 20-3-305
At least 70 days before	**Tuesday, February 23**	**Trustees call for an election.** The trustees must pass a resolution stating: 1) the date of the election; 2) the purpose of the election; 3) whether the election will be by mail or poll; 4) the voting locations and boundaries for each location, if there are multiple locations within a district (if changed from a previous school election the new locations must be specifically noted); and 5) the time the polls will open, if before noon. The trustees do NOT have to set levy amounts at this time; however, they must be set in time for the clerk to certify the ballot (not less than 30 days before the election). The resolution must be delivered to the county election administrator within 3 days of passage, but it need NOT be posted. The trustees must also appoint three election judges per precinct. • **Bond Elections** are subject to additional requirements (see 20-9-422, MCA). • **Request for a mail ballot election** must be sent from trustees to the election administrator. Exception: Even if no request is received, the election administrator could decide to request a mail ballot election.	13-19-202 13-19-203 20-9-422 20-20-201 20-20-203
At least 67 days before (within 3 days of passage of the election resolution)	**Friday, February 26**	**Last day to file resolutions for school election with county election administrator.** To assist with the provisions of late registration, include the name and best contact number for the district's election administrator with the resolution.	20-20-201(2)(a)
At least 60 days before	**Friday, March 5**	**Election administrator sends mail ballot election plan/timetable/sample instructions** to the Secretary of State's Office so that it is received by this deadline (e.g., fax, mail, or e-mail to SOS office (not post marked)). One plan must be submitted for each election. As soon as the plan (and any amendments are approved), forward a copy of the mail ballot plan to the county election administrator. Link to instructions: Mail Ballot Plan Timetable and Instructions	13-19-205
4 weeks preceding the close of regular registration	**Monday, March 8**	**Notice of close of regular registration.** The county election administrator publishes the notice of close of regular registration for school districts at least 3 times in the 4 weeks preceding the close of regular registration. Contact the county election administrator to coordinate that publication.	13-2-301
Not later than 5pm the day before ballot certification	**Thursday, April 1 (by 5 p.m.)**	**Last day trustee candidates may withdraw from the election.** Any candidate that has already filed for election, but wishes to withdraw their name, may do so by sending a statement of withdrawal to the election administrator.	20-3-305(3)(a)
Not later than 5pm the day before ballot certification	**Thursday, April 1 (by 5 p.m.)**	**Deadline for write-in candidate for a trustee position on a school board to file Declaration of Intent** (must be filed with the district clerk, regardless of who is running the election).	20-3-305(2)(b)
No later than the 30th day before	**Friday, April 2**	**Deadline to notify election judges of appointment.**	13-4-101

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not less than 30 days before	**Friday, April 2**	**Election administrator certifies ballot.** The election administrator prepares the final ballot form, listing all candidates and propositions to be voted upon. The ballot must then be delivered to the election administrator, if other than the clerk. *Trustees must pass a resolution stating exact levy amounts by this date for the clerk to certify the ballot.* This resolution must include the durational limit, if any, on the levy.	20-20-401 15-10-425
Not less than 30 days before	**Friday, April 2**	**Election by Acclamation and Cancellation of Election - Notice.** If the number of candidates filing a nomination petition or filing a declaration of intent to be a write-in candidate is equal to or less than the number of open trustee positions to be elected, the trustees may cancel the election. They must then give notice that a trustee election will not be held. The trustee election may not be declared by acclamation until all candidate filing deadlines have passed. **Send a copy to the county election administrator to aid with the provisions of late registration.** ***A trustee election held in single-member or trustee nominating district is considered a separate trustee election for declaring the election by acclamation.*	20-3-313
30 days before any election	**Monday, April 5**	**Close of regular voter registration.** Registration forms postmarked by this date and received within 3 days are accepted for regular registration. Late registration must be completed at the county election office.	13-2-301
Not more than 30 days before	**Monday, April 5**	**Contact your county election administrator** for the absentee ballot list.	13-13-212 20-20-312
Day after Close of Regular Registration	**Tuesday, April 6**	**Start of Late Registration.** Late voter registration starts and continues through the close of polls on election day, except that late registration is closed from noon to 5 pm on the day before the election. Late registration must be completed at the office of the county election administrator.	13-2-304
Not less than 10 days, or more than 40 days before	**Thursday March 25 Through Saturday, April 24**	**Notice of election is posted.** The election notice must be published in a newspaper of general circulation in the district, if available, posted in at least three public places in the district AND posted on the district's website for the 10 days prior to the election, if the district has an active website. Notice using any other recognized media may be used to supplement the posting. The notice must include: 1) the date and voting locations for the election; 2) voting location hours; 3) each proposition to be considered by the electorate; 4) the number of trustee positions, if any, subject to election and the length of the terms for those positions; 5) where and how absentee ballots may be obtained; and 6) where and how late registrants may obtain a ballot on election day. • If the polling place has changed from the previous school election, that change must be referred to in the notice. • If more than one proposition will be considered in the same district, each proposition must be set apart and identified, or placed in separate notices.	20-20-204
At least 20 days before	**Wednesday, April 14**	**Absentee ballots available.** The election administrator prepares ballots for absentee voters. Remember to enclose four things in the absentee package. ● The ballot (with stubs removed); ● Instructions for voting and returning the ballot; ● A secrecy envelope, free of marks that would identify the voter; and ● A self-addressed, return envelope with affirmation printed on the back.	13-13-214 20-20-401
Not before the 20th day nor later than the 15th day	**Wednesday, April 14 through Monday, April 19**	**Mail ballots mailed.** If mail ballot election is used, all ballots must be mailed on the same day (the day noted in the district's mail ballot plan), except that if an inactive elector reactivates after the ballots are mailed, the elector should be provided with or mailed a ballot. If the elector reactivates after noon on the day before election day, the elector must come in on election day to receive a ballot.	13-19-207

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not more than 10 days or less than 2 days before	**Saturday, April 24 through Sunday, May 2**	**Absentee/Mail Ballot Counting Notice.** Districts must publish in a newspaper of general circulation in the county a notice indicating the method that will be used for counting absentee/mail ballots and the place and time that the absentee/mail ballots will be counted on election day. *If the district publishes their notice of election **on the 10th day** prior to the election, in a newspaper of general circulation in the county, this information may be included in that notice.*	13-15-105
Day before (By Noon)	**Monday, May 3**	**Deadline for absentee ballot requests.** Voters who wish to vote absentee may request an absentee ballot in writing or in person until noon the day before the election.	13-13-211 13-13-214
Day before	**Monday, May 3**	**Deliver certified copy of the lists of registered electors.** Before the day of election, the county election administrator shall deliver a certified copy of the lists of registered electors for each voting location to the district. The district shall deliver them to the election judges prior to the opening of a voting location.	20-20-313
Day before (between noon and 5pm)	**Monday, May 3**	**Late registration closed.** Late registration is closed between noon and 5pm the day before the election. Electors may late register on election day at the office of the county election administrator.	13-2-304
Election Day 	**Tuesday, May 4**	**ELECTION DAY.** The election administrator must prepare the polling places, printed ballots, ensure election judges are present, and conduct a fair and unbiased election. **Notify election judges of the names of write-in candidates**	Title 13 20-20-105 20-20-401 20-20-411
No sooner than 3pm on the 6th day after the election	**Monday, May 10**	**The first date that provisional ballots may be counted.** Following the election, unresolved provisional ballots are sealed. These ballots may not be opened until after 3pm on the 6th day after election. The election judges convene, and a determination is made as to whether the ballots are counted. If there are provisional ballots in a school election, the canvass may not occur until after all provisional ballots are resolved.	13-15-107
Following receipt of the tally sheets from all polls and within 25 days after the election	**By Friday, May 28**	**Trustees canvass the votes, issue certificates of election, and publish results.** Trustees review the tally sheets compiled by the election judges to ascertain their accuracy. Recounts are ordered, if necessary. If tally is complete and accurate, trustees issue certificates of election to successful candidates. The canvassed results shall be published immediately in a newspaper that will give notice to the largest number of people in the district. *If the election was called by acclamation the trustees should still canvass results and issues certificates of election at this time.*	20-20-415 20-20-416
Within 5 days after the official canvass	**Monday, May 10 through Wednesday, June 2**	**Deadline for filing a petition for recount.** When a question submitted to a vote of the people is decided by a margin not exceeding ¼ of 1% of the total votes cast for and against the question, a petition for recount must be filed within 5 days after the official canvass.	13-16-201
Within 5 days of receipt of notice from the election administrator	**Monday, May 10 through Monday, June 7**	**Deadline for convening the School Recount Board.** When a tie vote has been certified to the election administrator or conditions have been met for filing a recount petition, the board shall convene at its usual meeting place to perform a recount. The recount must be completed within 5 days of receipt of official canvass or recount petition.	13-16-204 20-20-420
Within 25 days of election	**By Friday, May 28**	**Deadline for trustees to hold organizational meeting** to elect chair and appoint clerk.	20-3-321

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
June 1	**Tuesday, June 1**	**Deadline for trustees to request county election administrator to conduct school elections for next year.** The school district clerk/election administrator is designated the election administrator for school elections. However, the trustees of any district may request the county election administrator to become the election administrator for school elections. The request must be made by a resolution of the board of trustees. If the county accepts, then the county must perform all the duties the school clerk would have. The school district must assume all costs of the election.	20-20-417
Within 15 days after receipt of certificate of election	**By Friday, June 11**	**Candidate completes and files Oath of Office** with the County Superintendent. **Newly elected trustees may not be seated until the oath is filed. The issuance and the oath may be administered at the organizational meeting but must be completed within 15 days of issuance.* ***In the event of a recount, the deadline for a candidate to complete and file the oath is 15 days from receipt of the certificate of election.*	20-3-307 20-1-202 1-6-101

1-1-307, MCA. Postponement of day appointed for an action when it falls on a holiday or Saturday. Whenever any act of a secular nature, other than a work of necessity or mercy, is appointed by law or contract to be performed upon a particular day, which day falls upon a holiday or a Saturday, such act may be performed upon the next business day with the same effect as if it had been performed upon the day appointed.

If the deadline, as read in statute, is phrased "not later than…" the deadline does not move to a later date but an earlier one.

Additional References:
Sample forms can be found at this address: School Finance Election Webpage

Election Manual: School Election Handbook

MT Secretary of State's Office: Secretary of State's Election Webpage

NOTE: Candidates for trustee positions in (1) a first-class district located in a county with populations of 15,000 or more, OR (2) a county high school district with an enrollment of 2,000 or more are required to file a C-1-A Statement of Candidate within 5 days of becoming a candidate. For reporting dates and instructions contact the Montana Commissioner of Political Practices at: Commissioner of Political Practices Webpage.

LEWISTOWN PUBLIC SCHOOLS
ELECTION HISTORY

	ELEMENTARY									
	1997	1998	1999	2000	2001	2002		2003	2004	2005
AMOUNT	$268,571.05	$169,267.06	$165,301.94	$27,075.62	NONE	$29,997.63	$46,533.25	$15,336.91	$31,500.00	$98,000.00
MILLS	28.25	17.49	14.71	2.05			4.65	1.52		
FOR	560	569	497	510			786	661		
AGAINST	324	291	17	166			287	249		
PASS/FAIL	PASS	PASS	PASS	PASS		PASS	PASS	PASS	PASS	PASS
MAIL/POLL	POLL	POLL	POLL	POLL			POLL	POLL		
TYPE	GF LEVY	GF LEVY	GF LEVY	GF LEVY		TECH	GF LEVY	GF LEVY	TECH	BR LEVY (10YR)

	ELEMENTARY									
	2006	2007	2008	2009	SPRING 2010	FALL 2010	2011	2012	2013	2014
AMOUNT	$24,110.65	$77,903.95	NONE	$123,863.99	$111,435.00	$10,715,000.00	$211,108.25	NONE	NONE	$0.00
MILLS	2.09	7.23		10.88	9.48	???	17.49			0.00
FOR	703	689		478	958	1421	923			991
AGAINST	287	392		521	726	2143	1165			155
PASS/FAIL	PASS	PASS		FAIL	PASS	FAIL	FAIL			PASS
MAIL/POLL	POLL	POLL		POLL	POLL	MAIL	MAIL			POLL
TYPE	GF LEVY	GF LEVY		GF LEVY	GF LEVY	BOND	GF LEVY			BUS BARN LAND

	ELEMENTARY									
	2015		2016	2017	2018	2019	2020			
AMOUNT	$98,000.00	$79,449.41	$98,000.00	$68,606.20	NONE	$44,638.12	$51,646.08			
MILLS	8.33	6.58	8.17	5.54		3.46	3.82			
FOR	1126	1157	845	966		1295	1576			
AGAINST	1173	1146	542	703		1039	1052			
PASS/FAIL	FAIL	PASS	PASS	PASS		PASS	PASS			
MAIL/POLL	MAIL	MAIL	POLL	POLL		MAIL	MAIL			
TYPE	BR LEVY (10 YR)	GF LEVY	BR LEVY (10 YR)	GF LEVY		GF LEVY	GF LEVY			

	HIGH SCHOOL									
	1997	1998	1999	2000	2001	2002		2003	2004	2005
AMOUNT	$32,867.01	$107,066.90	$69,582.16	NONE	NONE	$51,165.05	$87,613.29	$55,318.87	$101.00	$98,000.00
MILLS	2.62	8.59	5.70				8.09	5.07	9.37	
FOR	696	673	517				758	641	514	
AGAINST	449	490	18				325	272	289	
PASS/FAIL	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
MAIL/POLL	POLL	POLL	POLL	POLL	POLL		POLL	POLL	POLL	
TYPE	GF LEVY	GF LEVY	GF LEVY	GF LEVY	GF LEVY	TECH	GF LEVY	GF LEVY	GF LEVY	BR LEVY (10YR)

	HIGH SCHOOL									
	2006	2007	2008	2009	SPRING 2010	FALL 2010	2011	2012	2013	2014
AMOUNT	$227,354.04	$28,399.56	NONE	$34,998.00	NONE	NONE	$137,765.21	NONE	$130,492.06	NONE
MILLS	19.93	2.44		2.85			10.58		9.68	
FOR	669	718		531			919		1486	
AGAINST	332	390		483			1201		1337	
PASS/FAIL	PASS	PASS		PASS			FAIL		PASS	
MAIL/POLL	POLL	POLL		POLL			MAIL		MAIL	
TYPE	GF LEVY	GF LEVY		GF LEVY			GF LEVY		GF LEVY	

	HIGH SCHOOL									
	2015	2016	2017	2018	2019	2020				
AMOUNT	$98,000.00	$98,000.00	NONE	NONE	NONE	$44,713.54				
MILLS	7.71	7.54				3.03				
FOR	1150	875				1589				
AGAINST	1256	593				1168				
PASS/FAIL	FAIL	PASS				PASS				
MAIL/POLL	MAIL	POLL				MAIL				
TYPE	BR LEVY (10 YR)	BR LEVY (10 YR)				GF LEVY				

AS OF DECEMBER 2020:

# ABSENTEE VOTERS IN ELEMENTARY DISTRICT	4149	72%
# POLL VOTERS IN THE ELEMENTARY DISTRICT	1605	28%
TOTAL # OF VOTERS IN ELEMENTARY DISTRICT	5754	
# ABSENTEE VOTERS IN THE HS DISTRICT	173	66%
# POLL VOTERS IN THE HS DISTRICT	88	34%
# OF VOTERS IN THE HS DISTRICT	261	

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD MEMBERS TERMS OF OFFICE

As currently exists, Board members terms of office are as follows:

	Expire 2021	Expire 2022	Expire 2023
SCHOOL DISTRICT #1	CJ Bailey Monte Weeden	Phillip R. Koterba Jennifer Thompson	Kris Birdwell Jeff Southworth Doreen Heintz

School District #1 One -- Two (2) Year Terms:

____________________ 3-year term (to expire in 2023)

____________________ 3-year term (to expire in 2023)

Declaration of Intents Filed for Nomination of School Board Trustee:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 11

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action – Consent** ☐ **Action – Indiv.**

ITEM TITLE: REPORT—BUDGET INFORMATION

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will report on Fiscal Year 2021-2022 budget projections along with a summary of OPI ESSER Funds and potential ESSER II Funds.

SUGGESTED ACTION: Informational

☒ **Additional Information Attached** **Estimated cost/fund source** __________

NOTES:

2021-2022 PRELIMINARY BUDGET PROJECTIONS
As of 1/11/2021

ELEMENTARY

Current Year (2020-2021) Budget	$6,743,983.89	
2021-2022 Projected Budgets	$6,742,375.61	without a vote
	$6,827,544.06	with a vote
FY21 Budget vs FY22 Budget	($1,608.28)	higher without a vote
	$83,560.17	higher with a vote
***Preliminary* Budget Shortfall**	($185,776.39)	without a vote
	($100,607.94)	with a vote

HIGH SCHOOL

Current Year (2020-2021) Budget	$3,270,188.03	
2021-2022 Projected Budgets	$3,283,730.47	without a vote
	$3,283,730.47	with a vote
FY21 Budget vs FY22 Budget	$13,542.44	lower without a vote
	$13,542.44	higher with a vote
***Preliminary* Budget Shortfall**	($151,391.53)	without a vote
	($151,391.53)	with a vote

Unknowns: LEGISLATURE, Health Insurance, Spring Enrollment, Retirements/Staff Resignations, Kindergarten Enrollment, SRSA Grant, Title I Funding

Federal Economic/Education Relief Bill: ESSER II *Potential* Amounts
Elementary - $785,413
High School - $265,683

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date	**Agenda Item No.**
01/11/2021	12

☐ **Minutes/Claims** ☐ **Board of Trustees** ☒ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: REPORT—INVESTMENT

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Interest earned and distributed for December 2020 was not available at the time of posting.

SUGGESTED ACTION: Informational

☐ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 13

☐ **Minutes/Claims** ☐ **Board of Trustees** ☒ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: REPORT ---SUPERINTENDENT

Requested By: Superintendent **Prepared By:** Thom Peck

SUMMARY:

Time is provided on the agenda for the Superintendent to discuss with the Board any calendar items, concerns, correspondence, future agenda items, and announcements.

- No School—Monday, January 18, 2021—Vacation Day
- K-6 "Flex Friday" dates: January 29, February 12, March 19, April 23, and May 14
- Two new Route Buses according to Bus Depreciation Schedule
- LED Project in the FCPA (intense install) and Halls
- "Freezin' for a Reason" Food Drive Plunge – January 12
- 2020 MHSA Annual Meeting – January 17-18, 2020 Virtual from Butte
- Booster Game Feed Fundraiser – Monday, January 20, 2020 @ Elks 6:00 p.m.
- OPI Data & Assessment Conference – January 28, 2021, Virtual from Helena
- Dibels, MAP. STAR Progress Monitoring Testing – January 11-15
- January 13-14 FHS Job Shadowing Interviews
- BPA Regionals at CMR Great Falls – January 18
- LJH Spelling Bee – January 20, 2:15 pm
- Principals Conference – January 25 & 26, 2021 Virtual from Helena
- Legislative Update
- Community COVID Team Update
- Home Athletic Games/Meets
  - BB v. Hardin – Friday, January 15
  - Frosh BB v. DGS – Monday, January 18, 5 pm
  - GBB v. Billings Central – Tuesday, January 19
  - BBB v. Huntley Project – Thursday, January 21
  - WR v. Frenchtown & Columbia Falls – FHS Event Center, January 22
  - WR v. Ronan & Corvallis – FHS Event Center, January 23
  - Divisional Speech, Debate & Drama – Virtual, January 22-23
  - BB v. Laurel – Friday, January 29
  - BB v. Park County – Saturday, January 30
  - State Speech, Debate & Drama – Virtual, January 29-30
  - GBB v. Hardin – Friday, February 5
  - GBB v. Custer County – Saturday, February 6

SUGGESTED ACTION: Informational

☐ **Additional Information Attached**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 14

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: RECOGNITION OF PARENTS, PATRONS, AND OTHERS WHO WISH TO ADDRESS THE BOARD ON NON-AGENDA ITEMS

Requested By: Superintendent **Prepared By:** ______

SUMMARY:

Time is provided on the agenda for anyone who wishes to address the Board.

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SUGGESTED ACTION: Informational

☐ **Additional Information Attached**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 15

☒ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: MINUTES

Requested By: Board of Trustees **Prepared By:** Rebekah Rhoades

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SUMMARY:

The following minutes are attached for your approval:

- Minutes of the December 14, 2020, Regular Board Meeting
- Minutes of the December 21, 2020 Special Board Meeting

SUGGESTED ACTION: Approve Minutes as Presented

☒ **Additional Information Attached** **Estimated cost/fund source**________________

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES

LINCOLN BOARD ROOM and Via Google Meet

215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, December 14, 2020

<u>REGULAR BOARD MEETING</u>

CALL TO ORDER (6:00 p.m.**)**

1. ROLL CALL

   TRUSTEES PRESENT:

   Kris Birdwell, Jennifer Thompson, Phil Koterba, Monte Weeden, Doreen Heintz, CJ Bailey

   TRUSTEES ABSENT:

   Jeff Southworth

   STAFF PRESENT:

   Superintendent Thom Peck, Business Manager/District Clerk Rebekah Rhoades, Luke Brandon, Polly Weichel, Tim Majerus and various others via Google Meet.

   OTHERS PRESENT:

   Heidi Weber – KXLO Radio, Cooper Birdwell – Student Representative and other interested parties, including via Google Meet.

2. PLEDGE OF ALLEGIANCE
3. MOTION TO SET AGENDA – Approved Unanimously (Birdwell/Weeden)
4. Presentation – LJHS and FHS A/B Schedule

   Jeff Friesen, LJHS Principal, and Tim Majerus, FHS Principal, presented information about the A/B Schedule in their schools, how it is working, both the positive and negative. Both the JHS and FHS staff attended a recent professional development to assist with the social/emotional impacts of the pandemic. In order to return to full in person learning, the Health District and Task Force will be a part of the decision.

5. Report—Student Representative

   Cooper Birdwell, Student Representative to the Board, was not in attendance at the meeting.

6. Report – LEA

   Luke Brandon, President of the Lewistown Education Association (LEA) updated the Board of Trustees on the activities and happenings for their organization. The LEA has met recently to discuss Covid and the impact on the duties they have. Mr. Brandon also requested that the Board offer a retirement incentive this year.

   Polly Weichel presented their request for a K-12 stipend due to increased workload and, for K-6 only, one Friday a month additional PIR Days due to Covid. Luke Brandon added that a survey was given to teachers and results were shared with Mr. Peck. They requested that this be added to the January Board Meeting as an action item.

7. Report—Committees of the Board

   The Activities Committee Met on Thursday, December 3rd at 7:00am to discuss the upcoming winter sports season.

The calendar committee will need to begin meeting in January.

An interim Certified Salary Matrix Committee will need to meet to discuss and a Board member will need to volunteer at a following meeting.

8. Calendar Items, Concerns, Correspondence, Etc.
   Mr. Peck handed out various correspondence to the Board as outlined on the agenda.
9. Report—Election Information
   Rebekah Rhoades, Business Manager/District Clerk, presented to the Board the 2021 School Election Calendar and advised them of the Trustee seats that will be up for election in 2021 – Monte Weeden and CJ Bailey.
10. Report—Budget
    Rebekah Rhoades, Business Manager/District Clerk, presented to the Board information regarding the 2022 Budget and remaining Coronavirus Relief Funds (CRF) and Elementary and Secondary School Emergency Relief Fund (ESSER) Funds.
11. Report—Investment
    Interest earned and distributed for October was $2,379.26 for the Elementary and $2,163.08 for the High School for a total of $4,542.34.

    Interest earned and distributed for November was $2,082.52 for the Elementary and $2,042.80 for the High School for a total of $4,125.32.
12. Report—Superintendent
    Superintendent Thom Peck stated that Dawson Community College hired a local representative to work out of the Central Montana Education Building. Hometown Hero's, a local organization, has hung banners and given lunches to staff in the School District and Hospital during the pandemic. Scott Chavet resigned as the Workforce Coordinator and the Adult Ed money levied for this year will be refunded to the District. Mr. Peck updated the Board on Maintenance throughout the District and the new lead testing required by the State. The new district-wide phone system has been installed and will assist the district with safety protocols. Chromebooks arrived and are being distributed to the schools. Mr. Peck spoke about the COVID Team Town Hall/Community Forum that took place on Tuesday, December 8th. Mr. Peck updated the Board on various events taking place in the District.
13. Recognition of Parents, Patrons, and Others Who Wish to Address the Board
    There was no public participation.

ACTION ITEMS

MINUTES

14. Minutes of the November 9, 2020, Regular Board Meeting
    – Approved unanimously (Weeden/Thompson)

APPROVAL OF CLAIMS

15. Claims -- Approved unanimously (Birdwell/Weeden)
    Claims Committee for October through December 2020 is Board Chair Phil Koterba, Kris Birdwell, Jeff Southworth, and Monte Weeden. The new Claims Committee for January through March 2021 will be Board Chair Phil Koterba, CJ Bailey, Doreen Heintz, Jennifer Thompson.

INDIVIDUAL ITEMS

16. Approve First Reading of Policy 1910 – COVID-19 Emergency Measures Personnel Use of Leave – Approved Unanimously (Birdwell/Weeden)
17. Approve Memorandum of Understanding with Lewistown Education Association – Approved unanimously (Weeden/Birdwell)
18. Approve MTSBA FY22 Dues Revenue Estimate – Approved Unanimously (Bailey/Thompson)
19. Approve Notice of Resolution of Intent to Sell/Dispose of Surplus Property –

Approved Unanimously (Weeden/Bailey)

20. Approve Out-Of-District Student Attendance Agreement Request for Placement Inside/Outside of the Lewistown Public Schools – Approved Unanimously (Birdwell/Weeden)
21. Approve Additions to the Substitute List for the 2020-2021 School Year – Birdwell Abstain - Approved 5 voting in favor, 0 against (Thompson/Weeden)
22. Approve Personnel Report – See Exhibit A – Approved unanimously (Bailey/Thompson)

EXECUTIVE SESSION

23. Board Chair Phil Koterba called for an Executive Session at 7:15 p.m. to conduct the Superintendent's evaluation stating that the individual's right to privacy clearly exceeds the public's right to know.

ADJOURNMENT

The meeting was adjourned at 8:27 p.m (Thompson). The next regular meeting will be held at 6:00 p.m. on Monday, January 11, 2021, at the Lincoln Board Room.

PHILLIP R. KOTERBA	**REBEKAH RHOADES**
BOARD CHAIR	**BUSINESS MANAGER/CLERK**

EXHIBIT 'A'
LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday December 14, 2020

EMPLOYEE NAME	*POSITION*	*LOCATION*	*RECOMMENDED ACTION*	*EFFECTIVE DATE*	*RECOMMENDED BY*	*COMMENTS*
AUGER, Chase	Ski Club Advisor	Fergus High School	Approve appointment on schedule---(0.015 x $34,748.00) $521.22	11/30/2020	Tim Majerus	
BRANDON, Luke	Ski Club Advisor	Fergus High School	Accept verbal resignation	11/18/2020	Tim Majerus	
FELLER, Vic	Football Coach	Fergus High School	Accept letter of resignation	12/7/2020	Paul Bartos	See attached letter
OLDENBURG, Diane	HISET Chief Examiner	Education Center	Accept letter of resignation	12/31/2020	Thom Peck	See attached letter
PAULSON, Donna	Second Cook	Central Kitchen	Accept letter of resignation	12/31/2020	Amie Friesen	See attached letter
PFAU, Jennifer	Cheer Coach	Fergus High School	Accept letter of resignation	11/18/2020	Paul Bartos	See attached letter
PIERCE, Lisa	Assistant Cheer Coach	Fergus High School	Accept letter of resignation	11/18/2020	Paul Bartos	See attached letter
RAMMELT, Tanna	Second Cook	Central Kitchen	Approve appointment on schedule--SECOND COOK/BAKER, Step 1 for up to 8 hours per day for up to 100 days	1/4/2021	Amie Friesen	Replacing Donna Paulson
RECOMMENDATIONS FOR FALL ATHLETICS 2020-2021	COACHING ASSIGNMENTS	Fergus High School	Approve appointment on schedule as recommended	12/14/2020	Paul Barton/Tim Majerus	**See attached list**
THOMAS, Jonathan	Maintenance II	Covid Custodian - All Schools	Approve appointment on schedule --MAINTEANCE II for up to 8 hours per day for up to 183 days	12/15/2020	Jason Fry	New COVID Position

LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday December 14, 2020

EMPLOYEE NAME	*POSITION*	*LOCATION*	*RECOMMENDED ACTION*	*EFFECTIVE DATE*	*RECOMMENDED BY*	*COMMENTS*
WALKER, Paula	Hi-Set Examiner	Central Montana Education Center	Approve appointment on schedule---HI SET EXAMINER for up to 312 hours per year for at $20.00 per hour	1/1/2021	Rebekah Rhoades	Replacing Diane Oldenburg
YERMAN, Mary Lou	Volunteer - Reading in Classroom	Elementary Schools	RSVP America Reads	12/15/2020	Matthew Ventresca	

MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES

Lincoln Board Room and via Google Meet
215 Seventh Avenue South
Lewistown, Montana 59457

Monday, December 21, 2020

SPECIAL BOARD MEETING

CALL TO ORDER (6:00 P.M.)

1. ROLL CALL
   TRUSTEES PRESENT:
   Board Chair Phil Koterba, Doreen Heintz, Jennifer Thompson, Kris Birdwell, CJ Bailey, Jeff Southworth, Monte Weeden
   TRUSTEES ABSENT:

   STAFF PRESENT:
   Superintendent Thom Peck, Business Manager Rebekah Rhoades, Luke Brandon, Amanda Gee, Megan Hicks and others in person and via Google Meet
   OTHERS PRESENT:
   Heidi Weber – KXLO Radio and others in person and via Google Meet
2. PLEDGE OF ALLEGIANCE
   The group recited the Pledge of Allegiance.

DISCUSSION

3. RETIREMENT INCENTIVE DISCUSSION
   Luke Brandon presented the LEA's recommendation for a tiered retirement incentive based on years of service with the District and allowing for a lump sum payout option. The Board of Trustees discussed the possibility of an incentive.

4. CERTIFIED STIPEND AND ADDITIONAL PLANNING DAYS
   The Board of Trustees discussed the request from LEA to offer a one-time certified stipend of $1250 per teacher K-12. Luke Brandon stated that there is additional time worked and extra duties. Amanda Bateman shared that the teachers are now required to do more lunch duties, recess duties, and are required to stay late because of the lack of prep time and that the additional 5 K-6 Friday's without students would be used for planning.

   Rebekah Rhoades was asked to explain the funding remaining through the ESSER Grant.

   Discussion by the Board ensued and Mr. Brandon mentioned that a survey was sent out to Certified Staff that can be shared with the Board. Trustee Bailey shared his concern that determining who is putting in the extra hours may be difficult and that classified staff may also feel left out.

Mr. Brandon took time to explain the additional 5 Planning/Work days (1 Friday per month) for K-6 that are being requested. Those days would be used for work catch up, planning, meeting with kids that are struggling, IEP Meetings, etc. Megan Hicks stated that they normally have weekly planning meetings, but the planning is doubled due to online and in person learning prep.

PUBLIC PARTICIPATION

5. RECOGNITION OF PARENTS, PATRONS, AND OTHERS WHO WISH TO ADDRESS THE BOARD

   There was no public participation.

BOARD OF TRUSTEES

ACTION ITEMS

6. Approve Second Reading of Policy 1910 – COVID-19 Emergency Measure Personnel Use of Leave – Approved Unanimously (Bailey/Weeden)

EXECUTIVE SESSION

7. Board Chair Phil Koterba called for an Executive Session at 6:35 p.m. to conduct the Superintendent's evaluation stating that the individual's right to privacy clearly exceeds the public's right to know.

ADJOURNMENT

The meeting was adjourned at 8:21 p.m. (Thompson – unanimous).

PHILLIP KOTERBA **BOARD CHAIR**	**REBEKAH RHOADES** **BUSINESS MANAGER**

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date | **Agenda Item No.**

01/11/2021 | 16

☒ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☐ **Action - Indiv.**

ITEM TITLE: CLAIMS

Requested By: Board of Trustees **Prepared By:** LuAnn Schrauth

SUMMARY:

Approve claims paid through January 8, 2021, as approved by the Finance Committee.

Members of the Finance Committee for January-March 2021 include: Board Chair Phil Koterba, CJ Bailey, Doreen Heintz and Jennifer Thompson.

SUGGESTED ACTION: Approve Claims as Presented

☐ **Additional Information Attached** **Estimated cost/fund source** ______

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 17

☐ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: APPROVE SUPERINTENDENT CONTRACT

Requested By: Board of Trustees **Prepared By:** Thom Peck

SUMMARY:

SUGGESTED ACTION:

☒ **Additional Information Attached** **Estimated cost/fund source** ____

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

SUPERINTENDENT EMPLOYMENT CONTRACT
LEWISTOWN SCHOOL DISTRICT

THIS AGREEMENT, is made and entered into by and between the Board of Trustees (the "Board") of Lewistown School District (the "District") and Thom Peck (the "Superintendent").

1. Term. The Board, by and on behalf of the District, employs the Superintendent, and the Superintendent accepts employment as District Superintendent for the District for a term of one year from July 1, 2021, to June 30, 2022.

2. Record of Authorization for Contract. This contract was approved by the Board at a properly noticed regular board meeting dated January 11, 2021. Such approval shall be reflected in the official minutes of such meeting, which shall be available for review by the public upon request.

3. Renewal. This Contract, together with the salary agreed to herein, shall be reviewed on or before February 1 in the final year of the contract for consideration of renewal for an additional term of 1 or 2 years, at which time the Board shall make a determination to extend or not to extend the Contract. Should this Contract be renewed by the Board, the salary as stated herein shall be determined in accordance with section 8.

4. Duties. The Superintendent is the chief executive officer of the District and shall perform the duties of District Superintendent for the District as prescribed in the job description and as may be assigned by the Board. The Superintendent shall comply with legal Board directives, § 20-4-402, MCA, and other applicable state and federal law, District policies as they exist or may hereafter be adopted or amended, which are incorporated in and made a part of this Contract as though fully set forth herein, except to the extent that any district policy directly conflicts with a specific provision of this contract, in which case, the contract language shall control. The Superintendent shall perform the duties of the Superintendent of schools for the District with reasonable care, skill, and expertise, and in a thorough, prompt, and efficient manner. The Superintendent agrees to devote his time and energy to the performance of these duties in a competent manner.

5. Professional Activities. The Superintendent may attend and participate in appropriate professional meetings at the local, state and national levels with the reasonable expenses for such attendance to be borne by the District, including membership fees and dues of the Superintendent in such organization. "Appropriate" and "reasonable" shall include those meetings and expenses incorporated into the budget or otherwise pre-approved by the Board. The Board encourages the Superintendent to attend at least one, but not limited to one, national conference through the duration of this contract.

6. Professional Certification and Records. This Agreement is conditioned on the Superintendent's providing the necessary certification and experience records and other records required for the personnel files or for payroll purposes. Failure to provide necessary certification shall render this Agreement void. Any material misrepresentation may be grounds for dismissal. The term “material” as used herein means any misrepresentation other than minor or insignificant deviation(s)s that would not have a bearing on the veracity of the Superintendent or the decision of Board to extend an offer of employment to the Superintendent.

7. Reassignment. The Superintendent shall not be reassigned from the position of Superintendent to another position during the term of the Contract without the mutual written consent of the parties. Reassignment shall not be construed, however, as including the assignment of additional administrative duties as part of a reduction in the number of administrators in the district. In the event that additional duties and responsibilities are required of the Superintendent beyond those anticipated by the parties at the time of execution of this Agreement, the salary of the Superintendent may be renegotiated commensurate with said additional duties and responsibilities.

8. Compensation. For fiscal year 2021-2022, the Board agrees to pay the Superintendent for Superintendent’s services an annual salary of One Hundred Eleven Thousand Three Hundred Dollars and no cents ($111,300.00), paid in equal monthly installments unless otherwise agreed to by the parties. The salary referenced in this section shall be paid on the basis of a Two Hundred and Sixty (260) day Contract, with a corresponding daily rate of pay of Four Hundred Dollars and eight cents ($428.08).

9. Salary Adjustment. The Board shall review the Superintendent’s salary on an annual basis in conjunction with the evaluation of performance referenced in section 10, and in its discretion increase the salary.

10. Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each school year, prior to January 31.

11. Holidays. The Superintendent is entitled to days off with pay on those holidays specified in section 20-1-305, MCA, subject to the provisions of that section.

12. Vacation Leave and Accrual. The Superintendent is entitled to vacation leave benefits and subject to the cap on accumulation of annual vacation leave under Title 2, Chapter 18, Part 6, MCA. The Superintendent shall inform the Clerk in advance of use of vacation leave or any absences from the District up to five (5) days. The Superintendent shall inform the Board Chair in advance of use of vacation leave or any absences from the District beyond five (5) days. Vacation days taken by the Superintendent shall be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Agreement.

13. Personal Leave. The Superintendent shall be entitled to five (5) days of personal leave per Contract year.

The personal leave days shall not accumulate or carryover, nor shall they be subject to cash payout upon retirement, resignation, or Contract termination.

14. Sick Leave and Accrual. The Superintendent is entitled to the sick leave benefits under Title 2, Chapter 18, Part 6, MCA. The Superintendent shall inform the clerk in advance of use of sick leave, if practical, from the District up to five (5) days. The Superintendent shall inform the board chair in advance of use of sick leave, if practical, from the District beyond five (5) days. The Superintendent shall promptly report all absences due to sick leave to the clerk.

15. Professional Dues. The Board shall pay the Association dues of the Superintendent for the American Association of School Administrators, the School Administrators of Montana, and the SAM Region in which the School District is located, as well as other appropriate affiliations, and civic and social memberships as approved by the Board.

16. Travel Reimbursement. The Board shall reimburse the Superintendent for use of his automobile in conducting business on behalf of the District in accordance with section 2-18-503, MCA.

17. Medical Insurance. The District will pay the full premium for a comprehensive family medical/dental insurance program equivalent to the District's insurance program currently in effect.

18. Consultation Activities. The Superintendent shall be permitted to undertake writing, teaching, speaking engagements and personal investment activities, provided these activities are not deemed by the Trustees to be in conflict with the performance of the Superintendent's duties for the School District. Any consulting work undertaken by the Superintendent for compensation, must be accomplished on the

Superintendent's annual leave days, holidays or other non-duty days and/or at times that are considered non-business hours.

19. Professional Liability. The Board shall provide for the immunization, defense, and indemnification of the Superintendent as provided in section 2-9-305, MCA.

20. Termination by Mutual Agreement. This Contract may be terminated by mutual agreement of the Superintendent and the Board in writing upon such terms and conditions as may be mutually agreed.

21. Retirement, Death, Disability. This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement. “Retirement” shall mean cessation of services in all states as a superintendent or other administrator in a position requiring certification. If the Superintendent becomes unable to perform the essential functions of the job with reasonable accommodation by the District for a period of time in excess of the Superintendent’s accrued vacation and sick leave, this agreement may be terminated.

22. Dismissal for Cause. The Board may dismiss the Superintendent during the term of this Contract for good cause following a hearing before the Board. The Superintendent is entitled to all protections governing dismissal proceedings granted by Montana and federal law. The costs of any legal representation secured by the Superintendent for counsel during dismissal proceedings shall be paid by the Superintendent.

23. Controlling Law. This Contract will be governed by the laws of the state of Montana.

24. Complete Agreement. This Contract embodies the complete agreement of the parties hereto, superseding all oral and written previous and contemporary agreements between the parties. No alteration or modification of this Contract shall be valid unless evidenced by a writing signed by the parties to this Contract.

25. Savings Clause. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

26. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including any change of membership of the Board.

27. Notices. All notices, consents, request, instructions approvals or other communications provided for herein shall be in writing and delivered by personal delivery or regular U.S. mail, return receipt requested, to the last known address of the party being provided such notice.

28. Acceptance. This offer shall expire unless signed and returned to the Board or its authorized representative by 5:00 p.m., the 31st day of January, 2021.

LEWISTOWN SCHOOL DISTRICT

__________________________________ ______________
BOARD OF TRUSTEES CHAIR DATE

__________________________________ ______________
DISTRICT SUPERINTENDENT DATE

__________________________________ ______________
DISTRICT CLERK DATE

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 18

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: APPROVE ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING WITH LEWISTOWN EDUCATION ASSOCIATION ALLOWING A ONE-TIME ADDITIONAL WORK DUTY COMPENSATION OF $500

Requested By: Board of Trustees **Prepared By:** **Thom Peck**

SUMMARY:

The Board of Trustees needs to approve the following Addendum to the Memorandum of Understanding with the Lewistown Education Association allowing one-time additional work duty compensation of $500 to be paid on January 29, 2021.

Information highlighted refers to the additions.

SUGGESTED ACTION: Approve Addendum to the Memorandum of Understanding – Lewistown Education Association

☒ **Additional Information Attached**

NOTES:

Board Action	Motion	Second	Aye	Nay	Abstain	Other
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

K-12 Certified Bargaining Unit
MEMORANDUM OF AGREEMENT BETWEEN
LEWISTOWN SCHOOL DISTRICT #1 ("District")
AND THE
LEWISTOWN EDUCATION ASSOCIATION ("Association")

Given the extraordinary circumstances and challenges presented by the COVID-19 pandemic, the District and Association are entering into this Memorandum of Agreement (MOA), pursuant to which the parties agree as follows:

1. Term of Agreement: This MOA shall take effect immediately upon the signature of both parties below, and shall remain in effect until March 31, 2020, unless revoked earlier by joint written agreement of the parties. Upon expiration of the term of the agreement, or upon joint written revocation by the parties, this MOA shall be of no further force and effect, and shall be removed from the CBA in the event that it has been attached thereto.

2. Effect on CBA and Conditions of Employment: During the term of this MOA, this MOA modifies only those working conditions addressed herein. All provisions of the bargaining agreement not modified herein shall remain in full force and effect.

3. Health and Safety Plan: In accordance with the Governor's School Reopening Guidelines and/or the District's policies and procedures, the District will provide training on the district's health and safety plan. Any/all training outside the adopted school year calendar will be compensated at the teachers' daily pay rate.

4. The Worksite: The District and all teachers shall follow CDC recommendations and comply with all state and county health directives for maintaining workplace safety and the safety of students (e.g., social distancing, etc.) as set forth in District policy or procedure. The District shall provide Personal Protective Equipment (PPE) necessary to conform to CDC guidelines, adequate cleaning supplies, including cleaning solutions that are shown to kill the virus, hand soap, and if available, hand sanitizer.

5. The Workday: A teacher's workday shall be of a similar length to that which is considered a normal duty day for that teacher and prorated for those working part time.

6. Compensation and Benefits: The District shall compensate and shall also maintain all health and other benefits for all teachers performing designated job duties through teleworking approved by the District, as if those teachers are on site attending to their normal and regular duties.

7. Leave:

A. Teachers satisfying any of the below conditions who are unable to perform their regular teaching duties remotely may, at the discretion of the District, be temporarily assigned to other duties which may be performed remotely.

(a) Is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;

(b) Has been advised by a health care provider to self-quarantine related to COVID-19;

(c) Is experiencing COVID-19 symptoms and is seeking a medical diagnosis;

(d) Is caring for an individual subject to an order described in (a) or self-quarantine as described in (b); or

(e) Has been advised by a health care provider to work from home because they are at higher than normal risk for contracting COVID-19 due to age or an underlying medical condition;

The District shall be entitled to request medical documentation of any of the above circumstances. Approved leave taken for any reason other than the above circumstances shall be deducted from the appropriate type of leave accrued by the bargaining unit member.

Teachers who are unable to perform their regular teaching duties remotely and to whom the District does not assign alternate duties shall be provided paid leave in accordance with terms previously established by the Families First Coronavirus Response Act (FFCRA). An additional 5 days (not to exceed 40 hours) of paid leave through the FFCRA shall be granted to Teachers that meet the criteria laid out in section 7a through 7e. Teachers will also have access to any and all accrued sick or other leave provided under the applicable Collective Bargaining Agreement in no less 0.33 day increments, pertaining to condition 7(d) above.

B. A teacher whose child's school or childcare provider is closed or unavailable for reasons related to COVID-19 and is unable to obtain alternative childcare may, at the discretion of the District, be entitled to work remotely. Teachers satisfying the above conditions who are unable to perform their regular teaching duties remotely may, at the discretion of the District, be temporarily assigned to other duties which may be performed remotely.

Teachers who are unable to perform their regular teaching duties remotely and to whom the District does not assign alternate duties shall be provided paid leave in accordance with terms previously established by the Families First Coronavirus Response Act (FFCRA). Teachers will also have access to any and all accrued sick or other leave provided under the applicable Collective Bargaining Agreement in no less than 0.33 day increments for the reasons in this section.

The District shall be entitled to request documentation of any of the above circumstances. Approved leave taken for any reason other than the above circumstances shall be deducted from the appropriate type of leave accrued by the bargaining unit member.

C. This section reflects the parties' agreement that the District will continue to offer the same two categories of leave addressed in the FFCRA under the same conditions, restraints, and qualifications set forth in the FFCRA, until expiration of the term of this agreement, or until such time as the FFCRA is renewed or similar legislation providing for COVID-related leave is enacted, whichever occurs first. Teachers that have already exhausted all or portions of the FFCRA leave options under the previous Agreement will not be entitled to access to additional leave created by this paragraph. Should successor legislation be enacted prior to the expiration of this Agreement, the parties agree the leave provisions of the MOA will be superseded by that successor legislation and the provision will be considered void.

D. Any teacher who falls under one or more of the circumstances set forth in A or B above and exhausts all FFCRA leave, the additional 5 days (not to exceed 40 hours) of District Emergency Sick Leave, and accrued paid leave shall have access to a sick leave bank established through the collective bargaining agreement, District policy.

8. Performance of Duties:

A. Any teacher working remotely due to quarantine, providing childcare for his/her children, caring for a member of the teacher's family, or if the teacher is at higher than normal risk of contracting COVID-19 due to age or underlying medical condition(s) (such as heart disease, lung disease, or diabetes), shall stay in contact with their immediate supervisor during this period of time through email and phone.

B. Whether working remotely or on site and adhering to the workday language in section 2 above, bargaining unit members are expected to work cooperatively with their grade level and/or department members to create materials for students. Teachers may be asked to plan for and implement ongoing on-line or other digital learning and services for their students. Additionally, teachers shall work with the District to maintain connectivity to students and parents from a remote work location or from their classrooms.

9. Extra-duty/Extra-Curricular: The District and teachers holding Extra Curricular contracts will determine the number of weeks for each extracurricular activity from the starting date to the conclusion of the duty. Salaries assigned to these positions will be divided by the number of weeks determined and teachers will be paid for each week of the activity during which job duties are performed at the end of that particular activity season. If the District or any local, state or federal official determines the extra-curricular activity must stop, the District may stop paying the extra-curricular salary attached to that/those positions.

For Co-Curricular Activities, i.e. FFA, BPA, FCCLA, Science Olympiad, etc. stipends will be prorated according the number of pupil instruction days or 179 days in the 2020-21 school calendar in the case of any activity event cancelations.

The parties agree that in the event a season is cancelled and the employee has received compensation that exceeds that amount owed for number of days worked, the parties will implement a repayment plan for the employee to return any amount of overpayment.

10. Making up lost instructional time: The District shall follow state and federal guidelines for waivers related to COVID-19. Should the State of Montana direct school closures and/or that the District make up student instructional time, the parties shall bargain over such changes to the school calendar and/or workday.

11. State and Federal laws: All state and federal laws, rules and regulations shall apply during this time unless specifically waived by the governing authority.

12. Precedent: This Agreement shall not be used as precedent or cited as practice by either the Board or the Association in any proceeding whatsoever except to enforce the terms of this Memorandum of Agreement.

THIS AGREEMENT is signed and dated this ________day of ________________________ 2020.

FOR THE LEWISTOWN SCHOOL DISTRICT #1:

____________________________________ ____________________________________

Board Chair Superintendent

FOR THE LEWISTOWN EDUCATION ASSOCIATION:

____

President

K-12 Certified Bargaining Unit
MEMORANDUM OF AGREEMENT BETWEEN
LEWISTOWN SCHOOL DISTRICT #1 ("District")
AND THE
LEWISTOWN EDUCATION ASSOCIATION ("Association")

ADDENDUM

SECTION #6 – COMPENSATION AND BENEFITS

The School District will provide a one-time payment of $500.00 to full-time employees who performed work outside the duty day during the COVID-19 Pandemic. This compensation is provided in compliance with the guidance provided by the United States Department of the Treasury on October 19, 2020, the Montana Office of Public Instruction and interpretation issued by the Governor's Budget Office on December 10, 2020, regarding the use of Federal Funds and staff performing work due to disruptions, quarantines and closures related to COVID-19.

This figure represents pay for work performed outside the duty day and has been calculated based on the unique additional duties completed by staff to prepare for, respond to, and mitigate the effects of COVID-19 on the School District during the current school fiscal year from July 1, 2020, through December 30, 2020. The additional duties that were performed outside the duty day defined in the school calendar, position description, and Collective Bargaining Agreement included but are not limited to: coordinating with colleagues and public health officials to implement COVID-19 mitigation and response protocols; redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the employees' ordinary responsibilities; cleaning and disinfecting classroom and common areas; securing and using personal protective equipment during the delivery of onsite or offsite instruction and related services; assisting students, parents, and the public with use of personal protective equipment; and meeting with students, parents, and public to assist in district operations and onsite or offsite instruction.

All of these additional duties were established and assigned to the employees based on School District policy, reopening plan, administrative procedure, collective bargaining agreement/memoranda of understanding, or public health guidelines adopted in response to the COVID-19 public health emergency. The employees agreed to complete these duties as part of their employment with the School District. The additional duties completed by the employees created an additional expense for the School District to maintain School District operations and student services during the COVID-19 public health emergency.

This compensation will be subject to all applicable payroll withholding. This compensation is provided to the employees who completed the additional duties and is not intended to be provided across-the-board to all employees. This compensation is not a bonus or a stipend. This compensation is not overtime as certified staff are exempt employees and are not eligible for overtime. The expenses related to these additional duties were not budgeted by the School District as of March 27, 2020.

This compensation will not be included in the calculation of the same salary guarantee for tenured employees for subsequent school years in accordance with Section 20-4-203, MCA.

THIS ADDENDUM is signed and dated this ________day of ________________________ 2021.

FOR THE LEWISTOWN SCHOOL DISTRICT #1:

____________________________________ ____________________________________

Board Chair Superintendent

FOR THE LEWISTOWN EDUCATION ASSOCIATION:

____

President

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 19

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: APPROVE A ONE-TIME ADDITIONAL WORK DUTY COMPENSATION OF $500 FOR CLASSIFIED AND CERTIFIED ADMINISTRATORS

Requested By: Board of Trustees **Prepared By:** **Thom Peck**

SUMMARY:

The Board of Trustees needs to approve a one-time additional work duty compensation of $500 for classified and certified administrators to be paid on January 29, 2021.

SUGGESTED ACTION: Approve a one-time additional work duty compensation of $500 for classified and certified administrators.

☒ **Additional Information Attached**

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

MEMORANDUM

December 11, 2020

TO: **Certified and Classified Administrators**

FROM: **Phillip Koterba, Board Chair**

Thom Peck, Superintendent

RE: **Pay for Work Performed Outside the Duty Day**

The School District will provide a one-time payment of $500.00 to full-time Classified and Certified Administrators who performed work outside the duty day during the COVID-19 public health emergency. The compensation is provided in compliance with the guidance provided by the United States Department of the Treasury on October 19, 2020, the Montana Office of Public Instruction and interpretation issued by the Governor's Budget Office on December 10, 2020, regarding the use of Federal Funds and staff performing work due to disruptions, quarantines and closures related to COVID-19.

This figure represents pay for work performed outside the duty day and has been calculated based on the unique additional duties completed by staff to prepare for, respond to, and mitigate the effects of COVID-19 on the School District during the current school fiscal year from July 1, 2020, through June 30, 2020. The additional duties that were performed outside the duty day defined in the school calendar and position description included but are not limited to: coordinating with colleagues and public health officials to implement COVID-19 mitigation and response protocols; redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the employees' ordinary responsibilities; cleaning and disinfecting classroom and common areas; securing and using personal protective equipment during the delivery of onsite or offsite instruction and related services; assisting students, parents, and the public with use of personal protective equipment; and meeting with students, parents, and public to assist in district operations and onsite or offsite instruction.

All of these additional duties were established and assigned to the employees based on School District policy, reopening plan, administrative procedure, or public health guidelines adopted in response to the COVID-19 public health emergency. The employees agreed to complete these duties as part of their employment with the School District. The additional duties completed by the employees created an additional expense for the School District to maintain School District operations and student services during the COVID-19 public health emergency.

This compensation will be subject to all applicable payroll withholding. This compensation is provided to the employees who completed the additional duties and is not intended to be provided across-the-board to all employees. This compensation is not a bonus or a stipend. This compensation is not overtime for Classified and Certified Administrative staff as they are exempt employees and are not eligible for overtime. The compensation addresses the unique additional duties beyond the duty day related to preparing for, responding to, and mitigating the effects of COVID-19 in accordance with guidance regarding use of the Coronavirus Relief Fund and Elementary & Secondary School Emergency Relief Fund. The expenses related to these additional duties were not budgeted by the School District as of March 27, 2020.

All state and federal laws, rules, regulations, and accompanying guidance shall apply to this Agreement unless specifically waived by the governing authority. This Agreement is intended to comply with the guidance provided by the United States Department of the Treasury on October 19, 2020, the Montana Office of Public Instruction and interpretation issued by the Governor's Budget Office on December 10, 2020, regarding the use of Federal Funds and staff performing work due to disruptions, quarantines and closures related to COVID-19.

This compensation shall not be used as precedent or cited as practice by any person or affect District operations on future matters. This compensation will not be included in the calculation of the same salary guarantee for tenured employees for subsequent school years in accordance with Section 20-4-203, MCA.

SIGNED AND DATED this ________day of _________________________ 2020.

FOR THE _________ SCHOOL DISTRICT:

_____________________________________ _____________________________________

Board Chair Superintendent

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date: 01/11/2021

Agenda Item No.: 20

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: APPROVE A ONE-TIME BONUS OF $250 FOR FULL-TIME (30 HOURS/WEEK OR GREATER) AND 12 MONTH CLASSIFIED STAFF AND $125 FOR PART-TIME (LESS THAN 30 HOURS/WEEK) CLASSIFIED STAFF HIRED BEFORE DECEMBER 31, 2020

Requested By: Board of Trustees **Prepared By:** **Thom Peck**

SUMMARY:

The Board of Trustees needs to approve a one-time bonus of:

$250 for full-time (30 hours/week or greater) and 12 month classified staff
and
$125 for part-time (less than 30 hours/week) classified staff

hired before December 31, 2020 for additional responsibilities and changes in work routines to be paid on January 29, 2021.

SUGGESTED ACTION: Approve a one-time bonus of $250 for full-time (30 hours/week or greater) and 12 month classified staff and $125 for part-time (less than 30 hours/week) classified staff hired before December 31, 2020.

☐ **Additional Information Attached**

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 21

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: ACTION ON OFFERING A RETIREMENT INCENTIVE

Requested By: Board of Trustees **Prepared By:**

SUMMARY:

The Board of Trustees will discuss the possibility of offering a retirement incentive for the certified staff.

Attached is a one-year retirement incentive for consideration.

SUGGESTED ACTION:

☒ **Additional Information Attached**

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
EARLY RETIREMENT INCENTIVE PLAN

JANUARY 11, 2021

The Board of Trustees for the Lewistown Public Schools is offering a one-time retirement incentive plan to eligible certified personnel contracted by the Lewistown Public Schools. This offering is only available from January 11, 2021, through February 12, 2021.

I. CRITERIA FOR ELIGIBILITY

A. The plan benefits are limited solely to certified contracted personnel who will receive a retirement benefit from the Montana Teachers Retirement System during the year of the plan participation.

B. At the time of retirement, certified personnel who have been employed by the District as a certified teacher for the last eight (8) consecutive years and are eligible to retire under the Montana Teacher Retirement System as listed below, shall be eligible to participate in the early retirement plan (hereinafter referred to as the Plan).

C. Eligible personnel planning to retire at the end of the 2020-2021 School Year and who elect to participate in the Plan shall submit their irrevocable resignation and acceptance of the Plan to the District Superintendent by 4:00 p.m. on Friday, February 12, 2021. After that date the Plan will become void.

D. If any provision of this Plan in application of this agreement to any employee is held to be unenforceable or contrary to law then, in that event, the Board of Trustees shall have the option of voiding the Plan, thereby returning the employee to his or her former employment status, or enforcing the Plan to the extent permitted by law.

E. The Board may offer as many incentives as it deems financially prudent.

F. Participants will be considered on a seniority basis.

ELIGIBILITY FOR A MONTANA TRS RETIREMENT BENEFIT

A member who has terminated TRS covered employment may apply for a retirement benefit provided:

1. The member has attained age 60 with at least five full years of creditable service, or;
2. The member has been credited with 25 or more years of creditable service, in which case they are eligible for full retirement regardless of age, or;
3. The member has part-time service in 25 or more fiscal years, in which case they are eligible for a regular retirement regardless of age, or;
4. The member has at least five years of creditable service and has attained the age of 50 (early retirement).

19-20-802 (MCA) -- Early Retirement.

(1) (a) A tier one member who is not eligible for service retirement but who has been credited with at least 5 years of creditable service and has attained the age of 50 is eligible for an early retirement allowance. (b) A tier two member who is not eligible for service retirement but who has at least 5 years of creditable service and has attained the age of 55 is eligible for an early retirement allowance.

(2) A member retiring early under subsection (1) must have terminated employment in all positions reportable to the retirement system and must file a written application with the retirement board.

(3) The early retirement allowance must be determined as prescribed in 19-20-804, with the exception that the allowance will be reduced using actuarially equivalent factors based on the most recent actuarial valuation of the system.

20-PLAN BENEFIT OPTIONS (SELECT ONE -- PLEASE INITIAL)

_____ 1. INSURANCE PAYMENT: Lewistown Public Schools will contribute a maximum of $500.00 per month per retiree toward an insurance benefit through the District's health insurance carrier for up to twelve (12) months beginning on September 1, 2021, and ending on August 31, 2022.

_____ 2. MONTHLY CASH PAYMENT: Lewistown Public Schools will pay a maximum of $500.00 per month for twelve (12) months to the Retiree. This payment will be paid through payroll on the 15th of each month beginning on September 15, 2021, with the final payment on August 15, 2022. All required payroll taxes will be withheld from each incentive payment.

In the event the District receives and accepts a resignation of an employee under the terms of this document, the employee shall not have the right to revoke said resignation after acceptance by the District.

In the event of the Retiree's death during the period between the date of retirement and the receipt of the full amount of the incentive, the District shall pay any remaining balance to the Retiree's estate or designated beneficiary.

I agree that by signing this form I am accepting the Lewistown Public Schools proposal as indicated by my selection above and that this form serves as my formal letter of resignation effective June 30, 2021.

______________________________ ______________________

NAME (PRINTED) DATE

____

SIGNATURE

CENTRAL OFFICE USE: ____________________ __________ __________

Received By Date Time

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date | **Agenda Item No.**

01/11/2021 | 22

☐ **Minutes/Claims** ☒ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent** ☒ **Action - Indiv.**

ITEM TITLE: APPROVE CHANGES TO THE EXTRA DUTY CONTRACT LANGUAGE BEGINNING IN 2021-2022

Requested By: Board of Trustees **Prepared By:** **Thom Peck**

SUMMARY:

The Board of Trustees needs to approve changes to the extra duty contract language beginning in 2021-2022. This language was reviewed and suggested by MTSBA. This will also allow the payment options that were offered prior to changes made due to Covid in 2020-21.

SUGGESTED ACTION: Approve changes to the extra duty contract language beginning in 2021-2022

☒ **Additional Information Attached**

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
SCHOOL DISTRICT #1 & HIGH SCHOOL DISTRICT #1

EXTRA-DUTY ASSIGNMENT AGREEMENT

This is a Contract between ______________, ("Employee") and the Trustees of School District #1 or High School District #1 ("District"), Fergus County, Montana, for an extra-duty assignment.

1. **Mutual Promises:** The District agrees to employ Employee and Employee agrees to perform the following extra-duty assignment: _______________________________________ beginning ________________ and ending ~~not later than~~ _______________________. This extra-duty assignment shall be separate and apart from the duties of the Employee under separate contract.

2. **Compensation:** The District shall pay Employee $_________/HOUR AS NEEDED.

3. **Term of Employment:** The term of this Contract is set forth in paragraph 1, unless otherwise terminated earlier under section 5 or by virtue of the doctrine of impossibility as specified in § 1-3-222, MCA. ~~This offer is conditioned and contingent upon the results of a criminal background check that is acceptable to the Board of Trustees, in its sole discretion.~~ Employee shall have no expectation of continued employment upon the expiration of the term of this Contract. The parties agree that the extra-duty relationship between Employee and the District will automatically terminate upon expiration of this Contract.

4. **Coaching Requirements:** ~~All personnel coaching intramural or interscholastic athletics~~ Employee shall hold a current First Aid Certificate.

5. **Termination of Employment:** ~~This Contract may be terminated for cause at any time.~~ A material breach of this contract shall enable the non-breaching party to terminate this contract without further obligation to the breaching party. The District may terminate this contract and dismiss the Employee for good cause. For the purposes of this paragraph, "good cause" means reasonable job-related grounds for dismissal based on a failure to satisfactorily perform job duties, disruption of District operations, or other legitimate business reasons.

6. **Jurisdiction:** This Contract shall be governed by the laws of the State of Montana.

7. **Savings Clause:** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

8. **Entire Contract / Modification:** This Contract embodies the complete Contract of the parties hereto, superseding all oral and written previous and contemporary Contracts between the parties. No alteration or modification of this Contract shall be valid unless evidenced by a writing signed by the parties to this Contract.

9. **Acceptance:** This offer shall expire unless signed and returned within twenty (20) days from receipt of contract.

I have read this Contract, understand its terms, and agree to be bound thereby.

______________________________	______________________________
Date	Board Chair
______________________________	______________________________
Signature of Employee	District Clerk

LEWISTOWN PUBLIC SCHOOLS
SCHOOL DISTRICT #1 & HIGH SCHOOL DISTRICT #1

EXTRA-DUTY ASSIGNMENT AGREEMENT

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1. **Mutual Promises:** The District agrees to employ Employee and Employee agrees to perform the following extra-duty assignment: ____ beginning __________________ and ending ~~not later than~~ _______________________. This extra-duty assignment shall be separate and apart from the duties of the Employee under separate contract.

2. **Compensation:** The District shall pay Employee $________________.

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PAYMENT OPTIONS

(X) Select one option and list months if applicable. NOTE: Final payment cannot be made until the Extra-Duty Assignment has been completed.

☐ Two (2) equal payments paid during sport/activity on the 15th and 30th of ____________.
month

☐ Four (4) equal bimonthly payments paid during sport/activity on the 15th and 30th of ____________ and ____________.
Month month

☐ Six (6) equal bimonthly payments paid during sport/activity on the 15th and 30th of ____________ and ____________ and ____________.
month month month

☐ I wish payment spread over my contract year.

I have read this Contract, understand its terms, and agree to be bound thereby.

______________________________ ______________________________
Date Board Chair

______________________________ ______________________________
Signature of Employee District Clerk

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 23

☐ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent**
☒ **Action - Indiv.**

ITEM TITLE: APPROVE ADDITIONS TO THE SUBSTITUTE LIST FOR THE 2020-2021 SCHOOL YEAR

Requested By: Board of Trustees **Prepared By:** Christy Rogers

SUMMARY:

The Board of Trustees needs to approve the additions to the substitute list for the 2020-2021 School Year as listed below:

Substitute Bus Driver:
Wayne Lelek

SUGGESTED ACTION: Approve additions to the substitute list for the 2020-2021 school year

☐ **Additional Information Attached** **Estimated cost/fund source**

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date 01/11/2021

Agenda Item No. 24

☐ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent**
☒ **Action - Indiv.**

ITEM TITLE: APPROVE PERSONNEL REPORT

Requested By: Board of Trustees **Prepared By:** Christy Rogers

SUMMARY:

Attached is the Personnel Report for your review.

SUGGESTED ACTION: Approve all items

☒ **Additional Information Attached** **Estimated cost/fund source** ____________

NOTES:

Board Action	**Motion**	**Second**	**Aye**	**Nay**	**Abstain**	**Other**
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Heintz						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday January 11, 2021

EMPLOYEE NAME	*POSITION*	*LOCATION*	*RECOMMENDED ACTION*	*EFFECTIVE DATE*	*RECOMMENDED BY*	*COMMENTS*
BLAZICEVICH, Michaela	Food Server/Kitchen Aide	Central Kitchen	Approve appointment on schedule --KITCHEN AIDE Step 2 for up to 8 hours per day for up to 101 days	1/12/2021	Amie Friesen	Replacing Tanna Rammelt who replaced Donna Paulson
BURNHAM, Jennifer	Special Ed Paraprofessional	Fergus High School	Approve appointment on schedule--SP ED PARAPROFESSIONAL Step 0 for up to 7.5 hours per day for up to 101 days	1/12/2021	Tim Majerus	Replacing Kameron Pearson who will be the new behavior classroom position
CARTER, Floyd	Bus Driver	Transportation	Accept Letter of Resignation	1/29/2021	Rob Odermann	See Attached Letter
LEHNER, Michael	Bus Driver	Transportation	Approve appointment on schedule --TRANS BUS DRIVER Step 4 for up to 4 hours per day for up to 94 days	1/12/2020	Rob Odermann	Replacing Wayne Lelek
LELEK, Wayne	Bus Driver	Transportation	Accept Letter of Resignation	1/6/2021	Rob Odermann	See Attached Letter
MAJERUS, Teresa	Counselor	Jr. High School	Accept Letter of Resignation	6/1/2021	Jeff Freisen	See Attached Letter
THOMAS, Jonathan	Custodian	Fergus High School	Accept Letter of Resignation	1/5/2021	Jason Fry	See Attached Letter

Floyd Carter

To: Lewistown School Board

I would like to take this opportunity to thank you for allowing me the privalage of serving our children. It has brought me joy and fulfillment. At this time I have decided to move to North Carolina to be closer to my son Cameron. I will be resigning my job as bus driver of route 3 effective at the end of the day 1/29/21. May God bless you and the work of your hands so as to bring you joy overflowing

1/6/2021

Wayne Lelek

Jan 6. 2021

Dear School Board

I am writing to inform you that I am
resigning my position of Route 41 driver this 15th
day of Jan 2021, I have been driving bus for 17 years
I will take over the boys & girls club route in
the afternoon till the end of the school year.

It has been a wonderful experience, hauling
a lot of kids to & from school, activity trips, etc
The transportation dept has been the best. Great
leadership, mechanics, fellow bus drivers, substitute
drivers as well. the school District has been great.
Best of luck in the future.

Sincerely

Lewistown Junior High School
914 West Main Street
Lewistown, Montana 59457
(406) 535-5419

Where Eagles Soar

January 4, 2021

Thom Peck and Board of Trustees,

For the past 15 years it has been a pleasure to work with the students and staff of Lewistown Public School District. I'm pleased with the work of the LPS counseling team and the strides we've made in improving our counseling program in ways that have benefited our students.

Six years ago I reached a personal goal of achieving my license to work as a private therapist. Since receiving my LCPC license I've taken on a few clients in the evenings, but continued to work as a school counselor because, in my heart, there's no better reward than working with students. After much thought, and a lot of prayers, I have made the decision to take my career in a different direction, leave school counseling, and work as a full time private therapist.

Please accept my resignation effective the end of the 2020-21 school year. I wish the district the best and have faith the counseling team can continue to improve the program to meet the ever changing needs of our students.

Thank you for the opportunity to be a part of the lives of so many students. It's been fun!

Best Wishes,

Teresa Majerus
School Counselor
Lewistown Public Schools

I, Jonathan Thomas, resign
my position as covid-19 relief custodian
at the fergus county school district
effective on January 5th, 2021.

School District #1 Mission Statement:

Excellence Today, Success Tomorrow

Core Values of the Lewistown Public Schools:

1. **High Standards**: Lewistown Public Schools upholds high standards and expectations for the Board, staff and students of the district. We strive to provide challenging curriculum taught by innovative leaders in the field of education, utilizing research-based curriculum and implementing best practices.
2. **Student-Centered:** The motivation for everything we do is based upon what is right and best for the children of our community. We ensure the development, well-being and education of students through a variety of academic and extracurricular activities. We assist students in overcoming challenges and help them celebrate their successes, all as part of a plan to maximize the potential of each student.
3. **Effective and Efficient Practices:** Lewistown Public Schools is committed to effective and efficient stewardship of our resources.
4. **Accountability:** Lewistown Public Schools is accountable for all that we do from fiscal management to the performance of students, staff, administration and the Board.
5. **Community Support:** Lewistown Public Schools understands that community support is vital, earned and continually renewed through consistent dedication to quality service. We believe the key to success is found through mutual engagement of the community and the schools, effective interaction between parents, students, staff, administrators, trustees and all elements of the Lewistown Community. We value the trust the community has invested in our public schools and we strive to earn and maintain that trust.
6. **Communication:** Lewistown Public Schools values effective and open communication with parents, students, staff, trustees and the community.

LEWISTOWN PUBLIC SCHOOLS — 2020-2021 SCHOOL CALENDAR

PUPIL INSTRUCTION

First Semester — 89 days

FIRST QUARTER				DAYS
First Week	Aug 26	to	Aug 28	3
Second Week	Aug 31	to	Sept 4	5
Third Week	Sept 8	to	Sept 11	4
Fourth Week	Sept 14	to	Sept 18	5
Fifth Week	Sept 21	to	Sept 25	5
Sixth Week	Sept 28	to	Oct 2	5
Seventh Week	Oct 5	to	Oct 9	5
Eighth Week	Oct 12	to	Oct 14	3
Ninth Week	Oct 19	to	Oct 23	5
Tenth Week	Oct 26	to	Oct 30	5
				45

SECOND QUARTER				DAYS
First Week	Nov 2	to	Nov 4	3
Second Week	Nov 9	to	Nov 13	5
Third Week	Nov 16	to	Nov 20	5
Fourth Week	Nov 23	to	Nov 25	3
Fifth Week	Nov 30	to	Dec 4	5
Sixth Week	Dec 7	to	Dec 11	5
Seventh Week	Dec 14	to	Dec 18	5
Eighth Week	Dec 21	to	Dec 23	3
Ninth Week	Jan 4	to	Jan 8	5
Tenth Week	Jan 11	to	Jan 15	5
				44

Second Semester — 90 days

THIRD QUARTER				DAYS
First Week	Jan 19	to	Jan 22	4
Second Week	Jan 25	to	Jan 29	5
Third Week	Feb 1	to	Feb 5	5
Fourth Week	Feb 8	to	Feb 12	5
Fifth Week	Feb 15	to	Feb 19	5
Sixth Week	Feb 22	to	Feb 25	4
Seventh Week	March 1	to	March 5	5
Eighth Week	March 8	to	March 12	5
Ninth Week	March 15	to	March 19	5
				43

FOURTH QUARTER				DAYS
First Week	March 22	to	March 26	5
Second Week	March 29	to	April 1	4
Third Week	April 6	to	April 9	4
Fourth Week	April 12	to	April 16	5
Fifth Week	April 19	to	April 23	5
Sixth Week	April 26	to	April 30	5
Seventh Week	May 3	to	May 7	5
Eighth Week	May 10	to	May 14	5
Ninth Week	May 17	to	May 21	5
Tenth Week	May 25	to	May 28	4
				47
			Total Days	**179**

PUPIL INSTRUCTION-RELATED DAYS (PIR)

August 17	New Staff Orientation	
August 24-25	All Staff Orientation/PIR	2.0
October 15-16	Staff Development Days *Teachers Convention*	2.0
November 4-5	Parent-Teacher Conferences *Evening Nov. 4, All Day Nov. 5*	1.5
March 25	Parent-Teacher Conferences *Conferences Evening Only* *Full School Day for Students*	.5
May 24	PIR Day	1.0
	Floating PIR Day	1.0
		8.0

HOLIDAYS & VACATIONS *Dates Inclusive*

September 7	Labor Day
November 6	Vacation Day
November 26-27	Thanksgiving Vacation
Dec 24-Jan 3	Winter Break
January 18	Vacation Day
February 26	Vacation Day
April 2-5	Spring Break
May 31	Memorial Day
July 5	Vacation Day (12-mo employees)