

**LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

Lincoln Board Room
215 7th Avenue South
Lewistown, Montana 59457

MONDAY, February 10, 2020

REGULAR BOARD MEETING

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

1. Roll Call
2. Pledge of Allegiance
3. Motion to Set Agenda
4. Recognition of the Speech and Drama Team
5. Recognition of Business Professionals of America
6. Report—Student Representative
7. Report---LEA
8. Report—Committees of the Board
9. Calendar Items, Concerns, Correspondence, Etc.

SUPERINTENDENT'S REPORT

10. Report—2018-2019 Audit Report
11. Report—Election Information
12. Report—Budget Update
13. Report—Investment
14. Report—Superintendent

PUBLIC PARTICIPATION

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

ACTION ITEMS

MINUTES

16. Minutes of the January 13, 2020, Regular Board Meeting
Minutes of the January 21, 2020, Special Board Meeting

APPROVAL OF CLAIMS

17. Claims

INDIVIDUAL ITEMS

18. Approve Out-Of-District Student Attendance Agreement Requests for Placement In and Out of Lewistown Public Schools
19. Approve First Semester Claim for Individual Contract Bus Reimbursement
20. Approve First Semester Elementary & High School Claims for Bus Reimbursement
21. Approve Trustee Resolution Calling for an Election
22. Approve Application for OPI-Transformational Learning Program
23. Approve First Reading –New Board Policy 1005FE
24. Approve First Reading –New Board Policy 1015FE
25. Approve Additions to the Substitute List for the 2019-2020 School Year
26. 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

02/10/2020

Agenda Item No.

4

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

ITEM TITLE: RECOGNITION –FHS SPEECH AND DRAMA TEAM

Requested By: Board of Trustees Prepared By: Lee Stahl

SUMMARY:

Lee Stahl, Head Coach and the FHS Speech and Drama Team will be recognized for their participation at the state Speech and Drama competition held in Whitefish on January 31 and February 1, 2020.

SUGGESTED ACTION: Informational

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

5

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

ITEM TITLE: RECOGNITION –FHS BUSINESS PROFESSIONALS OF AMERICA CLUB

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

SUMMARY:

Diane Lewis, Advisor and the FHS Business Professionals of America Club will be recognized for their participation at the Region 3 Leadership Conference held in Great Falls in January. The state competition will be held March 10, 2020 in Billings.

SUGGESTED ACTION: Informational

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

6

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.

SUGGESTED ACTION: Informational

☐ Additional Information Attached

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

7

☐ 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

02/10/2020

Agenda Item No.

8

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 2019-2020 School Year.

SUGGESTED ACTION: Informational

☒ **Additional Information Attached**

NOTES:

STANDING COMMITTEES OF THE BOARD
2019-2020 School Year

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

OTHER COMMITTEES WITH BOARD REPRESENTATION
2019-2020 School Year

Committee	Number on Comm.	CJ Bailey	Kris Birdwell	Phil Koterba	Jeff Southworth	Jennifer Thompson	Stephen Vantassel	Monte Weeden
Activities	2	X			X			
Curriculum Committees:								
English Language Arts	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	2	X			X			

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

9

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.

- MHSA Proposals and Action from Annual meeting
- OPI Letter on the Montana Advanced Opportunities Act (HB 387)
- Elementary "I Love to Read Month" Calendars

SUGGESTED ACTION:

☐ **Additional Information Attached**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

10

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

ITEM TITLE: REPORT—2018-2019 AUDIT RESULTS

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

SUMMARY:

Paul Strom and Associates completed the audit for FY2018-2019.

Rebekah Rhoades and Mr. Peck attended the exit interview with Mr. Strom in October 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, 2019

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

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

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

ORGANIZATION

BOARD OF TRUSTEES

Phillip Koterba Chair
CJ Bailey Vice Chair
Kris Birdwell Trustee
Stephen Vantassel Trustee
Jeff Southworth Trustee
Jennifer Thompson Trustee
Monte Weeden Trustee

OFFICIALS

Thom Peck Superintendent
Rebekah Rhoades District Clerk
Rhonda Long County Superintendent
Kent Sipe County Attorney

MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2019

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, 2019.

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 \$674,912 as of June 30, 2019. 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. If these liabilities were not required to be on our books, the District's assets would easily exceed liabilities.

LEWISTOWN SCHOOL DISTRICT NO. 1

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
For the year ended June 30, 2019

Condensed Statement of Net Position

	<u>Governmental Activities</u>	
	<u>FY2018</u>	<u>FY2019</u>
Current and other assets	5,666,830	6,203,254
Capital assets	<u>7,723,806</u>	<u>7,571,197</u>
Total Assets	13,390,636	13,390,636
Current liabilities	132,373	104,111
Non-current liabilities	<u>14,643,779</u>	<u>15,393,099</u>
Total Liabilities	12,526,273	12,526,273
Invested in capital assets,		
Net of debt	7,723,806	7,571,197
Restricted	4,162,012	4,153,940
Unrestricted	<u>(12,242,700)</u>	<u>(12,400,049)</u>
Total Net Position	(356,882)	(674,912)

Changes in Net Position

	<u>Governmental Activities</u>	
GENERAL REVENUES	<u>FY2018</u>	<u>FY2019</u>
District Levy	4,281,534	4,216,532
State Equalization	3,532,102	3,618,876
Other State Revenue	2,516,947	2,616,927
County	1,319,845	1,257,102
Federal	0	0
Investment Earning	59,010	88,519
Gain on Asset	59,564	0
Other	<u>148,963</u>	<u>178,165</u>
Total General Revenue	14,206,466	11,976,121

GOVERNMENT OPERATIONS

Instruction (includes OPEB)	7,161,780	7,914,674
Support	373,673	374,673
Media	461,370	301,101
Administration	2,162,142	2,206,615
O & M	1,788,719	1,921,016
Transportation	879,517	885,794
Extracurricular	295,792	297,858
School Food	727,128	725,836
Other Current Charges	36,545	(4974)
Interest and Other Charges	550	0
Depreciation – unallocated	<u>87,732</u>	<u>116,517</u>
Total Operations	13,974,398	14,739,110

LEWISTOWN SCHOOL DISTRICT NO. 1

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
For the year ended June 30, 2019

Capital Assets

As of June 30, 2019, the District had invested over \$7 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.

	<u>FY2017</u>	<u>FY2018</u>
Land and Improvements	2,001,933	2,040,208
Accumulated Depreciation	<u>(966,144)</u>	<u>(1,010,355)</u>
	1,035,788	1,029,853
Buildings and Improvements	12,930,463	13,072,765
Accumulated Depreciation	<u>(7,386,792)</u>	<u>(7,736,145)</u>
	5,543,671	5,336,620
Machinery and Equipment	3,893,207	4,040,598
Accumulated Depreciation	<u>(2,656,520)</u>	<u>(2,835,874)</u>
	1,236,687	1,204,724

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, most recently decreasing significantly in the high school. 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. 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 through FY20, and included a 1.5% (FY19) and 2% (FY20) raise for all 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 a levy successful in the elementary in FY19. There have been failed attempts in the past to pass levies that has caused the Board to be very conscientious in what they ask of taxpayers. 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 is taking advantage of the matching State dollars in 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.
- 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.

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.

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 x116.



STROM & ASSOCIATES, P.C.

Certified Public Accountants

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PO Box 1980
Billings, MT 59103

Phone: 406-252-2765
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, Montana 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 Lewistown School District No. 1 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise 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 an opinion 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 opinion.

Opinion

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 Lewistown School District No. 1 as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lewistown School District No. 1's basic financial statements. The accompanying Schedule of Revenues, Expenses, and Balances - Student Activity Expendable Trust 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 Expendable Trust 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 Expendable Trust 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 January 31, 2020 on our consideration of 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 Lewistown School District No. 1 internal control over financial reporting and compliance.



STROM & ASSOCIATES, PC
Billings, Montana
January 31, 2020

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 5,932,125
Taxes Receivable	144,806
Due from Other Governments	77,513
Inventories	48,810
Total Current Assets	<u>6,203,254</u>
Noncurrent Assets:	
Capital Assets:	
Land	590,530
Net Depreciable Assets	<u>6,980,667</u>
Total Noncurrent Assets	<u>7,571,197</u>
Total Assets	<u>13,774,451</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Employer Pension Plan Activities	<u>1,761,758</u>
Total Deferred Outflows of Resources	<u>1,761,758</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 15,536,209</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	15,482
Other Current Liabilities	4,398
Current Portion of Long-term Debt Obligations	34,000
Current Portion of Compensated Absences	<u>50,231</u>
Total Current Liabilities	<u>104,111</u>
Noncurrent Liabilities:	
Long-term Debt Obligations	53,800
Compensated Absences	428,524
Net Pension Accrual	10,210,243
Other Postemployment Benefits	<u>4,700,532</u>
Total Noncurrent Liabilities	<u>15,393,099</u>
Total Liabilities	<u>15,497,210</u>
DEFERRED INFLOWS OF RESOURCES:	
Employer Pension Plan Activities	<u>713,911</u>
Total Deferred Inflows of Resources	<u>713,911</u>
NET POSITION:	
Net Investment in Capital Assets	7,571,197
Restricted	4,153,940
Unrestricted (Deficit)	<u>(12,400,049)</u>
Total Net Position	<u>(674,912)</u>
Total liabilities, deferred inflows and net position	<u>\$ 15,536,209</u>

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

STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
				Primary Government
	Expenses	Charge for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENT OPERATIONS:				
Instructional Services	\$ 7,914,674	\$ 16,590	\$ 1,302,300	\$ (6,595,784)
Support Services	374,673	-	70,554	(304,119)
Educational Media Services	301,101	-	8,433	(292,668)
General Administrative Services	2,206,615	186,358	29,692	(1,990,565)
Operation and Maintenance Services	1,921,016	5,886	44,334	(1,870,796)
Transportation Services	885,794	-	143,469	(742,325)
School Food Services	725,836	251,847	274,908	(199,081)
Extracurricular	297,858	-	-	(297,858)
Other Current Charges	(4,974)	-	-	4,974
Unallocated Depreciation Expense *	116,517	-	-	(116,517)
Total Governmental Activities	<u>14,739,110</u>	<u>460,681</u>	<u>1,873,690</u>	<u>(12,404,739)</u>
GENERAL REVENUES:				
District Levies				4,216,532
State Equalization				3,618,876
Other State Revenues				2,616,927
County				1,257,102
Interest				88,519
Other				178,165
Gain (loss) on Sale of Assets				<u>16,826</u>
Total General Revenues				<u>11,992,947</u>
Change in Net Position				(411,792)
NET POSITION:				
Beginning of the Year				(356,882)
Prior Period Adjustments				<u>93,762</u>
End of the Year				<u>\$ (674,912)</u>

* Excludes depreciation included in direct expenses of the various functions

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	MAJOR				
	General	Miscellaneous Programs (Elem.)	Interlocal Agreement Fndd (HS)	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 1,391,646	\$ 625,208	\$ 644,017	\$ 3,209,760	\$ 5,870,631
Taxes Receivable	97,360	-	-	47,446	144,806
Due from Other Governments	-	74,643	-	2,870	77,513
Inventories	-	-	-	48,810	48,810
Total Assets	<u>1,489,006</u>	<u>699,851</u>	<u>644,017</u>	<u>3,308,886</u>	<u>6,141,760</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,489,006</u>	<u>\$ 699,851</u>	<u>\$ 644,017</u>	<u>\$ 3,308,886</u>	<u>\$ 6,141,760</u>
LIABILITIES:					
Current Liabilities:					
Unearned Revenue	-	-	-	15,482	15,482
Other Current Liabilities	-	4,398	-	-	4,398
Total Liabilities	-	<u>4,398</u>	-	<u>15,482</u>	<u>19,880</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Taxes Receivable	97,360	-	-	47,446	144,806
Total Deferred Inflows of Resources	<u>97,360</u>	-	-	<u>47,446</u>	<u>144,806</u>
FUND BALANCE (DEFICITS):					
Nonspendable	-	-	-	48,810	48,810
Restricted	-	695,453	151,625	3,210,606	4,057,684
Unassigned	1,391,646	-	492,392	(13,458)	1,870,580
Total Fund Balance	<u>1,391,646</u>	<u>695,453</u>	<u>644,017</u>	<u>3,245,958</u>	<u>5,977,074</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,489,006</u>	<u>\$ 699,851</u>	<u>\$ 644,017</u>	<u>\$ 3,308,886</u>	<u>\$ 6,141,760</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balance reported above	\$ 5,977,074
Internal Service Fund Net Position	61,494
Unavailable Property Taxes Receivable	144,806
Governmental capital assets	7,571,197
Employer Pension Plan Activities	1,761,758
Long-term Liabilities	
Long-term obligations	(87,800)
Compensated absences	(478,755)
Net Pension Accrual	(10,210,243)
Other Postemployment Benefits	(4,700,532)
Employer Pension Plan Activities	<u>(713,911)</u>
Net Position of Governmental Activities	<u>\$ (674,912)</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2019

	MAJOR				
	General	Miscellaneous Programs (Elem.)	Interlocal Agreement Fnnnd (HS)	Other Governmental Funds	Total Governmental Funds
REVENUES:					
District Levies	\$ 2,820,785	\$ -	\$ -	\$ 1,406,256	\$ 4,227,041
Interest	26,162	-	9,312	53,045	88,519
Charges for Services	-	-	186,358	268,437	454,795
Other	3,257	82,482	20,780	92,857	199,376
County	-	-	-	1,333,917	1,333,917
State	6,712,428	68,459	-	118,118	6,899,005
Federal	-	410,858	-	417,400	828,258
Total Revenues	<u>9,562,632</u>	<u>561,799</u>	<u>216,450</u>	<u>3,690,030</u>	<u>14,030,911</u>
EXPENDITURES:					
Current:					
Instructional Services	5,489,924	497,811	64,834	1,067,414	7,119,983
Support Services	306,491	18,555	-	48,417	373,463
Educational Media Services	237,864	14,595	525	60,534	313,518
General Administrative Services	1,580,114	455	178,740	306,113	2,065,422
Operation and Maintenance Services	1,349,599	-	12,590	193,896	1,556,085
Transportation Services	37,639	6,080	-	635,517	679,236
School Food Services	159,048	75	-	560,218	719,341
Extracurricular	257,584	-	-	32,453	290,037
Capital Outlay	5,899	4,484	28,925	345,891	385,199
Total Expenditures	<u>9,424,162</u>	<u>542,055</u>	<u>285,614</u>	<u>3,250,453</u>	<u>13,502,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>138,470</u>	<u>19,744</u>	<u>(69,164)</u>	<u>439,577</u>	<u>528,627</u>
OTHER FINANCING SOURCES (USES):					
Sale of Capital Assets	-	278	9,117	931	10,326
Fund Transfers In	-	-	72,734	4,466	77,200
Fund Transfers (Out)	(72,734)	-	-	(4,466)	(77,200)
Total Other Financial Sources (Uses)	<u>(72,734)</u>	<u>278</u>	<u>81,851</u>	<u>931</u>	<u>10,326</u>
Net Change in Fund Balance	65,736	20,022	12,687	440,508	538,953
FUND BALANCE:					
Beginning of the Year	1,325,910	675,431	631,330	2,804,026	5,436,697
Prior Period Adjustments	-	-	-	1,424	1,424
End of the Year	<u>\$ 1,391,646</u>	<u>\$ 695,453</u>	<u>\$ 644,017</u>	<u>\$ 3,245,958</u>	<u>\$ 5,977,074</u>

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, 2019

Net Changes in Fund Balance		\$	538,953
Change in net position from internal service funds			7,664
Revenues on the Statement of Activities not included in governmental funds statement:			
Increase (decrease) in taxes receivable	(10,509)		
State Pension Aid	<u>290,090</u>		279,581
Revenues reported in the governmental funds statement not included in the Statement of Activities			
Sale of Capital Assets			(10,326)
Expenses on the Statement of Activities not included in the governmental funds statement:			
Depreciation Expense	(636,646)		
Actuarial Pension Expense	(379,247)		
(Increase) decrease in Other Postemployment Benefits	(631,078)		
(Increase) decrease in compensated absence liability	<u>17,282</u>		(1,629,689)
Expenditures reported in the governmental funds statement not included in the Statement of Activities			
Gain (Loss) on sale of assets outlays	16,826		
Capital outlays	<u>385,199</u>		<u>402,025</u>
Change in net position reported on the Statement of Activities		\$	<u>(411,792)</u>

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, 2019

	<u>Governmental Activities - Internal Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 61,494
Total Current Assets	<u>61,494</u>
Total Assets	<u>61,494</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Total Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 61,494</u>
LIABILITIES:	
Current Liabilities:	
Current Portion of Long-term Capital Obligations	<u>-</u>
Total Current Liabilities	<u>-</u>
Noncurrent Liabilities:	
Total Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION:	
Unrestricted (Deficit)	<u>61,494</u>
Total Net Position	<u>61,494</u>
Total liabilities, deferred inflows and net position	<u>\$ 61,494</u>

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, 2019

	Governmental Activities - Internal Service
OPERATING REVENUES:	
Charges for Services	\$ 150,918
Total Operating Revenues	<u>150,918</u>
OPERATING EXPENSES:	
Purchased Services	<u>143,254</u>
Total Operating Expense	<u>143,254</u>
Change in Net Position	7,664
NET POSITION:	
Beginning of the Year	<u>53,830</u>
End of the Year	<u>\$ 61,494</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Services Provided Other Funds	\$ 150,918
Purchased Professional and Technical Services	<u>(143,254)</u>
Net Cash Provided (Used) by Operating Activities	7,664
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Non-capital Financing Activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>7,664</u>
BALANCE:	
Beginning of the year	<u>53,830</u>
End of the year	<u><u>\$ 61,494</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 7,664
Net cash provided (used) by operating activities	<u><u>\$ 7,664</u></u>

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Private Purpose Trust Funds
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 328,335
Other Current Assets	505
Total Assets	<u>\$ 328,840</u>
LIABILITIES:	
Current liabilities:	
Total Liabilities	<u>-</u>
NET POSITION:	
Held in trust for endowment	115,094
Held in trust for student activities	213,746
Total Net Position	<u>\$ 328,840</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended June 30, 2019

	Private Purpose Trust Funds
ADDITIONS:	
Revenues from student activities	\$ 348,847
Contributions to Endowment	1,780
Investment and royalty earnings	39
Total Additions	<u>350,666</u>
DEDUCTIONS:	
Expenses of student activities	346,934
Total Deductions	<u>346,934</u>
Change in net position	3,732
NET POSITION:	
Beginning of the year	325,108
End of the year	<u>\$ 328,840</u>

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 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). The School District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

At the end of fiscal year 2019 the School District adopted the following GASB Statements:

- GASB Statement No. 83 – *Certain Asset Retirement Obligation*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The School District believes that this Statement is not applicable to its financial statements at effective date, however if an ARO occurs in subsequent years it will follow applicable guidance.
- GASB Statement No. 90 – *Majority Equity Interests*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The School District determined that this Statement does not significantly affect its reporting. The School District holds no ownership of shares of an organization's stock or measurable rights to net resources of other organizations.
- GASB Statement No. 91 – *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District determined that this Statement does not significantly affect its reporting. The School District does not have any conduit debt but will comply with this statement if it enters into any such debt arrangements in the future.

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

- 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The School District plans to implement this Statement once Montana updates the standard chart of accounts.
- 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 December 15, 2019. The School District plans to implement this Statement once it has identified all leases and has reviewed the Q&A on this Statement.

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 it 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.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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 is 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 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, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. 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. The student activity funds and endowment funds are displayed as fiduciary funds. Since the resources in the fiduciary funds cannot be used for School District operations, they are not included in the government-wide statements.

Governmental fund financial statements 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 – anything collected 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.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

Revenues from local sources consist primarily of property taxes. Property tax revenue and revenues received from the State of 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.

Proprietary, trust, and agency fund financial statements 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 health insurance internal service fund are charges to employees and the School District for services. Operating expenses for the internal service fund includes 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.

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 Miscellaneous Fund – This fund is used to account for local, state, and federal grants and reimbursements. Also, donations that allow the expenditure of both principal and interest for support of School District programs are deposited in this fund.
- Interlocal Agreement Fund – This fund is used to account for the Technology services provided to other school districts or cooperatives, curriculum purchases, the Construction Academy, and Educational Opportunities for Central Montana activities.

1. b. 3. OTHER FUND TYPES

Internal Service Fund – This fund accounts 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.

Private-Purpose Trust Funds – These funds account for the receipt and disbursement of monies from student activity organizations, as well as any donated scholarship funds. These organizations exist with the explicit approval of and are subject to revocation by the School District's Board of Trustees. This accounting reflects the School District's trust relationship with the student activity organizations and any scholarship commitments.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

Agency Funds – These funds account for assets that the School District holds on behalf of others as their agent and for warrants written but not redeemed that are reported in the School District’s payroll and claims clearing funds and employee payroll tax withholdings. Cash is held for warrants which were written but have not been paid by the 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. For financial reporting purposes these funds are removed but remain in the accounting system.

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.

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).

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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:

<u>Capital Asset Classes</u>	<u>Useful Life</u>
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 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 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.

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, SICK, AND DISCRETIONARY 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 ten discretionary days each year. Unused discretionary days shall be allowed to accumulate to 160 days per employee. After eight consecutive year 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, 2019, the amount expected to be paid within one year amounted to \$50,231 and is generally paid out of the general fund.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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:

- Non-spendable – 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 or funds that have negative fund balances.

At June 30, 2019, fund balance components other than unassigned fund balance consist of the following:

Purpose	Non-spendable	Restricted
Instructional and Support Services	\$ 0	\$ 227,577
Operations and Maintenance	0	17,189
Student Transportation	0	265,911
School Food	48,810	0
Third Party Grantor Restrictions	0	941,498
Employer Retirement Benefits	0	444,385
Future Technology	0	265,623
Future Capital Costs	0	1,895,481
Debt Service	0	20
Total	<u>\$ 48,810</u>	<u>\$ 4,057,684</u>

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 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 an agency fund in the School District's name. No service charges have been recorded by the School District or the County.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2019, the summary of cash and cash equivalents for governmental and fiduciary funds were as follows:

Account Type	Governmental Activities	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 5,932,125	\$ 328,335	\$ 6,260,460

The carrying amount of cash on hand, deposits, and investments at June 30, 2019 is as follows:

	Amount
Demand Accounts	\$ 275,240
County Investment Pool	5,985,220
Total	<u>\$ 6,260,460</u>

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, repurchase agreements, money market accounts, 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, 2019, the deposits in the extracurricular fund 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, 2018, upon which the levy for the 2019 fiscal year was based, amounted to \$12,919,327 for the Elementary School District and \$14,049,298 for the High School District. The tax rates assessed for the year ended June 30, 2019 to finance School District operations and applicable taxes receivable for the elementary and high schools follows:

Fund	Mill Levies	Taxes Receivable
<u>Elementary</u>		
General*	140.41	\$ 63,693
Transportation	30.99	13,794
Bus Depreciation	5.61	2,366
Tuition	11.19	4,683
Technology	4.76	2,172
Debt Service	0.00	371
Building Reserve	7.59	3,433
<u>High School</u>		
General*	70.56	33,667
Transportation	11.96	5,533
Bus Depreciation	19.11	8,390
Tuition	2.63	1,227
Adult Education	0.00	349
Technology	3.86	1,836
Building Reserve	6.98	3,292
Total	<u>315.65</u>	<u>\$ 144,806</u>

* Denotes Major Fund

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

Property tax fees 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 agency fund until the final determination. The amount reported above includes \$1,068 of taxes paid under protest.

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from other governments represent amounts due to the School District for costs incurred but not reimbursed by third party grantors. The amounts reported and the organization due from are noted below:

Fund	Amount	Due From	Reason
<u>Elementary</u>			
Miscellaneous *	\$ 69,348	State of Montana	Title I - Schoolwide
Miscellaneous *	5,295	State of Montana	Title I - OPI travel reimbursement
<u>High School</u>			
Traffic Education	2,870	State of Montana	Drivers Ed reimbursement
Total	<u>\$ 77,513</u>		

* Denotes Major Fund

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

The schedule of changes in general capital assets at June 30, 2019 follows:

Governmental Activities:	Balance July 1, 2018	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2019
<u>Non-depreciable Assets:</u>					
Land	\$ 590,530	\$ 0	\$ 0	\$ 0	\$ 590,530
Total Non-depreciable Assets	590,530	0	0	0	590,530
<u>Depreciable Assets:</u>					
Buildings	12,930,463	142,302	0	0	13,072,765
Improvements Other than Buildings	1,411,402	38,275	0	0	1,449,677
Machinery and Equipment	3,893,207	211,122	(97,250)	33,519	4,040,598
Total Depreciable Assets	18,235,072	391,699	(97,250)	33,519	18,563,040
<u>Accumulated Depreciation:</u>					
Buildings	(7,419,482)	(349,352)	0	32,690	(7,736,144)
Improvements Other than Buildings	(968,529)	(44,211)	0	2,385	(1,010,355)
Machinery and Equipment	(2,713,785)	(243,084)	97,250	23,745	(2,835,874)
Total Accumulated Depreciation	(11,101,796)	(636,647)	97,250	58,820	(11,582,373)
Net Depreciable Assets	7,133,276	(244,948)	0	92,339	6,980,667
Net General Capital Assets	\$ 7,723,806	\$ (244,948)	\$ 0	\$ 92,339	\$ 7,571,197

General capital asset depreciation expense was charged to governmental functions as follows:

Function	Amount
Instructional	\$ 12,143
Media	7,525
School Administration	7,053
Operation and Maintenance	275,684
Transportation	201,681
School Food	8,612
Extracurricular	7,432
Unallocated	116,517
Total Depreciation Expense	<u>\$ 636,647</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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. OTHER CURRENT LIABILITIES

Fund	Amount	Due To	Reason
<u>Elementary</u>			
Miscellaneous*	\$ 4,398	Montana Teachers' Retirement System	Retiree dental liabilities
* Denotes Major Fund			

6.b. UNEARNED REVENUE

Fund	Amount	Reason
<u>Elementary</u>		
School Food Services	\$ 15,482	Prepaid meals

NOTE 7. CHANGES IN LONG-TERM DEBT

The schedule of changes in general long-term debt at June 30, 2019 follows:

Governmental Activities:	Balance July 1, 2018	New Debt and Other Additions	Principal Payments and Other Reductions	Balance June 30, 2019	Due within One Year
<u>Other Liabilities:</u>					
Compensated Absences	\$ 496,037	\$ 0	\$ (17,282)	\$ 478,755	\$ 50,231
Retirement Incentive	66,000	76,800	(55,000)	87,800	34,000
Accrued Pension	10,123,673	622,835	(536,265)	10,210,243	0
Other Postemployment Benefits	<u>4,069,454</u>	<u>631,078</u>	<u>0</u>	<u>4,700,532</u>	<u>0</u>
Total Other Liabilities	<u>14,755,164</u>	<u>1,330,713</u>	<u>(608,547)</u>	<u>15,477,330</u>	<u>84,231</u>
Total Governmental Activities - Long-Term Debt	<u>\$ 14,755,164</u>	<u>\$ 1,330,713</u>	<u>\$ (608,547)</u>	<u>\$ 15,477,330</u>	<u>\$ 84,231</u>

7. a. RETIREMENT INCENTIVE

The School District offered certified teachers a one-time incentive to retire as of June 30, 2016, 2017, or 2018. The incentive offered \$500 per month for each teacher who accepted the offer, for a period of 36, 24, or 12 months, respectively. Another incentive was offered during fiscal year ended June 30, 2019 in the amount of \$76,800. The changes in the 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 2016	0%	3 years	8/31/2019	\$ 72,000	\$ 4,000
Retirement Incentive	Sept 2017	0%	2 years	8/31/2019	60,000	5,000
Retirement Incentive	Sept 2018	0%	1 year	8/31/2019	12,000	2,000
Retirement Incentive	Sept 2019	0%	2.8 years	6/30/2022	<u>76,800</u>	<u>76,800</u>
					<u>\$ 220,800</u>	<u>\$ 87,800</u>

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
2020	\$ 24,750	\$ 9,250	\$ 34,000
2021	20,700	6,900	27,600
2022	<u>19,650</u>	<u>6,550</u>	<u>26,200</u>
Totals	<u>\$ 65,100</u>	<u>\$ 22,700</u>	<u>\$ 87,800</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

NOTE 8. DEFERRED INFLOWS OF RESOURCES

Property taxes receivable as of June 30, 2019 follows:

Fund	Amount
<u>Elementary</u>	
General*	\$ 63,693
Transportation	13,794
Bus Depreciation	2,366
Tuition	4,683
Technology	2,172
Debt Service	371
Building Reserve	3,433
<u>High School</u>	
General*	33,667
Transportation	5,533
Bus Depreciation	8,390
Tuition	1,227
Adult Education	349
Technology	1,836
Building Reserve	3,292
Total	<u>\$ 144,806</u>

* Denotes Major Fund

NOTE 9. DEFICIT FUND BALANCES

Deficit fund balance result from commitments exceeding the resources. Deficit fund balances as of June 30, 2019 follows:

Fund	Amount	School District's Plan to Correct
<u>Elementary</u>		
School Food Services	\$ 13,458	Future collections

NOTE 10. PRIOR PERIOD ADJUSTMENTS

Fund	Governmental Funds	Reason
<u>High School</u>		
Traffic Education	\$ 1,424	Correct prior year estimated due from other governments
Governmental Type Activities	92,338	Correct beginning capital assets balances
Total	<u>\$ 93,762</u>	

NOTE 11. INTERFUND OPERATING TRANSFERS IN AND OUT

Operating Fund - In	Amount	Operating Fund - Out	Purpose
Building Reserve - Elementary	\$ 4,467	Debt Service - Elementary	Taxes received since bond was paid
Interlocal - High School*	52,630	General - High School*	Close out funds per multi-district agreement
Interlocal - High School*	20,103	General - Elementary*	Close out funds per multi-district agreement
Total	<u>\$ 77,200</u>		

* Denotes Major Fund

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS

12. 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.

12. 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.

12. 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.

12. d. EMPLOYEES COVERED BY BENEFIT TERMS

At June 30, 2019, the following employees were covered by the benefit terms:

Active employees	158
Inactive employees (may include spouses)	59

12. e. TOTAL OPEB LIABILITY

The School District's total OPEB liability amounted to \$4,700,532 at June 30, 2019. The liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

12. 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 45% of plan participants would elect to continue coverage after retirement.

The total OPEB liability at June 30, 2019 was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Average salary increases	4.00%
Discount rate	3.50%
Retiree's share of benefit related costs	100.00%

Health care cost rate trend:

<u>Year</u>	<u>% Increase</u>
2019	7.20%
2020	6.50%
2021	6.00%
2022	5.90%
2023	5.70%
2024 and thereafter	5.60 to 3.80%

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

12. g. CHANGES IN THE TOTAL OPEB LIABILITY

Balance at June 30, 2018	\$ 4,069,454
Changes for the Year:	
Service Cost (OPEB expense)	271,452
Interest	147,140
Changes in Assumptions or Other Inputs	325,669
Benefit Payments (estimated)	<u>(113,183)</u>
Net Changes	<u>631,078</u>
Balance at June 30, 2019	<u>\$ 4,700,532</u>

12. h. SENSITIVITY ANALYSIS

Sensitivity of the Total OPEB Liability to changes in the 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 or 1% higher than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 5,695,405	\$ 4,700,532	\$ 3,928,087

Sensitivity of the Total OPEB Liability to changes in the 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 (6.2% decreasing to 4.2%) or 1% higher (8.2% decreasing to 6.2%) than the current healthcare cost trend rates:

	1% Decrease (6.2% decreasing to 4.2%)	Healthcare Cost Trend Rate (7.2% decreasing to 6.2%)	1% Increase (8.2% decreasing to 6.2%)
Total OPEB Liability	\$ 4,283,515	\$ 4,700,532	\$ 5,181,089

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

For the year ended June 30, 2019, the School District reported \$631,078 in OPEB expense.

At June 30, 2019, the School District did not report deferred outflows of resources or deferred inflows of resources associated with the OPEB liability.

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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 Teachers' Retirement System (TRS) covers teaching employees, including administrators and aides. The Public Employee Retirement System (PERS) covers nonteaching employees. The plans are established under Montana law and are administered by the State.

Both 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
P.O. Box 200139
1500 Sixth Avenue
Helena, MT 59620-0139
Phone: 406-444-3134
www.trs.mt.gov

Public Employees Retirement System
P.O. Box 200131
100 N. Park Avenue Suite 200
Helena, MT 59620-0131
Phone: 406-444-3154
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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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 .77% effective July 1, 2017);
 - 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.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
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
 - 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 \$33,454,182.
- b. Not Special Funding
 - i. The State contributed a portion of Coal Severance Tax income and earnings from the Coal Severance Tax fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

14. b. 3. ACTUARIAL ASSUMPTIONS

The Total Pension Liability (TPL) used to calculate the Net Pension Liability (NPL) as of June 30, 2018 was determined by taking the results of the June 30, 2017 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 2121. 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, 2018 are summarized below.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return
	(a)	(b)	(a) x (b)
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	8.00%	4.00%	0.32%
Total	100.00%		4.36%
Inflation			2.75%
Portfolio Return Expectation			7.11%

The long-term expected nominal rate of return of 7.11% is an expected portfolio rate of return provided by Board of Investments, which differs from the total long-term assumed rate of return of 7.65% in the experience study. The assumed investment rate is comprised of a 2.75% inflation rate and a long-term expected real rate of return of 4.36%.

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.

At the plan level for the measurement period ended June 30, 2018, 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 \$746,144.

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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 ($1.85\% \times \text{AFC} \times \text{years of creditable service}$) for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$ for Tier One).

A 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%

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

14. c. 3. ACTUARIAL ASSUMPTIONS

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

<u>Total Wage Increases:</u> (includes 3.25% general wage increase assumption)	<ul style="list-style-type: none">• 3.25% to 7.76% for Non-University members• 4.25% for University members
<u>Investment Return:</u>	7.50%
<u>Price Inflation:</u>	2.50%
<u>Postretirement Benefit Increases:</u>	<ul style="list-style-type: none">• 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%.
<u>Mortality:</u> (among contributing members, service retired members, and beneficiaries)	<ul style="list-style-type: none">• Males. 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2022.• Females. 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2022.
<u>Mortality:</u> (among disabled members)	<ul style="list-style-type: none">• 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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%	6.68%	2.34%
Broad International Equity	18.00%	6.98%	1.26%
Private Equity	10.00%	10.15%	1.02%
Natural Resources	3.00%	4.09%	0.12%
Core Real Estate	7.00%	5.38%	0.38%
TIPS	3.00%	1.78%	0.05%
Intermediate Bonds	19.00%	2.15%	0.41%
High Yield Bonds	3.00%	4.36%	0.13%
Cash	2.00%	0.81%	0.02%
Total	100.00%		5.73%
Inflation			2.50%
Portfolio Return Expectation			8.23%

* The long-term expected nominal rate of return above of 8.23% differs from the total TRS long-term rate of return assumption of 7.50%. 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 expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2013 through 2017, is outlined in a report dated May 3, 2018. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation). Estimates of variability and correlations for each asset class, were developed by the System's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The average long term capital market assumptions published in the Survey of Capital Market Assumptions 2017 Edition by Horizon Actuarial Service, LLC, yield a median real return of 5.07%. Our recommended assumption of 5.00% for the real return reflects granting each source some degree of credibility. 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%)
<u>PERS</u>			
Net Pension Liability	\$ 3,018,490,542	\$ 2,087,141,869	\$ 1,322,356,189
School District's Net Pension Liability	3,053,271	2,111,191	1,337,593
As of measurement date	1.0% Decrease (6.50%)	Current Discount Rate (7.50%)	1.0% Increase (8.50%)
<u>TRS</u>			
Net Pension Liability	\$ 2,552,207,461	\$ 1,856,109,906	\$ 1,273,072,812
School District's Net Pension Liability	11,136,442	8,099,052	5,554,996

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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.

As of measurement date	NPL		Percent of	Percent of	Change in
	as of 6/30/19	as of 6/30/18	Collective NPL as of 6/30/19	Collective NPL as of 6/30/18	Percent of Collective NPL
<u>PERS</u>					
School District Proportionate Share	\$ 2,111,191	\$ 2,647,456	0.1012%	0.1359%	(0.0348%)
State of Montana Proportionate Share associated with Employer	<u>777,302</u>	<u>121,958</u>	<u>0.1495%</u>	<u>0.6215%</u>	<u>(0.4721%)</u>
Total	<u>\$ 2,888,492</u>	<u>\$ 2,769,414</u>	<u>0.2506%</u>	<u>0.7575%</u>	<u>(0.5069%)</u>
<u>TRS</u>					
School District Proportionate Share	\$ 8,099,052	\$ 7,476,217	0.4363%	0.4434%	(0.0071%)
State of Montana Proportionate Share associated with Employer	<u>5,034,660</u>	<u>4,745,760</u>	<u>0.2712%</u>	<u>0.2815%</u>	<u>(0.0103%)</u>
Total	<u>\$13,133,712</u>	<u>\$12,221,977</u>	<u>0.7075%</u>	<u>0.7249%</u>	<u>(0.0174%)</u>

At June 30, 2019, the employer recorded a liability for its proportionate share of the NPL of \$2,111,191 and \$8,099,052 for PERS and TRS, respectively. At June 30, 2019, the employer's proportion was 0.1012 percent and 0.4363 percent for PERS and TRS, respectively.

The NPL was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of:

- June 30, 2017 and applying standard roll forward procedures for PERS. 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.
- July 1, 2018 for TRS. 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of TRS' participating employers.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

	PERS	TRS
<u>Changes in actuarial assumptions, other inputs, and methods:</u>	<p>Effective July 1, 2017, the following assumption changes were used:</p> <ul style="list-style-type: none"> • Lowered the interest rate from 7.75% to 7.65%. • Lowered the inflation rate from 3.00% to 2.75%. • Updated non-disabled mortality to the RP 2000 Combined Employee and Annuitant projected to 2020 using scale BB, males set back one year. • Increased rates of withdrawal. • Lowered the merit component of the total salary increase. • Lowered the wage base component of the total salary increase from 4.00% to 3.50%. • Decreased the administrative expense load from 0.27% to 0.26%. <p>Effective July 1, 2017, the following method changes were used:</p> <ul style="list-style-type: none"> • Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for PERS. This amount will vary from year to year based on the prior year's actual administrative expenses. • To be consistent with the wage base growth change, the payroll growth assumption for amortization as a level percent of pay was reduced from 4.00% to 3.50%. 	<p>There were no changes in actuarial assumptions and other inputs since the previous measurement date.</p>
<u>Changes in benefit terms:</u>	<p>Effective July 1, 2017, the following were benefit changes:</p> <ul style="list-style-type: none"> • Working Retiree Limitation – 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: <ol style="list-style-type: none"> 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. • The interest rate credited to member accounts increased from 0.25% to 0.77%. • Lump sum payouts are limited to the member's accumulated contributions rather 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. 	<p>There were no changes in benefit terms since the previous measurement date.</p>
<u>Changes in proportionate share:</u>	<p>There were no changes between the measurement date of the collective NPL and the employer's reporting date.</p>	<p>There were no changes between the measurement date of the collective NPL and the reporting date.</p>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

14. f. PENSION EXPENSE

	Pension Expense as of 6/30/19	Pension Expense as of 6/30/18
<u>PERS</u> (as of measurement date)		
School District's Proportionate Share	\$ 117,058	\$ 272,869
Employer Grant Revenue – State of Montana Proportionate Share for employer	51,876	6,502
Employer Grant Revenue – State of Montana State Appropriation for employer	<u>0</u>	<u>37,872</u>
Total	<u>\$ 168,934</u>	<u>\$ 317,243</u>
 <u>TRS</u>		
School District's Proportionate Share	\$ 646,274	\$ 626,109
State of Montana Proportionate Share associated with the Employer	<u>238,214</u>	<u>209,586</u>
Total	<u>\$ 884,488</u>	<u>\$ 835,695</u>

At June 30, 2019, the employer recognized a Pension Expense of \$168,934 and \$884,488 for its proportionate share of the PERS and TRS Pension Expense, respectively. The employer also recognized grant revenue of \$51,876 and \$238,214 for the support provided by the State of 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	\$ 160,542	\$ 0	\$ 57,797	\$ 5,054
Changes in actuarial assumptions	179,525	0	660,200	11,990
Difference between projected and actual investment earnings	0	32,787	0	73,107
Changes in proportion and differences between actual and expected contributions	0	0	3,158	128,560
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	462,413	0	0
Contributions paid subsequent to the measurement date – FY 2018 Contributions *	<u>146,764</u>	<u>0</u>	<u>553,772</u>	<u>0</u>
Total	<u>\$ 486,831</u>	<u>\$ 495,200</u>	<u>\$ 1,274,927</u>	<u>\$ 218,711</u>

* 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, 2020.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

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 and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)
2019	\$ 29,348		
2020	(15,272)	\$ 380,492	\$ 65,613
2021	(155,737)	280,054	45,709
2022	(13,472)	192,771	201,842
2023	0	0	37,707
2024	0	0	0
Thereafter	0	0	0

14. h. PENSION AMOUNTS TOTAL FOR EMPLOYER – EMPLOYER’S PROPORTION OF PERS AND TRS PENSION AMOUNTS

	The employer’s proportionate share associated with PERS	The employer’s proportionate share associated with TRS	The employer’s Total Pension Amounts
Total Pension Liability	\$ 7,957,750	\$ 26,200,077	\$ 34,157,827
Fiduciary Net Position	<u>5,846,559</u>	<u>18,101,025</u>	<u>23,947,584</u>
Net Pension Liability	2,111,191	8,099,052	10,210,243
Deferred Outflows of Resources	486,831	1,274,927	1,761,758
Deferred Inflows of Resources	495,200	218,711	713,911
Pension Expense	168,934	884,488	1,053,422

NOTE 15. COOPERATIVE

15. a. SPECIAL EDUCATION

The School District is a member of the Central Montana Learning Resource Center, a Special Education Cooperative (the 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 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

On July 10, 2019, the School District acquired land and a building from the United States Department of Education for consideration amounting to \$1 (one dollar). For a period of 30 years, the School District is required to use the property for educational purposes. Further, the School District must retain ownership and provide maintenance of the property for the same period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2019

NOTE 17. 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.

17. 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.

17. a. 1. TECHNICAL SUPPORT

The School District has entered into an agreement between 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.

17. a. 2. INTERLOCAL AGREEMENT FUND

The School District has entered into multi-district agreements between Lewistown Elementary and Fergus High School, for the purpose of collectively funding salaries, technology, curriculum, utilities and supplies as well as transportation essentials for the participating districts. 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. During fiscal year ended June 30, 2019 Lewistown Elementary general fund and Fergus High School general fund transferred \$20,103 and \$52,630, respectively, into the high school's Interlocal agreement fund.

NOTE 18. RECREATIONAL FACILITIES AND EQUIPMENT

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, 2019, School District payments to the city under the terms of the agreement amounted to \$53,121.

NOTE 19. 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 \$115,094 and there was one outstanding loan balance amounting to \$505. 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, 2019

**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	\$ 160,658	\$ 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

**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%

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, 2019

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%

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%

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, 2019

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	145,458	0	1,773,887	8.20%
2019	139,998	0	139,998	0	1,686,719	8.30%

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%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

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, 2019

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 6.30%
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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(As of Measurement Date)
For the year ended June 30, 2019

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%.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(As of Measurement Date)
For the year ended June 30, 2019

-
- 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:

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(As of Measurement Date)
For the year ended June 30, 2019

-
- 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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2019

	General (Elem.)			Flexibility (Elem.)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District Levies	\$ 1,813,932	\$ 1,813,932	\$ 1,824,011	\$ -	\$ -	\$ -
Interest	7,790	7,790	11,124	-	-	2,397
Other	-	-	-	-	-	689
State	4,459,573	4,459,573	4,441,608	-	-	-
Total Revenues	<u>6,281,295</u>	<u>6,281,295</u>	<u>6,276,743</u>	<u>-</u>	<u>-</u>	<u>3,086</u>
EXPENDITURES:						
Current:						
Instructional Services			3,916,736			10,916
Support Services			196,216			-
Educational Media Services			141,023			-
General Administrative Services			993,985			-
Operation and Maintenance Services			722,078			-
Transportation Services			3,342			-
School Food Services			137,177			-
Extracurricular			62,775			-
Capital Outlay			3,952			-
Total Expenditures	<u>6,281,295</u>	<u>6,281,295</u>	<u>6,177,284</u>	<u>117,022</u>	<u>117,022</u>	<u>10,916</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>99,459</u>	<u>(117,022)</u>	<u>(117,022)</u>	<u>(7,830)</u>
OTHER FINANCING SOURCES (USES):						
Fund Transfers (Out)			(20,104)			-
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	79,355	(117,022)	(117,022)	(7,830)
FUND BALANCE:						
Beginning of the Year			458,624			117,022
End of the Year			<u>\$ 537,979</u>			<u>\$ 109,192</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2019

	General (HS)			Flexibility (HS)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District Levies	\$ 991,211	\$ 991,211	\$ 996,774	\$ -	\$ -	\$ -
Interest	3,934	3,934	5,093	-	-	2,774
Other	-	-	-	-	-	2,568
State	2,278,447	2,278,447	2,270,820	-	-	-
Total Revenues	<u>3,273,592</u>	<u>3,273,592</u>	<u>3,272,687</u>	<u>-</u>	<u>-</u>	<u>5,342</u>
EXPENDITURES:						
Current:						
Instructional Services			1,547,272			15,000
Support Services			110,275			-
Educational Media Services			96,841			-
General Administrative Services			586,129			-
Operation and Maintenance Services			627,521			-
Transportation Services			34,297			-
School Food Services			21,871			-
Extracurricular			194,809			-
Capital Outlay			1,947			-
Total Expenditures	<u>3,273,592</u>	<u>3,273,592</u>	<u>3,220,962</u>	<u>179,161</u>	<u>179,161</u>	<u>15,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>51,725</u>	<u>(179,161)</u>	<u>(179,161)</u>	<u>(9,658)</u>
OTHER FINANCING SOURCES (USES):						
Fund Transfers (Out)			(52,630)			-
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>(52,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(905)	(179,161)	(179,161)	(9,658)
FUND BALANCE:						
Beginning of the Year			307,393			179,161
End of the Year			<u>\$ 306,488</u>			<u>\$ 169,503</u>

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended June 30, 2019

NOTE 1. BUDGETS

1. a. 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. 1 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 Miscellaneous and Interlocal funds are not included because they are non-budgeted funds.

1. a. 2 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 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 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.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the year ended June 30, 2019

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

	Sub-funds						
	General (Elem)	Metal Mines Tax Reserve (Elem)	Flexibility (Elem)	General (HS)	Metal Mines Tax Reserve (HS)	Flexibility (HS)	Total General Fund
Revenues:							
District Levies	\$1,824,011	\$ 0	\$ 0	\$ 996,774	\$ 0	\$ 0	\$ 2,820,785
Interest Earnings	11,124	2,026	2,397	5,093	2,748	2,774	26,162
Other	0	0	689	0	0	2,568	3,257
State Sources	<u>4,441,608</u>	<u>0</u>	<u>0</u>	<u>2,270,820</u>	<u>0</u>	<u>0</u>	<u>6,712,428</u>
Total Revenues	6,276,743	2,026	3,086	3,272,687	2,748	5,342	9,562,632
Expenditures:							
Instructional Services	3,916,736	0	10,916	1,547,272	0	15,000	5,489,924
Support Services	196,216	0	0	110,275	0	0	306,491
Educational Media	141,023	0	0	96,841	0	0	237,864
General Admin	993,985	0	0	586,129	0	0	1,580,114
Operation and Maintenance	722,078	0	0	627,521	0	0	1,349,599
Transportation	3,342	0	0	34,297	0	0	37,639
School Food	137,177	0	0	21,871	0	0	159,048
Extracurricular	62,775	0	0	194,809	0	0	257,584
Capital Outlay	<u>3,952</u>	<u>0</u>	<u>0</u>	<u>1,947</u>	<u>0</u>	<u>0</u>	<u>5,899</u>
Total Expenditures	<u>6,177,284</u>	<u>0</u>	<u>10,916</u>	<u>3,220,962</u>	<u>0</u>	<u>15,000</u>	<u>9,424,162</u>
Excess (Deficiency) of Revenues over Expenditures	99,459	2,026	(7,830)	51,725	2,748	(9,658)	138,470
Other Financing Sources and Uses:							
Fund Transfers In	0	0	0	0	0	0	0
Fund Transfers (Out)	<u>(20,104)</u>	<u>0</u>	<u>0</u>	<u>(52,630)</u>	<u>0</u>	<u>0</u>	<u>(72,734)</u>
Total Other Financing Sources and Uses	<u>(20,104)</u>	<u>0</u>	<u>0</u>	<u>(52,630)</u>	<u>0</u>	<u>0</u>	<u>(72,734)</u>
Net Change in Fund Balances	79,355	2,026	(7,830)	(905)	2,748	(9,658)	65,736
Fund Balance:							
Beginning of the Year	458,624	91,557	117,022	307,393	172,153	179,161	1,325,910
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of the Year (GAAP)	<u>537,979</u>	<u>93,583</u>	<u>109,192</u>	<u>306,488</u>	<u>174,901</u>	<u>169,503</u>	<u>\$ 1,391,646</u>
Current-year Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
End of the Year (Budget)	<u>\$ 537,979</u>	<u>\$ 93,583</u>	<u>\$ 109,192</u>	<u>\$ 306,488</u>	<u>\$ 174,901</u>	<u>\$ 169,503</u>	

In the General sub-funds combining schedule above, the elementary and high school General funds, elementary and high school Metal Mines Tax Reserve funds, and elementary and high school Flexibility funds 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 balances.

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 is a non-budgeted fund.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY EXPENDABLE TRUST FUND
For the year ended June 30, 2019

Activity Account Name	Beginning Balance 7/1/2018	Revenues	Expenses	Ending Balance 6/30/2019
Annual	\$ 876	\$ 8,200	\$ 4,011	\$ 5,065
AP Testing	3,021	3,577	3,226	3,372
Band	192	574	624	142
Eastern Mt Jazz Festival	13	0	0	13
BPA	1,152	8,013	7,664	1,501
Ct Mt Mentors	221	0	0	221
Cheerleaders	7,484	14,727	11,831	10,380
Concessions - Fund Balance	7,240	21,102	16,711	11,631
NHS/CLAWS	0	500	500	0
Eagle Renaissance	2,838	460	0	3,298
F Club	1,806	0	0	1,806
FFA	8,121	24,552	19,620	13,053
FCCLA	3,784	7,393	8,114	3,063
Fly Fishing	1,038	0	0	1,038
Spanish Club	1,830	4,054	4,099	1,785
How Club	347	0	204	143
Vica/Skills USA	436	0	0	436
Key Club	3,508	1,247	1,208	3,547
Art Club	2,149	100	65	2,184
Science Club	1,890	1,600	1,789	1,701
Ski Club	6,445	6,985	9,218	4,212
Student Council	3,838	9,023	8,851	4,010
Thespians	1,081	0	0	1,081
Trophy	2,237	0	0	2,237
Vocal Music	2,156	165	1,556	765
Dist. 8 MUSCH Festival	2,143	6,450	5,351	3,242
Weight Club	205	0	0	205
AP Govt	115	630	0	745
Career Fair	2,002	0	0	2,002
Eagle Wear	1,359	1,167	0	2,526
Model UN	0	330	330	0
Leadership	50	208	0	258
Astronomy Club	204	110	78	236
Gay-Straight Alliance	0	296	284	12
Class Of 2019	4,136	99	4,235	0
Class Of 2020	25	16,284	11,594	4,715
Class Of 2021	72	834	134	772
Class Of 2022	67	371	52	386
School Sponsored X-Curr	34,392	136,346	154,246	16,492
Girls Softball/Boys Cross Country	20,494	34,034	27,126	27,402
General Activities	61,524	15,468	14,603	62,389
LC Service Council	958	940	821	1,077
Builders Club	142	6	0	148
Cheerleaders	1,321	0	9	1,312
Consumer Tech	628	2,882	2,766	744
FACS	903	2,213	2,529	587
BC, SC Store	933	3,863	4,076	720
Subtotal	195,376	334,803	327,525	202,654

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY EXPENDABLE TRUST FUND (continued)
For the year-ended June 30, 2019

Balance forward	195,376	334,803	327,525	202,654
Music	1,150	20	873	297
Photo Club	2,612	3,259	2,336	3,535
Service Learning	391	162	167	386
Ski Club	1,388	5,726	7,147	(33)
Student Council	320	516	351	485
News	170	0	0	170
GIS Club	313	1,000	0	1,313
Computer Serv Learning	129	0	0	129
Field Trip Ski Day	858	0	0	858
Robotics Club	439	0	0	439
Science Olympiad	156	1,590	1,265	481
Expedition Yellowstone	8,492	1,817	7,270	3,039
Miscellaneous difference	<u>0</u>	<u>(7)</u>	<u>0</u>	<u>(7)</u>
Total	<u>\$ 211,794</u>	<u>\$ 348,886</u>	<u>\$ 346,934</u>	<u>\$ 213,746</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REPORTED ENROLLMENT
For the year ended June 30, 2019

Fall Enrollment – October 2018									
	Full-time Students			Part-time Students					
	Reported	Audited	Variance	Less Than				Audited	Variance
				181 hours	359 hours	539 hours	719 hours		
Elementary									
Kindergarten Full	104	104	0	0	0	1	0	1	0
Grade 1 - 6	559	559	0	0	0	0	1	1	0
Grade 7 - 8	<u>185</u>	<u>185</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>848</u>	<u>848</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>
High School									
Grade 9 - 12	<u>337</u>	<u>337</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
19-year old	0	0	0						
Youth Challenge	1	1	0						
Job Corps	0	0	0						
Early Graduates	0	0	0						
Spring Enrollment – February 2019									
	Full-time Students			Part-time Students					
	Reported	Audited	Variance	Less Than				Audited	Variance
				181 hours	359 hours	539 hours	719 hours		
Elementary									
Kindergarten Full	102	102	0	0	0	1	0	1	0
Grade 1 - 6	549	549	0	0	0	0	1	1	0
Grade 7 - 8	<u>182</u>	<u>182</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>833</u>	<u>833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>
High School									
Grade 9 - 12	<u>333</u>	<u>333</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
19-year old	0	0	0						
Youth Challenge	0	0	0						
Job Corps	0	0	0						
Early Graduates	0	0	0						

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2019

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	\$ -	\$ 35,164
National School Lunch Program (fn1)	10.555	N/A	-	273,930
Total Child Nutrition Cluster			-	309,094
Total U.S. Department of Agriculture			-	309,094
U.S. DEPARTMENT OF EDUCATION				
DIRECT:				
Rural Education	84.358	NA	-	24,303
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	-	15,311
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
Title I Grants to Local Education Agencies	84.010	014-0258-32-19	-	410,858
Career and Technical Education - Basic Grants to States (Carl Perkins)	84.048	014-0259-81-19	-	25,042
Total U.S. Department of Education			-	534,014
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 843,108</u>

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2019

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 under programs of the federal government for the fiscal year ended June 30, 2019. 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 Lewistown School District No. 1, it is not intended to and does not present the financial position, changes in net position or cash flows of Lewistown School District No. 1.

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

Lewistown School District No. 1 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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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, Montana 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, 2019, and the related notes to the financial statements, which collectively comprise Lewistown School District No. 1's basic financial statements and have issued our report thereon dated January 31, 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

A handwritten signature in black ink that reads "Strom & Associates, P.C." The signature is written in a cursive, flowing style.

STROM & ASSOCIATES, PC
Billings, Montana
January 31, 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, Montana 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, 2019. 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, 2019

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 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, PC
Billings, Montana
January 31, 2020

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2019

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's financial statements as of and for the year ended June 30, 2019.
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 Lewistown School District No. 1's compliance with major federal awards programs as of and for the year ended June 30, 2019.
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 Lewistown School District No. 1 for the year ended June 30, 2019 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.
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 year for the fiscal year ended June 30, 2018.

Current year findings

There were no findings or recommendations in the audit for the fiscal year ended June 30, 2019.

- C. Findings and questioned costs for Federal awards, as defined in section 200.516 of Uniform Guidance.

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, 2019.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

11

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 2020.

Attached are the Terms of Office Listing and the 2020 School Election Calendar.

Board members terms of office, that are due to expire in 2020 include: Kris Birdwell, Jeff Southworth and Stephan Vantassel.

SUGGESTED ACTION: Informational

☒ **Additional Information Attached**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD MEMBERS TERMS OF OFFICE

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

	Expire 2020	Expire 2021	Expire 2022
SCHOOL DISTRICT #1	Kris Birdwell Jeff Southworth Stephen Vantassel	CJ Bailey Monte Weeden	Phillip R. Koterba Jennifer Thompson

School District #1 One -- Three (3) Year Terms:

_____ 3-year term (to expire in 2023)

_____ 3-year term (to expire in 2023)

_____ 3-year term (to expire in 2023)

Declaration of Intents Filed for Nomination of School Board Trustee:

Stephen Vantassel

**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					
AMOUNT	\$98,000.00	\$79,449.41	\$98,000.00	\$68,606.20	NONE	\$44,638.12				
MILLS	8.33	6.58	8.17	5.54		3.46				
FOR	1126	1157	845	966		1295				
AGAINST	1173	1146	542	703		1039				
PASS/FAIL	FAIL	PASS	PASS	PASS		PASS				
MAIL/POLL	MAIL	MAIL	POLL	POLL		MAIL				
TYPE	BR LEVY (10 YR)	GF LEVY	BR LEVY (10 YR)	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	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					
AMOUNT	\$98,000.00	\$98,000.00	NONE	NONE	NONE					
MILLS	7.71	7.54								
FOR	1150	875								
AGAINST	1256	593								
PASS/FAIL	FAIL	PASS								
MAIL/POLL	MAIL	POLL								
TYPE	BR LEVY (10 YR)	BR LEVY (10 YR)								

AS OF DECEMBER 2019:


# ABSENTEE VOTERS IN ELEMENTARY DISTRICT	2936	58%
# POLL VOTERS IN THE ELEMENTARY DISTRICT	2118	42%
TOTAL # OF VOTERS IN ELEMENTARY DISTRICT	5054	

# ABSENTEE VOTERS IN THE HS DISTRICT	130	54%
# POLL VOTERS IN THE HS DISTRICT	111	46%
# OF VOTERS IN THE HS DISTRICT	241	

SCHOOL ELECTION CALENDAR 2020

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
No earlier than 145 days, or later than 40 days before	Thursday, December 12 through Thursday, March 26	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. <i>Candidate should be registered to vote at the time the Oath is filed.</i>	13-10-201 20-3-305
At least 70 days before	Tuesday, February 25	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. <ul style="list-style-type: none">• 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 28	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 6	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 9	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 2 (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 2 (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 3	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 3	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. <i>Trustees must pass a resolution stating exact levy amounts by this date for the clerk to certify the ballot.</i> 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 3	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. <i>**A trustee election held in single-member or trustee nominating district is considered a separate trustee election for declaring the election by acclamation.</i>	20-3-313
30 days before any election	Monday, April 6	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 6	Contact your county election administrator for the absentee ballot list.	13-13-212 20-20-312
Day after Close of Regular Registration	Tuesday, April 7	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 26 Through Saturday, April 25	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. <ul style="list-style-type: none">• 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 15	Absentee ballots available. The election administrator prepares ballots for absentee voters. Remember to enclose four things in the absentee package. <ul style="list-style-type: none">• 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 20 th day nor later than the 15 th day	Wednesday, April 15 through Monday, April 20	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 25 through Sunday, May 3	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. <i>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.</i>	13-15-105
Day before (By Noon)	Monday, May 4	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 4	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 4	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 5	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 6 th day after the election	Monday, May 11	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 6 th 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 29	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. <i>If the election was called by acclamation the trustees should still canvass results and issues certificates of election at this time.</i>	20-20-415 20-20-416
Within 5 days after the official canvas	Monday, May 11 through Wednesday, June 3	Deadline for filing a petition for recount. When a question submitted to a vote of the people is decided by a margin not exceeding $\frac{1}{4}$ 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 canvas.	13-16-201
Within 5 days of receipt of notice from the election administrator	Monday, May 13 through Monday, June 8	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 canvas or recount petition.	13-16-204 20-20-420
Within 25 days of election	By Friday, May 29	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	Monday, 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 (EA) to become the election administrator for school elections. The request must be made by a resolution of the board of trustees. If the county EA accepts, then he/she 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 12	Candidate completes and files Oath of Office with the County Superintendent. <i>*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.</i> <i>**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.</i>	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
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

12

ITEM TITLE: REPORT—BUDGET UPDATE

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

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, would like to update the Board of Trustees regarding some preliminary information regarding the 2020-2021 General Fund Budgets as well as the results of the Spring Student Enrollment Count.

SUGGESTED ACTION: Informational

☒ **Additional Information Attached**

NOTES:

2020-2021 PRELIMINARY BUDGET PROJECTIONS

As of 2/10/2020

ELEMENTARY

2019-2020 Final Budget	\$6,515,200.34	
2020-2021 Projected Budgets	\$6,638,339.80	without a vote
	\$6,670,106.40	with a vote
FY20 Budget vs FY21 Budget	\$123,139.46	higher without a vote
	\$154,906.06	higher with a vote

Estimated levy potential of \$31,767 (preliminary budgets will be released at the end of February)

Estimated budget shortfall of \$160,000 to \$190,000

HIGH SCHOOL

2019-2020 Final Budget	\$3,263,646.40	
2020-2021 Projected Budgets	\$3,220,150.58	without a vote
	\$3,268,816.09	with a vote
FY20 Budget vs FY21 Budget	(\$43,495.82)	lower without a vote
	\$5,169.69	higher with a vote

Estimated levy potential of \$48,666 (preliminary budgets will be released at the end of February)

Estimated budget shortfall of \$180,000 to \$230,000

The numbers above include estimates of the increase to staff salaries and health insurance. Gaining will determine the actual amounts. The numbers also include any changes to staffing that are known.

Many Unknowns Still Exist:

Salary & Benefits (Gaining), Retirements/Staff Resignations, Health Insurance Rates, Kindergarten Enrollment, Title I Funding

LEWISTOWN PUBLIC SCHOOLS

Enrollment History

February 3, 2020

	Fall 2008	Spring 2009	Fall 2009	Spring 2010	Fall 2010	Spring 2011	Fall 2011	Spring 2012	Fall 2012	Spring 2013	Fall 2013	Spring 2014	Fall 2014	Winter 2014	Spring 2015	Fall 2015	Spring 2016	Fall 2016	Spring 2017	Fall 2017	Spring 2018	Fall 2018	Spring 2019	Fall 2019	Spring 2020	Fall 2020 Projected	Fall 2021 Projected
Grade																											
Kindergarten	92	95	73	72	85	86	98	98	87	89	98	101	97	96	95	111	112	109	108	96	101	104	102	96	96	105	95
1st Grade	91	91	89	90	72	74	82	84	95	97	85	86	95	95	95	83	85	100	97	109	105	95	89	97	95	84	95
2nd Grade	101	101	90	88	90	99	75	75	81	79	95	95	82	82	83	95	97	86	86	95	95	98	99	98	100	95	84
3rd Grade	97	96	99	99	82	81	99	99	72	75	82	83	94	96	94	84	85	91	89	92	90	90	92	96	96	100	95
4th Grade	93	95	93	94	102	101	85	83	103	104	73	74	75	77	78	98	99	87	87	94	93	94	92	95	98	96	100
5th Grade	89	87	96	97	92	94	99	94	82	86	101	101	78	79	79	79	80	101	99	89	88	93	90	90	90	98	96
6th Grade	92	87	86	86	89	90	95	99	97	97	84	80	98	97	96	83	87	74	73	101	100	89	87	90	86	90	98
7th Grade	91	90	89	92	90	94	93	94	100	101	91	94	79	81	82	104	99	80	77	78	79	106	105	80	82	86	90
8th Grade	105	106	77	78	93	93	90	90	90	90	103	103	98	98	94	87	89	93	93	77	77	79	77	107	105	82	86
9th Grade	106	107	103	98	79	79	95	91	88	89	89	90	98	98	97	102	103	88	87	92	92	76	78	70	72	105	82
10th Grade	108	105	100	98	97	97	81	74	94	91	88	87	89	87	88	97	95	92	91	81	81	96	95	75	76	72	105
11th Grade	96	99	105	106	100	100	93	85	78	76	85	82	85	83	80	88	83	94	88	91	87	80	76	85	82	76	72
12th Grade	101	101	94	93	102	97	96	95	88	88	73	73	82	81	81	81	79	78	78	85	83	85	84	76	74	82	76
	Fall 2008	Spring 2009	Fall 2009	Spring 2010	Fall 2010	Spring 2011	Fall 2011	Spring 2012	Fall 2012	Spring 2013	Fall 2013	Spring 2014	Fall 2014	Winter 2014	Spring 2015	Fall 2015	Spring 2016	Fall 2016	Spring 2016	Fall 2017	Spring 2016	Fall 2018	Spring 2019	Fall 2020	Spring 2019	Fall 2021 Projected	Fall 2022 Projected
K-6	655	652	626	626	612	625	633	632	617	627	618	620	619	622	620	633	645	648	639	676	672	663	651	662	661	668	663
7-8	196	196	166	170	183	187	183	184	190	191	194	197	177	179	176	191	188	173	170	155	156	185	182	187	187	168	176
9-12	411	412	402	395	378	373	365	345	348	344	335	332	354	349	346	368	360	352	344	349	343	337	333	306	304	335	335
Grand Total	1262	1260	1194	1191	1173	1185	1181	1161	1155	1162	1147	1149	1150	1150	1142	1192	1193	1173	1153	1180	1171	1185	1166	1155	1152	1171	1174
Fall 2020 Projections:	Based on enrollment on 2/3/2020, Subtracts 12 (Kindersteps) from the 1st Grade enrollment, assumes 105 based on projections from Matt Lewis																										
Fall 2021 Projections:	Subtracts 10 (Kindersteps) from the 1st Grade enrollment																										

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

13

ITEM TITLE: REPORT—INVESTMENT

Requested By: Superintendent Prepared By: Rebekah Rhoades

SUMMARY:

Interest earned and distributed for January 2020 was not available at the time of the meeting:

SUGGESTED ACTION: Informational

☐ Additional Information Attached

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana
BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

14

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.

- ❖ Upcoming Tournament Passes –State Wrestling @ Billings, Feb. 14-15;
& BBB/GBB Divisional Tournament @ Billings, Feb. 26-29
- ❖ Calendar Committee Meets soon – Memorial Day is May 31st, 2021
- ❖ County Spelling Bee—Tuesday, February 11, 2020—7:00 p.m.—FCPA
- ❖ Head Start Concert – Tuesday, February 18, 2020 – 6:00 p.m. -- FCPA
- ❖ FHS Band Concert – Tuesday, February 25, 2020 – 7:00 p.m. – FCPA
- ❖ LJH Band/Choir Concert – Tuesday, March 3, 2020 – 7:00 p.m. – FCPA
- ❖ ACE Training – February 24 (ELA) & 25 (Math)
- ❖ No School – Friday, February 28
- ❖ 4th Grade Science Fair – Thur. – Fri., March 5 & 6 @ Highland Park
- ❖ State All Class Wrestling Tournament @ Billings Metra, February 14-15
- ❖ Eastern/Central “A” Divisional Basketball Tournament – February 26-29 @ Billings Metra
- ❖ State “A” Boys & Girls Basketball Tournament – March 12-14, Billings Metra
- ❖ Spring Sports Begin—Monday, March 16, 2020
- ❖ Home Athletic Games/Meets:
 - FHS GBB v. Billings Central – Friday, February 14
 - FHS BB v. Havre – Friday, February 21
 - State Middle School Wrestling Tournament – March 7, 2020

SUGGESTED ACTION: Informational

☐ **Additional Information Attached**

Notes:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

15

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

Requested By: Board of Trustees Prepared By: _____

SUMMARY:

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

SUGGESTED ACTION:

☐ Additional Information Attached

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

16

ITEM TITLE: MINUTES

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

SUMMARY:

The following minutes are attached for your approval:

- Minutes of the January 13, 2020, Regular Board Meeting
- Minutes of the January 21, 2020 Special Board Meeting

SUGGESTED ACTION: Approve Minutes as Presented

☒ **Additional Information Attached**

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

**MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

LINCOLN BOARD ROOM

215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, January 13, 2020

REGULAR BOARD MEETING

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

1. **ROLL CALL**

TRUSTEES PRESENT:

Kris Birdwell, Jennifer Thompson, Phil Koterba, Monte Weeden, Jeff Southworth, Stephen Vantassel

TRUSTEES ABSENT:

CJ Bailey

STAFF PRESENT:

Superintendent Thom Peck, Business Manager/District Clerk Rebekah Rhoades, LEA President Luke Brandon, Tim Nefzger, Susie Flentie, Scott Dubbs, Karen Durbin, Ashley Jenness, Michelle Trafton, Nycole LaRowe, Teresa Majerus

OTHERS PRESENT:

Miriam Campan – News Argus, Robert Pfund – KXLO Radio, Cooper Birdwell – Student Representative, Libbey Fried-Jenness – Student Representative, Scott Mickelson – Dawson Community College and other interested parties.

2. **PLEDGE OF ALLEGIANCE**

3. **MOTION TO SET AGENDA** – with the amendment to swap items 7 (Presentation – School Counselors) & 8 (Presentation – Michelle Trafton) and delete item 21 (Superintendent Contract) – Approved Unanimously (Birdwell/Southworth)

4. **Recognition – Jr High School and Fergus High School Science Olympiad Teams**

Tim Nefzger, HS Science Teacher, introduced the Junior High and High School Science Olympiad students and shared about their successes at a recent competition.

5. **Recognition – Jr High School GIS Club**

Susie Flentie, JHS Science Teacher, introduced the students in the GIS Club. They have been selected as state winners of the Samsung Solve for Tomorrow project and will be considered at the National level as well.

6. **Presentation – Scott Mickelson, Representative of Dawson Community College**

Scott Mickelson, President of Dawson Community College, and two of his employees presented their plans to roll out College courses in the Central Montana Education Center Building.

7. **Presentation – Michelle Trafton – Multi Tiered System of Supports (MTSS) and Student Mental Health**

Michelle Trafton, FHS Teacher and District MTSS Coordinator, shared about the history of MTSS and how it is used to improve the schools and meet the needs of students, and how it ties into mental health.

8. **Presentation – School Counselors**

Karen Durbin, Teresa Majerus, Ashley Jenness and Nycole LaRowe explained

- their process for meeting student's needs and their duties as counselors.
9. Report – Student Representative
Libbey Fried-Jenness, Student Representative to the Board, reported on activities at Fergus High School and introduced Cooper Birdwell as the new Student Representative to the Board.
 10. Report – LEA
Luke Brandon, President of the Lewistown Education Association (LEA) updated the Board of Trustees on the activities and happenings for their organization.
 11. Report—Committees of the Board
Kris Birdwell stated that the Gaining Committee has been meeting and any feedback from the Board is welcome.
 12. Calendar Items, Concerns, Correspondence, Etc.
Mr. Peck handed out various information to the Board.
 13. Report—Budget Information
Rebekah Rhoades, Business Manager/District Clerk, provided the Board with a preliminary budget summary for the 2020-2021 school year.
 14. Report—Election Information
Rebekah Rhoades, Business Manager/District Clerk, provided the Board with the 2020 School Election Calendar and advised them of the Trustee seats that will be up for election in 2020 – Kris Birdwell, Jeff Southworth and Stephen Vantassel.
 15. Report—Investment
Interest for December 2019 was \$6,777.96 in the Elementary and \$5,914.85 in the High School for a total of \$12,692.81.
 16. Report—Superintendent
Superintendent Thom Peck shared that there will be 3 student teachers this semester. Mr. Peck requested to attend the Model Schools Conference in at the end of June 2020. There will be a CTA Special Board Meeting on Tuesday January 21st at 6:30am. Mr. Peck updated the Board on various events taking place in the District.

PUBLIC PARTICIPATION

17. Recognition of Parents, Patrons, and Others Who Wish to Address the Board on Non-Agenda Items
There was no public participation.

ACTION ITEMS

MINUTES

18. Minutes of the December 9, 2020, Regular Board Meeting
Minutes of the December 17, 2019 Special Board Meeting
– Approved unanimously (Birdwell/Thompson)

APPROVAL OF CLAIMS

19. Claims – Approved unanimously (Weeden/Southworth)
Claims Committee for January through March 2020 will be Board Chair Phil Koterba, CJ Bailey, Jennifer Thompson, Jeff Southworth.

INDIVIDUAL ITEMS

20. Approve Building Use Agreement with Dawson Community College with the amendment to change the date on page 1 to July 1, 2020 – Approved unanimously (Birdwell/Weeden)
21. DELETED
22. Approve Variances to Standards Application – Approved unanimously (Thompson/Vantassel)
23. Approve Disposal/Destruction of Documents per the State Record Retention Schedule – Approved unanimously (Vantassel/Birdwell)
24. Approve Second Reading---Board Policy 1112--- Resignation of a Trustee – Approved unanimously (Birdwell/Southworth)
25. Approve Second Reading---Board Policy 4340---Public Access to District Records – Approved unanimously (Weeden/Thompson)

26. Approve Second Reading---Board Policy 4410---Relations with the Law Enforcement and Child Protective Agencies – Approved unanimously (Southworth/Weeden)
27. Approve Second Reading---Board Policy 5256---Reduction in Force – Approved unanimously (Thompson/Weeden)
28. Approve Additions to the Substitute List for the 2019-2020 School Year – Approved unanimously (Thompson/Southworth)
29. Approve Personnel Report – See Exhibit A – Approved unanimously (Weeden/Southworth)

ADJOURNMENT

The meeting was adjourned at 8:10 p.m (Thompson). The next regular meeting will be held at 6:00 p.m. on Monday, February 10, 2020, at the Lincoln Board Room.

PHILLIP R. KOTERBA
BOARD CHAIR

REBEKAH RHOADES
BUSINESS MANAGER/CLERK

EXHIBIT 'A'
LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday January 13, 2020

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
CONRAD, Cassidy	Food Server/Kitchen Aide	Fergus High School	Accept letter of resignation	12/21/2019	Amie Friesen	See attached letter
PHANSOMBUN, Suwaphit	Custodian	Garfield School	Accept letter of resignation	1/3/2020	Jason Fry	See attached letter
POSER-BROWN, Lora	Volunteer Assistant Speech and Drama Coach	Fergus High School	Volunteer Position; No Contract	1/14/2020	Jim Daniels	
VICTOR, Teresa	Bus Driver	Transportation	Approve appointment on schedule--TRANS Step 4 for up to 4.5 hours per day for up to 83 days	1/27/2020	Rob Odermann	Replacing David Betts
VICTOR, Tommy	Bus Driver	Transportation	Approve appointment on schedule--TRANS Step 4 for up to 4 hours per day for up to 83 days	1/27/2020	Rob Odermann	Replacing Debbie Walker

**MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

Lincoln Board Room
215 Seventh Avenue South
Lewistown, Montana 59457

Wednesday, January 21, 2020

SPECIAL BOARD MEETING

CALL TO ORDER (6:30 A.M.)

1. ROLL CALL

TRUSTEES PRESENT:

Board Chair Phil Koterba, Stephen Vantassel, Jennifer Thompson, Jeff Southworth, Kris Birdwell, Monte Weeden (arrived 6:35am)

TRUSTEES ABSENT:

CJ Bailey

STAFF PRESENT:

Superintendent Thom Peck, Business Manager Rebekah Rhoades, Danny Wirtzberger, Jason Fry, Matt Ventresca, Matt Lewis, Scott Dubbs, Jeff Friesen, Tim Majerus

OTHERS PRESENT:

Anthony Houtz – Cushing Terrell (CTA Architects), Dave Phillips, members of the Small Wonder Board

2. PLEDGE OF ALLEGIANCE

The group recited the Pledge of Allegiance.

PUBLIC PARTICIPATION

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

There was no public participation.

BOARD OF TRUSTEES

ACTION ITEMS

4. Approve Extension Date of Board Policy 6417--Administrator's Severance Pay to January 9, 2020 – Approved Unanimously (Birdwell/Thompson)
5. Approve Personnel Report – See Exhibit A - Approved Unanimously (Thompson/Birdwell)

WORKSESSION

6. CTA Architects – Facilities Discussion (6:33am)
Anthony Houtz with CTA Architects shared a preliminary plan for updating facilities.

ADJOURNMENT

The meeting was adjourned at 8:00 a.m. (Thompson – unanimous).

PHILLIP KOTERBA
BOARD CHAIR

REBEKAH RHOADES
BUSINESS MANAGER

EXHIBIT 'A'
LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Tuesday January 21, 2020

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
DUBBS, Scott	Principal	Lewistown Jr. High School	Accept letter of resignation	6/30/2020	Thom Peck	See attached letter
IRELAND, Kaity	Teacher	Garfield School	Accept letter of resignation	5/29/2020	Matt Lewis	See attached letter
PECK, Thom	Superintendent	Central Office	Approve out of state travel to attend Model Schools Conference in Orlando, Florida	6/28/20 thru 7/1/20	Thom Peck	See attachment

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

17

ITEM TITLE: CLAIMS

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

SUMMARY:

Approve claims paid through February 7, 2020, as approved by the Finance Committee.

Members of the Finance Committee for January-March 2020 include: Board Chair Phil Koterba, CJ Bailey, Jennifer Thompson, and Jeff Southworth.

SUGGESTED ACTION: Approve Claims as Presented

☐ **Additional Information Attached**

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

18

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

ITEM TITLE: APPROVE OUT-OF-DISTRICT STUDENT ATTENDANCE AGREEMENT REQUESTS FOR PLACEMENT IN AND OUT OF LEWISTOWN PUBLIC SCHOOLS

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

SUMMARY:

The Board of Trustees needs to approve the following requests for out-of-district students to attend the Lewistown Public Schools as indicated below.

<u>Student</u>	<u>Grade</u>	<u>District of Residence</u>	<u>District of Choice</u>
BB	12	Hobson	Lewistown

SUGGESTED ACTION: Approve Out-of-District Student Attendance Agreement Requests for Placement Inside/outside of Lewistown Public Schools

☐ **Additional Information Attached**

NOTES:

<i>Board Action</i>	Motion	Second	Aye	Nay	Abstain	Other
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

19

ITEM TITLE: APPROVE FIRST SEMESTER CLAIM FOR INDIVIDUAL CONTRACT BUS REIMBURSEMENT

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

SUMMARY:

The Board of Trustees needs to approve the claim for the Individual Contract Bus Reimbursement for the first semester as presented on the attachment.

SUGGESTED ACTION: Approve Claim for Individual Contract Bus Reimbursement

☒ **Additional Information Attached**

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						



TR-5
Individual Contract Reimbursement Claim
1st Semester 2019-2020

14 Fergus
0258 Lewistown Elem

08/21/2019-01/17/2020

Contract #	Shared	Family Name	Daily		Days		Total
			Rate	Isolation	Transported	Reimbursed	Reimbursement
48368	False	Boogman, Zelda	1.19	No	90.0	90.0	107.10
48369	False	Reisig, Rebecca	0.84	No	85.0	85.0	71.40
Total Individual Contract Reimbursement							178.50

Board Chair

Signature

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

20

ITEM TITLE: APPROVE FIRST SEMESTER ELEMENTARY AND HIGH SCHOOL CLAIMS FOR BUS REIMBURSEMENT

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

SUMMARY:

Attached are the first semester Elementary and High School claims for bus route reimbursement. According to state law, each yellow bus route generates a per-mile reimbursement based on the rated capacity of the bus used on the route. The money generated is used to fund home-to-school transportation in our Transportation Funds. These payments are financed 50% each by the state and county, with the county's portion financed by a permissive (i.e., unvoted) countywide levy.

The Board of Trustees needs to approve the Elementary and High School Bus Route Reimbursement Claim Forms for the first semester as presented on the attachments.

SUGGESTED ACTION: Approve First Semester Elementary and High School Bus Route Reimbursement Claims

☒ **Additional Information Attached**

NOTES:

	Motion	Second	Ave	Nav	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						



TR-6
Bus Route Reimbursement Claim
1st Semester 2019-2020

08/21/2019-01/17/2020

14 Fergus
0258 Lewistown Elem

Route #	Miles			Driver	VIN	Days		Total
	%	Per Day	Rate			Claimed	Reimbursed	Reimbursement
1	70.00	82.0	1.57	David J. Betts	4DRBWAAN8DB356001	92.0	92.0	8,290.86
2	70.00	75.4	1.80	Gregory D. Mikat	4DRBWTAN5KB275773	92.0	92.0	8,740.37
3	70.00	51.0	1.36	Floyd L. Carter	4DRBWAAN7CB341925	92.0	92.0	4,466.78
4	70.00	66.0	1.80	Wayne R. Lelek	4DRBWAAN0hb524154	92.0	92.0	7,650.72
5	70.00	33.0	1.57	Sandra J. Mikeson	4DRBWAAN6GB000568	92.0	92.0	3,336.56
6	70.00	53.7	1.57	Michael D. Perrine	4DRBWAAAR57A322014	92.0	92.0	5,429.50
7	70.00	69.0	0.95	Albert C. White	4DRBUAAL1FB033528	92.0	92.0	4,221.42
8	70.00	49.4	1.80	Kirby D. Rector	4DRBWAAN1EB481987	92.0	92.0	5,726.45
11	100.00	10.0	1.36	Cindy L. Noel	4DRBWAAN16A218714	92.0	92.0	1,251.20
Total Bus Route Reimbursement								49,113.86

Board Chair

Signature



TR-6
Bus Route Reimbursement Claim
1st Semester 2019-2020

08/21/2019-01/17/2020

14 Fergus
0259 Fergus H S

Route #	Miles			Driver	VIN	Days		Total
	%	Per Day	Rate			Claimed	Reimbursed	Reimbursement
1	30.00	82.0	1.57	David J. Betts	4DRBWAAN8DB356001	92.0	92.0	3,553.22
2	30.00	75.4	1.80	Gregory D. Mikat	4DRBWTAN5KB275773	92.0	92.0	3,745.87
3	30.00	51.0	1.36	Floyd L. Carter	4DRBWAAN7CB341925	92.0	92.0	1,914.34
4	30.00	66.0	1.80	Wayne R. Lelek	4DRBWAAN0hb524154	92.0	92.0	3,278.88
5	30.00	33.0	1.57	Sandra J. Mikeson	4DRBWAAN6GB000568	92.0	92.0	1,429.96
6	30.00	53.7	1.57	Michael D. Perrine	4DRBWAAAR57A322014	92.0	92.0	2,326.93
7	30.00	69.0	0.95	Albert C. White	4DRBUAAL1FB033528	92.0	92.0	1,809.18
8	30.00	49.4	1.80	Kirby D. Rector	4DRBWAAN1EB481987	92.0	92.0	2,454.19
Total Bus Route Reimbursement								20,512.57

Board Chair

Signature _____

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

21

ITEM TITLE: APPROVE TRUSTEE RESOLUTION CALLING FOR AN ELECTION

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

SUMMARY:

The Board of Trustees needs to approve the Trustee Resolution Calling for an Election.

Attached for your review is the Trustee Resolution Calling for an Election, an action the Board must take by Tuesday, February 25, 2020.

SUGGESTED ACTION: Approve Trustee Resolution Calling for an Election

☒ **Additional Information Attached**

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

TRUSTEE RESOLUTION CALLING FOR AN ELECTION

BE IT RESOLVED, the Board of Trustees for School District No. 1, Fergus County, State of Montana, will hold the Annual Regular School Election on Tuesday, the 5th day of May, 2020, which date is not less than seventy (70) days after the passage of this resolution.

The election will be conducted by:

 x Mail Ballot Poll Election

The purpose of the election is to elect three (3) trustees for a three-year term. Approval of additional levies to operate and maintain the Elementary District General Fund for FY2020 and approval of additional levies to operate and maintain the High School District General Fund for FY 2020 will also be requested. If it is later determined that any portion of the election is not required, the Board of Trustees authorizes Rebekah Rhoades, Election Administrator, to cancel that portion of the election in accordance with [13-1-304](#) and [20-3-313](#), MCA.

The Board of Trustees hereby directs the Fergus County Clerk and Recorder to appoint election judges as needed for the mail ballot election.

Voting Location and Address:

The Fergus County Clerk and Recorder will administer the election. Voters must return their mail ballots to the Fergus County Courthouse by 8:00pm on May 5, 2020.

BE IT FURTHER RESOLVED, that the Clerk of the School District is hereby directed to notify the Fergus County Clerk and Recorder of the date of holding said election, and request him/her to close registration, notify the judges, and to prepare and furnish election materials as required by law.

No further proceedings were conducted relating to the election.

Phil Koterba
Print Name of Board Chair

Signature of Board Chair

Rebekah Rhoades
Print Name of District Clerk

Signature of District Clerk

DATED this 10th day of February, 2020.

20-20-201, MCA

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

22

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

ITEM TITLE: APPROVE OPI TRANSFORMATIONAL LEARNING PROGRAM APPLICATION

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

House Bill 351, passed in the 2019 Montana state legislative session provides state funding to school districts for expanding a transformational learning plan.

SUGGESTED ACTION: Approve Application for OPI –Transformational Learning

☒ Additional Information Attached

NOTES:

<i>Board Action</i>	Motion	Second	Aye	Nay	Abstain	Other
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						



THE OPI - TRANSFORMATIONAL LEARNING APPLICATION FISCAL YEAR 2021

Guidance: The application has the following requirements that you will be required to meet.

1. The application is a fillable form that you can complete, download and save to your computer.
2. The application checklist must have all of the boxes marked to be a complete application.
3. The application must be approved in a board meeting of your Trustees and signed by your board chair.
4. The application has two upload requirements: (a) your definition of proficiency, (b) the completed application checklist with your board chair's signature.
5. The submission of the application will be a digital upload at the OPI Transformational Learning Webpage, using the submit button that you will see on the page by 8:00am MST, on October 1.
6. Districts with more than one LEA under a single governing board, can submit a single combined application.

SUBMITTER NAME: Thom Peck

DISTRICT NAME: Fergus H S **Email:** thom.peck@lewistown.k12.mt.us

LE Name & Number: 9032 Fergus - Lewistown

FTE dedicated to your district's transformational learning program: 10

2nd LE Name & Number: 0258 Lewistown Elem - Lewistown

FTE dedicated to your 2nd district's transformational learning program: 4

☒ The Local Education Agency (LEA) name and number(s) has been entered above. The district's board of trustees shall submit an application that has been approved, by a motion of the board of trustees, in a proper board meeting and signed by the board chair.

☒ Identify and submit the overall quality educator FTE participating in the transformational learning program as defined in (20-9-327 (3), MCA).

☒ Upload the district definition of proficiency as outlined in 20-9-311 (4)(d). The definition must not require seat time as a condition or other element of determining proficiency. The definition must be incorporated in the district's policies and must be used for determining content and course mastery and other progress, promotion from grade to grade, grads, and graduation for pupils enrolled in the district's transformational learning program. (If your definition varies between your elementary and high school district, include both and clearly define what district the definition supports.)

☒ Include in your district's strategic plan, your transformational learning plan with appropriate planning horizons for implementation. For example, the eligibility plan, measurable objectives and planned strategies that lead to:

- ☒ A transformational learning plan for each participating student that honors individual interests, passions, strengths, needs and culture. The plan shall be rooted in relationships with teachers, family, peers, and community members.
- ☒ Embedded community-based, experiential, online and work based learning opportunities that incorporate blended learning.

- ☒ Effective professional development to assist employees in transitioning to a transformational learning model
- ☒ Equality of educational opportunity for participation by all pupils of the district.

The school district's board chair signature affirms that the application has been completed and approved by the Board of Trustees. It is acknowledged that the full application will be kept at the district site. The checklist and attached documents is affirmation that the required elements of HB 351 are part of the application's supporting documents.

Philip Koterba

School District Board Chair Printed Name

School District Board Chair Signature

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

23

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

ITEM TITLE: APPROVE – FIRST READING---NEW BOARD POLICY 1005FE

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

The Board of Trustees needs to approve the first reading of the new said policy 1005FE. Flexibility and efficiency allowing proficiency-based ANB.

SUGGESTED ACTION: Approve First Reading New Board Policy 1005FE

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

<i>Board Action</i>	Motion	Second	Aye	Nay	Abstain	Other
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

FLEXIBILITY AND EFFICIENCY

Proficiency –Based ANB

It is the policy of Lewistown School District #1 to increase the flexibility and efficiency of the District's resources by utilizing the provisions of Law allowing proficiency-based ANB.

The school district as a definition of proficiency within the meaning of that term as used in 20-9-311(4)(d). The definition must not require seat time as a condition or other element of determining proficiency. The definition must be incorporated in the district's policies and must be used for purposes of determining content and course mastery and other progress, promotion from grade to grade, grades and graduation for pupils enrolled in the district's transformational learning program.

Definition of Proficiency

For purposes of this policy, the term "proficiency" means a degree of mastery of the underlying content for a course that is reflective of a final grade, is the professional opinion of the teacher of record, of not less than a "B". The determination of proficiency by a teacher must not require seat time as a condition or other element of determining proficiency.

The determination of proficiency for a pupil enrolled in a course shall be made no earlier than the deadline for submitting the final grade for the course. The determination of proficiency for a pupil not enrolled in a course shall be based on the pupil's mastery of the underlying context of the course, demonstrated through completion of a final exam designed by the teacher or record for the applicable course with a minimum grade of "B".

Teachers of record have full professional discretion in determining proficiency of a pupil in courses taught. Teachers of record are encouraged to integrate trial and error into the learning process and to incorporate continued opportunity for practice and revision of assignments until a pupil reaches a performance level that demonstrates to the teacher's satisfaction the mastery of learning expectations has been attained.

The District may include in its calculation of ANB a pupil who is enrolled in a program providing fewer than the required aggregate hours of pupil instruction required under Montana Law if the pupil has demonstrated proficiency in the context ordinarily covered by the instruction as determined by the school board using district assessments. The ANB of a pupil who demonstrates proficiency in any content subject matter will be converted to an hourly equivalent based on the hours of instruction ordinarily provided for the content over which the student has demonstrated proficiency.

At the direction of the District, a student may be given credit for a course satisfactorily completed in a period of time shorter or longer than normally required and, provided that the course meets the District's curriculum and assessment requirements, which are aligned with the

content standards stated in the education program. Examples of acceptable course work include, but are not necessarily limited to, those delivered through correspondence, extension, and distance learning courses, adult education, summer school, work study, specially designed courses, and challenges to current courses.

Legal Reference:	20-1-301, MCA	School fiscal year
	20-9-311(4)(a)(b)(d), MCA	Calculations of Average Number Belonging (ANB) – 3 year averaging
	20-3-324, MCA	Powers and duties
	10.55.906 ARM	High School Credit
	Chapter 402 (2019)	Transformational Learning Incentives

Policy History:

Adopted on:

Reviewed on:

Revised on:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

24

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

ITEM TITLE: APPROVE -FIRST READING---NEW BOARD POLICY 1015FE

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

The Board of Trustees needs to approve the first reading of the new said policy 1015FE. Flexibility and efficiency for personalized learning opportunities.

SUGGESTED ACTION: Approve First Reading New Board Policy 1015FE

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

<i>Board Action</i>	Motion	Second	Aye	Nay	Abstain	Other
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

FLEXIBILITY AND EFFICIENCY**Personalized Learning Opportunities**

It is the policy of the District to create an environment and culture that supports and meets the individual needs, skills, and interests of each student, provides advanced opportunities for students and supports transformational learning. As a result of the collective efforts of Trustees, Administrators, and Educators, the District ensures equality of educational opportunity for each student and have fully developed the potential of each student in District schools. In addition, to other initiatives/strategies, the District is committed to the following:

1. Expanding the personalized learning opportunities for each student to accelerate in their career and college readiness, reduce the out-of-pocket costs for families and empower students to actively engage in forming successful post-secondary pathways by:
 - a. Developing an advanced opportunity plan for students in grades 6-12 that
 - i. Fosters individualized pathways for career and postsecondary educational opportunities and that honors individual interests, passions, strengths, needs, and culture and is supported through relationships among teachers, family, peers, the business community, postsecondary education officials, and other community stakeholders; and
 - ii. Embeds community-based, experiential, online, and work-based learning opportunities and foster learning environment that incorporates both face-to-face and virtual connections.
2. Supporting and embracing a culture of transformational learning by:
 - a. Developing a transformational learning plan for each participating student that:
 - i. Honors individual interests, passions, strengths, needs, and culture, and that is rooted in relationships with teachers, family, peers, and community members;
 - ii. Embeds community-based, experiential, online and work-based learning opportunities and foster a learning environment that incorporates both face-to-face and virtual connections; and
 - iii. Provide effective professional development to assist employees in transitioning to a transformational learning model.

Policy History:

Adopted on:

Reviewed on:

Revised on:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

25

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

ITEM TITLE: APPROVE ADDITIONS TO THE SUBSTITUTE LIST FOR THE 2019-2020 SCHOOL

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 2019-2020 School Year as listed below:

Substitute Teacher/Aide List:
Victoria Lewis

SUGGESTED ACTION: Approve Additions to the Substitute List for 2019-2020 School Year

☐ Additional Information Attached

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

02/10/2020

Agenda Item No.

26

☐ 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

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

**LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA**

Monday February 10, 2020

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
CARRANZA, Adolfo (AI)	Custodian	Fergus High School	Approve appointment on schedule---MAIN II Step 0 for up to 8 hours per day for up to 95 days	2/17/2020	Jason Fry	Replacing Bradley Clark who replaced Suwaphit Phansombun
FELLER, Vic, HUDSON, Troy, JOHNSON, Orin and LEAR, Derek	Football Coaches	Fergus High School	Approve Out-Of-State Travel to attend Football Clinic at Reno, Nevada	3/5/20 thru 3/9/20	Jim Daniels	See Attached Memo
FRIESEN, Jeff	Principal	Jr. High School	Approve appointment on schedule --JUNIOR HIGH PRINCIPAL Matrix MA Step 5 for the 2020-2021 school year	7/1/2020	Thom Peck	Replacing Scott Dubbs
RAMMELT, Tanna	Kitchen Aide	Central Kitchen	Approve appointment on schedule--FOOD SERVER/KITCHEN AIDE Step 0 for up to 8 hours per day for up to 68 days	2/17/2020	Amie Friesen	Revised Contract (previously 5 hours per day)
SMITH, Kristina	Teacher	Jr. High School	Accept Letter of Resignation	7/1/2020	Scott Dubbs	See Attached Letter

January 21, 2020

Dear Mr. Peck,

This letter is to inform you that I will not be returning to the Junior High for the 2020/2021 school year. I have enjoyed teaching English and Spanish at the Junior High, but I have decided to pursue another career path. Thank you for entrusting me with the opportunity to educate the Seventh and Eighth graders of Lewistown.

Sincerely,

Kristina W. Smith



Christy Rogers <crogers@lewistown.k12.mt.us>

Football Clinic

1 message

Vic Feller <vfeller@lewistown.k12.mt.us>

Mon, Jan 27, 2020 at 10:19 AM

To: Christy Rogers <crogers@lewistown.k12.mt.us>

It is that time of year again that the football coaches are looking to go to the Glazier Clinic in Reno. We are not 100% sure we are going at this time but need to get board approval for out of state travel to Reno. The clinic is March 5-9. This would be for Vic Feller, Troy Hudson, Derek Lear and Orin Johnson. What we are asking for is Professional Leave on the March 5,6 and 9. This is the only cost to the district.

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 2019-2020 SCHOOL CALENDAR

A. Pupil Instruction

First Semester					92	Days	Second Semester					87	Days
FIRST QUARTER					DAYS		THIRD QUARTER					DAYS	
First Week	Aug	21 -- Aug	23	3			First Week	Jan	21 -- Jan	24	4		
Second Week	Aug	26 -- Aug	30	5			Second Week	Jan	27 -- Jan	31	5		
Third Week	Sept	3 -- Sept	6	4			Third Week	Feb	3 -- Feb	7	5		
Fourth Week	Sept	9 -- Sept	13	5			Fourth Week	Feb	10 -- Feb	14	5		
Fifth Week	Sept	16 -- Sept	20	5			Fifth Week	Feb	17 -- Feb	21	5		
Sixth Week	Sept	23 -- Sept	27	5			Sixth Week	Feb	24 -- Feb	27	4		
Seventh Week	Sept	30 -- Oct	4	5			Seventh Week	Mar	2 -- Mar	6	5		
Eighth Week	Oct	7 -- Oct	11	5			Eighth Week	Mar	9 -- Mar	13	5		
Ninth Week	Oct	14 -- Oct	16	3			Ninth Week	Mar	16 -- Mar	19	4		
Tenth Week	Oct	21 -- Oct	25	5									
					45							42	
SECOND QUARTER					DAYS		FOURTH QUARTER					DAYS	
First Week	Oct	28 -- Nov	1	5			First Week	Mar	23 -- Mar	27	5		
Second Week	Nov	4 -- Nov	5	3			Second Week	Mar	30 -- Apr	3	5		
Third Week	Nov	11 -- Nov	15	5			Third Week	Apr	6 -- Apr	9	4		
Fourth Week	Nov	18 -- Nov	22	5			Fourth Week	Apr	15 -- Apr	17	3		
Fifth Week	Nov	25 -- Nov	26	2			Fifth Week	Apr	20 -- Apr	24	5		
Sixth Week	Dec	2 -- Dec	6	5			Sixth Week	Apr	27 -- May	1	5		
Seventh Week	Dec	9 -- Dec	13	5			Seventh Week	May	4 -- May	8	5		
Eighth Week	Dec	16 -- Dec	20	5			Eighth Week	May	11 -- May	15	5		
Ninth Week	Jan	2 -- Jan	3	2			Ninth Week	May	18 -- May	21	4		
Tenth Week	Jan	6 -- Jan	10	5			Tenth Week	May	26 -- May	29	4		
Eleventh Week	Jan	13 -- Jan	17	5									
					47							45	

**Totals
179**

B. Pupil Instruction Related Days (PIR) - (Teachers ONLY - No School for Students)

August 12	New Teacher Orientation	
August 19-20	PIR	2.00
October 17-18	Staff Development Days - Teachers Convention	2.00
November 6-7	Parent Teacher Conferences	1.50
	(Evening on November 6, All Day on November 7)	
March 19	Parent Teacher Conferences - Evening <u>ONLY</u> (Regular Day for Students)	0.50
May 22	PIR	1.00
Floater	PIR	1.00
		8.00

Holidays / Vacations (Dates Inclusive)

C.

September 2	Labor Day
October 17-18	Fall Vacation (Teachers - Convention)
November 8	Vacation Day
November 27-29	Thanksgiving Vacation
December 23-January 1	Winter Break
January 20	Vacation Day
February 28	Vacation Day
March 20	Vacation Day
April 10-14	Spring Break
May 25	Memorial Day
July 3	Independence Day

