

# 2022

JULY 1, 2021 THROUGH JUNE 30, 2022

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



**BILLINGS PUBLIC SCHOOLS**

415 NORTH 30TH STREET BILLINGS, MT 59101  
BILLINGSSCHOOLS.ORG



BILLINGS SCHOOL DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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

Billings Public Schools  
415 North 30<sup>th</sup> Street  
Billings, Montana 59101-1298

THIS PAGE INTENTIONALLY LEFT BLANK

## **SECTION I - INTRODUCTORY**

THIS PAGE INTENTIONALLY LEFT BLANK

## TABLE OF CONTENTS

### **SECTION I – INTRODUCTORY SECTION**

	<u>Page No.</u>
Table of Contents .....	I
Directory of Officials .....	1
Organization Chart .....	2
Letter of Transmittal .....	3
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	6
ASBO Certificate of Excellence .....	7

### **SECTION II – FINANCIAL SECTION**

Independent Auditor's Report.....	8
Management's Discussion and Analysis .....	12

#### **BASIC FINANCIAL STATEMENTS:**

Government-wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the	
Statement of Activities.....	24
Statement of Net Position – Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	26
Statement of Cash Flows – Proprietary Funds.....	27
Notes to Basic Financial Statements.....	28

#### **REQUIRED SUPPLEMENTARY INFORMATION:**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund .....	49
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Elementary General Subfund .....	50
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – High School General Subfund .....	51
Schedules of Changes in Total Pension Liability and Total Pension Liability .....	52
Schedule of Changes in Total OPEB Liability and Related Ratios .....	53
Schedule of Proportionate Share of the Net Pension Liability Teachers and Public Employees Retirement System of Montana.....	54
Schedule of Contributions Teachers and Public Employees Retirement Systems of Montana .....	55
Notes to Required Supplementary Information-Pension Plan Information .....	56

#### **OTHER SUPPLEMENTARY INFORMATION:**

Combining Financial Statements:	
Combining Balance Sheet – All General Subfunds.....	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All General Subfunds .....	61
Nonmajor Governmental Funds – By Fund Type:	
Combining Balance Sheet – All Nonmajor Governmental Funds – By Fund Type.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances All Nonmajor Governmental Funds –	
By Fund Type.....	63
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	69
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Elementary Transportation Fund .....	74
High School Transportation Fund .....	75
Elementary Tuition Fund.....	76
High School Tuition Fund .....	77
Elementary Retirement Fund.....	78
High School Retirement Fund.....	79
Elementary Adult Education Fund .....	80
High School Adult Education Fund .....	81
Elementary Technology Fund.....	82
High School Technology Fund.....	83
Elementary Flexibility Fund.....	84
High School Flexibility Fund .....	85

# TABLE OF CONTENTS

Page No.

Nonmajor Debt Service Funds:	
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	87
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Elementary Debt Service Fund ...	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – High School Debt Service Fund.	89
Nonmajor Capital Projects Funds:	
Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Elementary Building Reserve Fund .....	92
High School Building Reserve Fund .....	93
Proprietary Funds:	
Combining Statement of Net Position – All Internal Service Funds.....	94
Combining Statement of Revenues, Expenses and Changes in Net Position – All Internal Service Funds .....	95
Combining Statement of Cash Flows – All Internal Service Funds .....	96
<b>SUPPLEMENTAL INFORMATION MANDATED BY MONTANA OFFICE OF PUBLIC INSTRUCTION</b>	
Schedule of Changes in Net Position – Extracurricular .....	97
Enrollment Schedule .....	98
<b>SECTION III – STATISTICAL SECTION</b>	
Net Position – Governmental Activities .....	100
Changes in Net Position – Governmental Activities .....	101
Fund Balances of Governmental Funds .....	102
Changes in Fund Balances of Governmental Funds .....	103
General Fund Expenditures by Function .....	104
Property Tax Assessment and Collections .....	105
Assessed Value and Estimated Actual Value of Taxable Property.....	106
Principal Property Tax Payers in the Elementary District .....	107
Principal Property Tax Payers in the High School District .....	108
Revenue by Source – All Governmental Fund Types.....	109
General Fund Revenue by Source .....	110
General Fund Revenue per Student.....	111
Ratio of General Obligation Bonded Debt Outstanding .....	112
Ratio of Outstanding Debt by Type .....	113
Computation of Legal Debt Margin .....	114
Computation of Direct and Overlapping General Obligation Bonded Debt.....	115
Ratio of Annual Debt Service for General Obligation Bonded Debt to Total General Subfund Expenditures .....	116
Demographic Statistics.....	117
Principal Employers.....	118
Operating Statistics .....	119
Employee Full Time Equivalency (FTE) by Function .....	120
Certified Staff Education and Experience .....	121
Educational Building Data .....	122
Percentage of Students Who Qualified For Free and Reduced Lunch.....	123
Attendance Data.....	124
Schedule of Insurance in Force .....	125
<b>SINGLE AUDIT SECTION:</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	126
Independent Auditor's Report on Compliance for Each Major Federal Program: Report on Internal Control over Compliance required by the Uniform Guidance .....	128
Schedule of Expenditures of Federal Awards.....	131
Schedule of Findings and Questioned Costs.....	134
Management's Response to Auditor's Findings:	
Corrective Action Plan.....	136



BILLINGS PUBLIC SCHOOLS

ORGANIZATION

BOARD OF TRUSTEES  
For Fiscal Year 2021-2022

Elementary and High School  
Single Member District

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

High School  
Nominating District

A	Jennifer Hoffman	Trustee
B	Russell Hall	Trustee

OFFICIALS

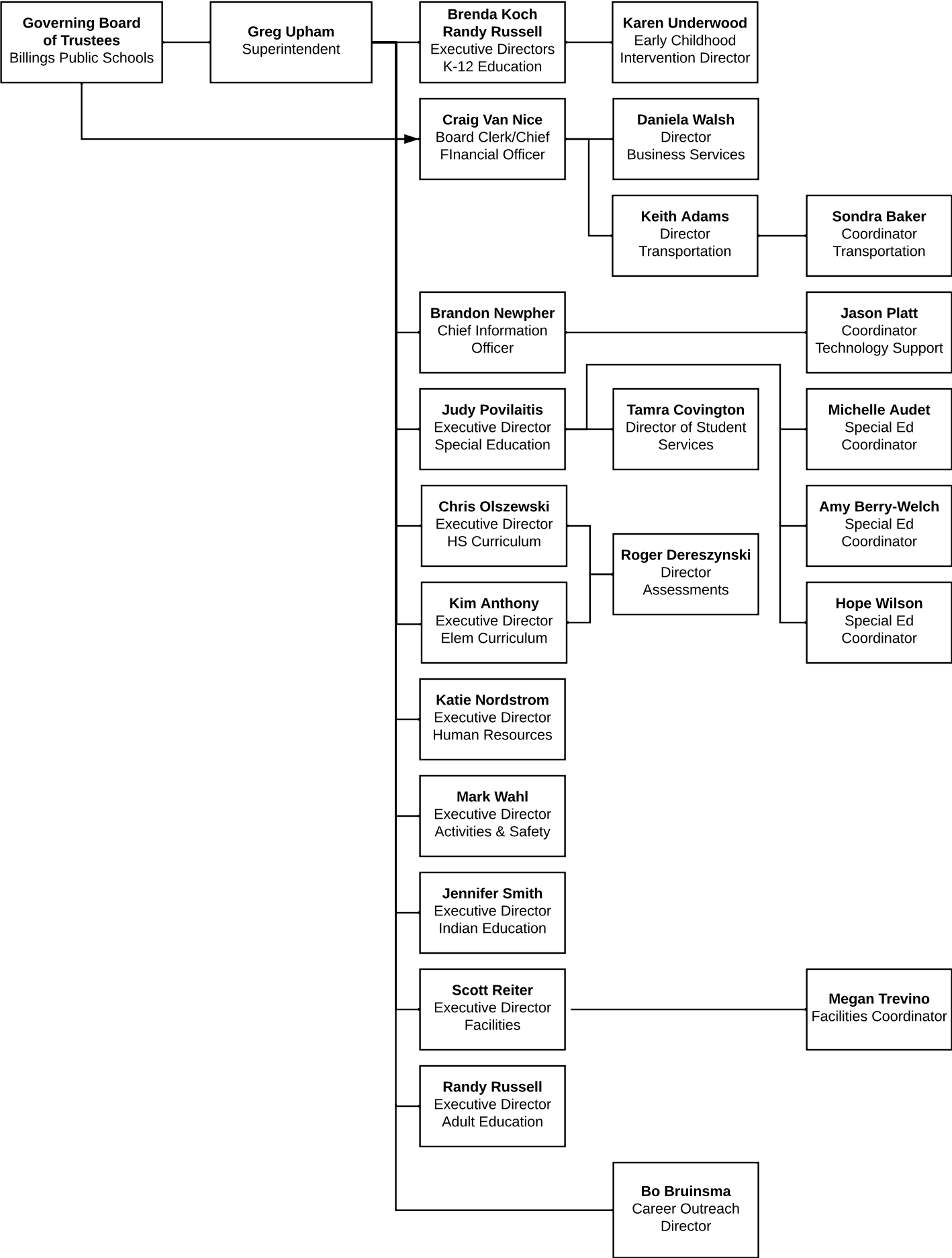
Greg Upham	Superintendent
Craig Van Nice	District Clerk

Elementary Single Member District Area:

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

High School District Area:

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





January 23, 2023

Scott McCulloch, Chair  
Members of the Board of Trustees and Billings Community  
Billings Public Schools  
415 North 30<sup>th</sup> Street  
Billings, Montana 59101

Dear Board Members and Billings Community:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) for Billings Public Schools for the fiscal year ended June 30, 2022. The purpose of this report is to provide the Board of Trustees, district management, voters, grantor agencies, and other interested parties with reliable financial information about Billings Public Schools. This report presents complete information about the district's financial position at year-end and financial activities during fiscal year 2022.

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

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

Billings Public Schools engaged Eide Bailly LLP, an independent auditor, to conduct the district's audit for the fiscal year ended June 30, 2022. The auditor's report is presented as the first component of the financial section of this report.

## **PROFILE OF THE DISTRICT**

Geographically, Billings Public Schools covers an area greater than the city of Billings. The school system includes two legally separate districts, Elementary District No. 2 and High School District No. 2. The Elementary District covers approximately 33 square miles and has an estimated population of 120,880. The High School District covers approximately 703 square miles, and encompasses eight elementary districts including; Billings, Elder Grove, Elysian, Canyon Creek, Morin, Yellowstone Academy, Independent, and Blue Creek. The estimated population of the High School District is 143,558. The FY22 student population totaled 16,732, Enrollment projections for FY23 have decreased to 16,600.

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

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

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

The district has aging buildings with the oldest building constructed in 1910 and most recent built in 2017. There have been additions made to the buildings over the years and bond proceeds continue to be used to update various facilities. The Board of Trustees conducted a successful bond levy election in November of 2013 in the amount of \$122.3 million

with a voter approval rate of 54%. In January 2014 the District sold the first installment of the \$122.3 million bond issuance. The \$80.9 million sold in January 2014 has been used to fund deferred maintenance, Broadwater and McKinley Schools renovations, technology infrastructure and a new middle school in the heights (Medicine Crow Middle School). The second installment of the 2013 bonds were sold in September 2015 to finish the deferred maintenance projects and construct the second new middle school on the west end (Ben Steele Middle School). The district is in the final stretch of utilizing the \$122 million bond proceeds. A Facility Master plan was completed in April 2018 and identifies planning goals to prioritize future facility improvements. With many of the previous elementary school issues having been addressed in recent years, the focus now shifts to deferred maintenance and addressing educational adequacy in the three high schools and Career Center. The Career Center, which serves in preparing students for career ready jobs out of high school, is also in need of substantial renovations and new construction. The District is active in talks to upgrade Daylis Stadium on the Senior High School campus, which is also in need of major repairs and potential new construction.

The Billings Education Foundation and the various parent organizations are separate legal entities. The impacts of these individual entities are considered immaterial to the overall financial status of the district and, as such, are not included in these financial statements. It is the goal of the school district to work with all schools in the area to ensure all student's academic achievements are at the forefront of all our goals and objectives.

## **ECONOMIC CONDITION AND OUTLOOK**

### Local Economy

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

Billings benefits from a diverse economy as a regional center for agriculture, retail, medical services, transportation, education, law and government services. The Billings area is a regional center for the energy industry with three major oil refineries located within the county. Billings has seen significant growth in industries that serve rural areas including professional and technical services, wholesale trade, finance and insurance. Yellowstone County's economy continues to grow, fueled by rising consumer demand and retail trade. The state is near full employment and seeing wage growth in the retail sector. Montana's tourism business continues to provide opportunities to Billings which has adopted the nickname, "Montana's trailhead." Billings serves as a major starting point for visitors to Yellowstone and Grand Teton national parks. Higher education opportunities continue to grow at MSU-Billings, City College and Rocky Mountain College as evidenced by steady enrollment at all three institutions. The city is a major trade center for eastern Montana and northern Wyoming. The absence of a sales tax attracts customers from northern Wyoming.

### Major Initiatives

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

### Financial Information

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

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

As a recipient of federal and state financial assistance, the district is also required to undergo an audit in conformity with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

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

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

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

#### Certificates of Excellence

This report has been prepared following guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and the Association of School Business Officials (ASBO). The district has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA and the Certificate of Excellence by ASBO for fiscal years 2007 - 2021. The awards are valid for a period of one year only. We believe our current report continues to conform to the GFOA and ASBO requirements, and we will submit it for determination of its eligibility for a renewed award.

#### Acknowledgements

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

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

Respectfully Submitted,



Greg Upham  
Superintendent



Craig Van Nice  
Chief Financial Officer



Daniela Walsh  
Dir. of Business Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Billings Public Schools  
Montana**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Billings Public Schools**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'Will Sutter'.

**William A. Sutter**  
**President**

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**

THIS PAGE INTENTIONALLY LEFT BLANK



## **SECTION II - FINANCIAL SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK



## Independent Auditor's Report

To the Board of Trustees  
Billings Public Schools  
Billings, Montana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Billings Public Schools basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Adoption of New Accounting Standard*

As discussed in Notes 1 and 4 to the financial statements, Billings Public Schools has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities right to use assets, lease liabilities, and net position as of July 1, 2021. Our opinions are not modified with respect to this matter.

THIS PAGE INTENTIONALLY LEFT BLANK

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Billings Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Billings Public Schools ability to continue as a going concern for a reasonable period of time.

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

THIS PAGE INTENTIONALLY LEFT BLANK

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Billings Public Schools' financial statements. The combining financial statements, supplemental information mandated by Montana Office of Public Instruction, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, supplemental information mandated by Montana Office of Public Instruction, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

THIS PAGE INTENTIONALLY LEFT BLANK



### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023, on our consideration of Billings Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Billings Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Billings Public Schools' internal control over financial reporting and compliance.

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

Billings, Montana  
January 19, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

# BILLINGS PUBLIC SCHOOLS

## MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis of Billings Public School's (referred to as the "the district" or the "government") financial performance provides an overview of the district's financial activities for the year ended June 30, 2022. We encourage the readers to consider the information presented here in conjunction with additional information presented in the financial statements and footnotes.

### FINANCIAL HIGHLIGHTS

- Revenues from government-wide activities decreased \$4.93 million (from 2021 to 2022) to \$236.75 million. This represents a 2.04% decrease over the prior year.
- Governmental activity expenses decreased \$15.00 million over 2021 to \$223.41 million. This represents a 6.29% decrease over the prior year.
- At year-end, the governmental funds reported total fund balances of \$91.68 million, an increase of \$7.22 million over the prior year.
- General fund unassigned reserves increased \$2.38 million.
- The 2022 general fund expenditure budget was \$129.01 million, an increase of \$.5 million or .42% over the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

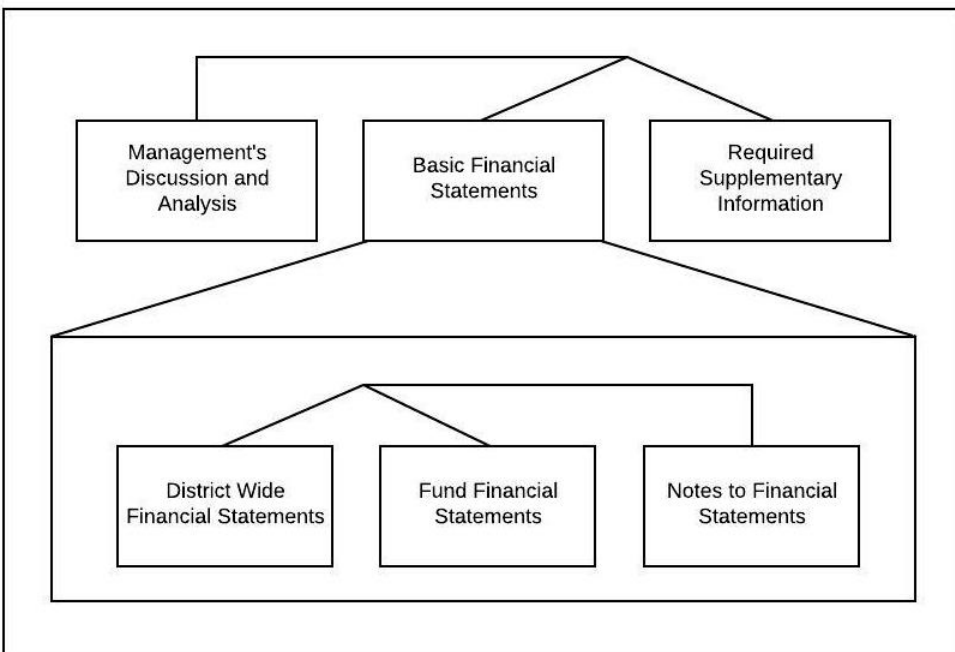


Figure A-2  
Major Features of Government-Wide and Fund Financial Statements

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

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

**Government-wide financial statements** One of the most important questions asked about the district's finances is, "Is the government, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities (pages 19 and 20) report information about the district as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report net position and the changes in it. You can think of net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as one way to measure the district's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the district's financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the property tax base, economy, enrollment and the State's funding of educational costs to assess the district's overall health.

# BILLINGS PUBLIC SCHOOLS

## MANAGEMENT DISCUSSION & ANALYSIS

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

**Governmental funds**—Basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (pages 21 and 23) provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations (pages 22 and 24, respectively).

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

The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 25, 26 and 27 of this report. The district has no material business-type activities.

### THE DISTRICT AS A WHOLE

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

NET POSITION:	2022	Restated 2021
Current and other assets	\$ 119,133,165	\$ 109,919,940
Capital assets	172,825,104	177,370,158
Total assets	291,958,269	287,290,098
Deferred outflows of resources	43,842,322	49,139,406
Other liabilities	16,175,354	14,307,181
Long-term liabilities outstanding	318,832,495	379,673,921
Total Liabilities	335,007,849	393,981,102
Deferred inflows of resources	49,049,704	4,040,541
Net Position:		
Net investment in capital assets	51,001,007	49,206,158
Restricted	42,419,203	38,034,357
Unrestricted	(141,677,172)	(148,832,654)
Total net position	\$ (48,256,962)	\$ (61,592,139)

**BILLINGS PUBLIC SCHOOLS**  
**MANAGEMENT DISCUSSION & ANALYSIS**

CHANGE IN NET POSITION:	2022	2021 *
Revenues:		
Program revenues:		
Charges for services	\$ 2,692,616	\$ 1,756,828
Operating grants and contributions	69,315,970	72,610,223
General revenues:		
Taxes	62,272,881	63,670,285
State sources	80,962,029	79,259,864
County sources	16,193,869	20,865,016
Interest	204,062	201,992
Contributions and donations	741,633	396,692
Miscellaneous	4,367,010	2,920,491
Total revenues	<u>236,750,070</u>	<u>241,681,391</u>
Expenses:		
Instruction	131,643,610	146,237,476
Support services:		
Students	18,256,096	18,707,694
Instructional staff	10,870,823	10,941,020
General administration	2,322,275	2,008,889
Administration	14,067,493	14,498,993
Business	2,706,205	2,996,494
Operation and maintenance	18,299,121	18,876,172
Student transportation	7,640,182	7,297,869
Food services	7,591,968	6,102,984
Extracurricular	6,518,792	5,153,499
Interest on long-term debt	3,498,328	5,598,471
Total expenses	<u>223,414,893</u>	<u>238,419,561</u>
Change in net position	13,335,177	3,261,830
Net position, beginning	(61,347,933)	(67,047,840)
Prior period adjustment - fiscal year 2022		
Statement No. 87, fiscal year 2021		
GASB Statement No.84	(244,206)	2,438,077
Net position, ending	<u>\$ (48,256,962)</u>	<u>\$ (61,347,933)</u>

\* Not restated for GASB Statement No. 87

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis focuses on the district's net position and changes in net position. The 2022 revenues exceed expenses by \$13.34 million.

	2022	2021 *
Revenues	\$ 236,750,070	\$ 241,681,391
Expenses	<u>223,414,893</u>	<u>238,419,561</u>
Change in net position	<u>\$ 13,335,177</u>	<u>\$ 3,261,830</u>

\* Not restated for GASB Statement No. 87

**BILLINGS PUBLIC SCHOOLS**  
**MANAGEMENT DISCUSSION & ANALYSIS**

	2022	Restated 2021	Change
Net investment in capital assets	\$ 51,001,007	\$ 49,206,158	\$ 1,794,849
Restricted	42,419,203	38,034,357	4,384,846
Unrestricted	<u>(141,677,172)</u>	<u>(148,832,654)</u>	<u>7,155,482</u>
Total net position (deficit)	<u>\$ (48,256,962)</u>	<u>\$ (61,592,139)</u>	<u>\$ 13,335,177</u>

The net investment in capital assets balance in the 2021 column has been restated to reflect the prior period adjustments related to implementing GASB Statement No. 87.

The largest portion of the district's net position (\$51.00 million) is capital assets which include investments in land, buildings, equipment, improvements, and right to use leased assets less any outstanding debt used to acquire the assets. Most of these capital assets do not generate revenue and instead generate future liabilities because of the associated maintenance costs. Under state law the facilities and equipment which are used to provide services to students and the community can only be sold if the asset is declared to be surplus property. Future funding to complete the required maintenance of assets and to retire the remaining debt related to acquisition of these assets must be provided from unreserved amounts from the district's different funding sources. Due to bond related projects, the district has reduced its estimated deferred maintenance costs to approximately \$65 million.

The 2022 net position restricted for debt service and other purposes totaling \$42.42 million cannot be reallocated to cover other district expenses.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants, legislative restrictions, or other legal requirements. The current unrestricted balance is a deficit of \$141.68 million.

The district's unfunded liability for the total pension liability-service credit and termination pay benefits plan, compensated absences and other postemployment benefits (OPEB) in 2022 was \$68.05 million. The liability is funded on a pay-as-you-go basis rather than an actuarial basis with the reasonable expectation that projected benefits disbursements will increase substantially. The financial statement amortization of this liability disregards the average number of years before retirement of the district's employees. The district's retirement plans may be unsustainable at current benefit levels. The district will need to address the sustainability of these benefits programs.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide detailed information about the major (most significant) funds. To be reported as a major fund, total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of an individual fund must contribute at least 10 percent of the corresponding total (assets, liabilities, etc.) for all funds. Individual funds are generally allocated or designated for special purposes and in some instances have a mix of restricted, committed, assigned and unassigned fund balances. Total fund balances for 2021 were \$84.45 million, while 2022 totals were \$91.68 million. The major funds were the general and elementary miscellaneous programs funds. General fund fund balance increased \$3.74 million. The increase occurred because of efforts to increase reserves. The elementary miscellaneous programs fund fund balance increased \$.97 million mainly due to indirect cost revenues exceeding expenditures.

The combined fund balance for all funds increased \$7.22 million in 2022.

A budget must be adopted by the Board of Trustees prior to the expenditure of governmental funds. If budgeted expenditures are not recognized during the fiscal year, authorization for the expenditure of unused funds lapses at the end of the fiscal year. If projected expenditures are insufficient to meet district requirements, the Board can adopt a budget amendment after a public hearing that can be held at any time during the fiscal year. There were no general fund budget amendments during fiscal year 2022.

**BILLINGS PUBLIC SCHOOLS**  
**MANAGEMENT DISCUSSION & ANALYSIS**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund is always reported as a major fund (See Note 1). This fund reported a total fund balance of \$28.84 million, an increase of \$3.74 million from the prior year.

The table below summarizes actual general fund revenues and expenditures for 2022 and 2021. Revenue decreased by 4.13% due to a decrease in the state's on-behalf contribution to TRS and PERS.

The 1.43% increase in expenditures was due to employee raises and benefit increases.

	2022	2021	Change
Revenues:			
Property taxes	\$ 37,238,011	\$ 38,762,253	\$ (1,524,242)
State aid	79,742,608	78,585,358	1,157,250
State other	18,590,287	24,142,997	(5,552,710)
Tuition	450,258	449,716	542
Interest	114,207	18,510	95,697
Miscellaneous	182	40,000	(39,818)
Total revenues	<u>\$ 136,135,553</u>	<u>\$ 141,998,834</u>	<u>\$ (5,863,281)</u>
Expenditures			
Instruction	\$ 84,488,313	\$ 86,631,493	\$ (2,143,180)
Support services:			
Students	9,313,577	8,838,101	475,476
Instructional staff	7,328,637	7,877,074	(548,437)
General administration	2,240,570	1,874,995	365,575
School administration	8,742,499	6,156,297	2,586,202
Business services	2,101,353	2,017,454	83,899
Operation and maintenance	14,856,297	13,934,752	921,545
Student transportation	119,710	107,480	12,230
Food services	4,759	4,515	244
Extracurricular	2,909,279	2,585,144	324,135
Capital outlay	287,508	488,379	(200,871)
Debt service	18,609	-	18,609
Total expenditures	<u>\$ 132,411,111</u>	<u>\$ 130,515,684</u>	<u>\$ 1,895,427</u>

There were no significant budget and actual general fund revenue or expenditure variances in 2022.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets* - The district's 2022 capital project budget was used to complete the projects funded by the general fund and bond funds authorized by the voters. Construction in progress as of June 30, 2022 of \$2.04 million consists primarily of projects funded by bond proceeds.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2022 and 2021. The district had \$172.9 million invested in a broad range of capital assets, including technology, equipment and school buildings. Additional information on the district's capital assets can be found in Note 3 of this report.

	2022	2021 *	Change
Land	\$ 4,934,084	\$ 4,934,084	\$ -
Construction in progress	2,038,733	1,887,166	151,567
Improvements other than buildings	2,807,508	3,039,504	(231,996)
Buildings and improvements	157,658,164	161,627,832	(3,969,668)
Machinery and equipment	5,104,856	5,412,206	(307,350)
Right to use assets	281,759	469,366	(187,607)
Total	<u>\$ 172,825,104</u>	<u>\$ 177,370,158</u>	<u>\$ (4,545,054)</u>

\* Restated for GASB Statement No. 87



# BILLINGS PUBLIC SCHOOLS

## MANAGEMENT DISCUSSION & ANALYSIS

*Debt Administration* – A summary of the district's outstanding long-term debt for the years ended June 30, 2022 and 2021 is presented below:

	2022	2021 *	Change
General obligation bonds	\$ 124,608,502	\$ 132,469,502	\$ (7,861,000)
Premium	1,856,067	2,421,547	(565,480)
Total bonds	126,464,569	134,891,049	(8,426,480)
Leases	298,585	469,366	(170,781)
Compensated absences	10,401,336	10,304,464	96,872
Pension related debt	154,880,225	210,664,075	(55,783,850)
Other postemployment benefits	26,787,780	23,344,967	3,442,813
Total	<u>\$ 318,832,495</u>	<u>\$ 379,673,921</u>	<u>\$ (60,841,426)</u>

\* Restated for GASB Statement No. 87

At year-end, the district had \$126.5 million in outstanding bonds. The current portion, which is due within one year, is equal to \$7.04 million. The remainder of the Billings Public School's long-term obligations is comprised of leases, compensated absences, pension related debt and OPEB.

Pursuant to State law, the maximum amount for which the district may become indebted through the issuance of bonds, including all outstanding indebtedness, is equal to the greater of: (i) 100% of the taxable value of property subject to taxation by the district as ascertained by the last assessment for property taxes, or (ii) 100% of the statewide Facility Guaranteed Mill Value per ANB for the district multiplied by 1,000, multiplied by the number of students enrolled in the district. Based on these criteria, the district's debt limit and debt capacity remaining are \$1.03 billion and \$907 million, respectively. Under current state statutes, a district's general obligation bonded debt issuances are subject to a legal limitation based on taxable value. The district has an AA- rating from Standard & Poor's Ratings Services for general obligation debt.

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

### OTHER

The Board of Trustees and the District's administration considered many factors during the budget development process for the 2022-23 school year. District enrollment and collective bargaining agreements coupled with upcoming negotiations remain primary factors in determining the current budget and looking towards future school year budgets. Student enrollment remains lower than pre-pandemic levels causing continued strain on the District's general fund budget, particularly in the Elementary District. Under the current collective bargaining agreement, staff received negotiated salary increases which also exacerbates the strain on the general fund budgets. In an attempt to alleviate some of the strain, the District continues to use budget contingency amounts including funding provided for COVID-19 relief. The COVID-19 relief funds include Elementary and Secondary School Emergency Relief Fund (ESSER) grant funding. The ESSER grants, made up of three separate grant cycles, were originally awarded during the during the 2020 and 2021 school years. The District has fully expended ESSER I and ESSER II funds and anticipates spending the ESSER III funds in full before the grant closes in September 2024.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

THIS PAGE INTENTIONALLY LEFT BLANK

## **BASIC FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

**BILLINGS PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
June 30, 2022

<b>ASSETS</b>	
Cash and cash equivalents	\$ 77,532,297
Receivables:	
Property taxes, net	905,056
Governments	38,306,985
Other	1,102,431
Prepays	1,286,396
Capital assets not being depreciated	6,972,817
Capital assets, net of accumulated depreciation/amortization	<u>165,852,287</u>
 Total assets	 <u>291,958,269</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	2,525,074
Service credit and termination pay benefits pension plan	3,281,349
Teachers' and public employees' retirement systems pension plans	29,997,394
Other postemployment benefits	<u>8,038,505</u>
 Total deferred outflows of resources	 <u>43,842,322</u>
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	15,728,147
Accrued interest payable	280,161
Unearned revenue	167,046
Noncurrent liabilities:	
Due within one year:	
Bonds and leases	7,214,220
Compensated absences	1,040,134
Due in more than one year:	
Bonds and leases	119,548,934
Compensated absences	9,361,202
Total other postemployment benefits liability	26,787,780
Total pension liability-service credit and termination pay benefits payable	30,859,228
Net pension liability-teachers' and public employees' retirement systems	<u>124,020,997</u>
 Total liabilities	 <u>335,007,849</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Service credit and termination pay benefits pension plan	4,180,477
Teachers' and public employees' retirement systems pension plans	41,610,833
Other postemployment benefits	<u>3,258,394</u>
 Total deferred inflows of resources	 <u>49,049,704</u>
 <b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	51,001,007
Restricted for:	
Instruction	10,850,296
Support services:	
Students	1,844
Instructional staff	244,273
School administration	340,209
Business services	17,964
Operation and maintenance	4,613,093
Student transportation	2,010,244
Food services	2,762,108
Extracurricular	2,994,206
Capital projects	3,009,427
Debt service	15,575,539
Unrestricted	<u>(141,677,172)</u>
 Total net position (deficit)	 <u>\$ (48,256,962)</u>

See notes to basic financial statements.

# BILLINGS PUBLIC SCHOOLS

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 131,643,610	\$ 988,908	\$ 41,145,721	\$ (89,508,981)
Support services:				
Students	18,256,096	-	8,383,645	(9,872,451)
Instructional staff	10,870,823	-	1,294,624	(9,576,199)
General administration	2,322,275	-	37,021	(2,285,254)
School administration	14,067,493	-	3,978,178	(10,089,315)
Business services	2,706,205	-	151,865	(2,554,340)
Operation and maintenance	18,299,121	1,137,767	2,912,984	(14,248,370)
Student transportation	7,640,182	49,747	1,626,201	(5,964,234)
Food services	7,591,968	516,194	8,655,965	1,580,191
Extracurricular	6,518,792	-	100,210	(6,418,582)
Interest	3,498,328	-	1,029,556	(2,468,772)
Total	<u>223,414,893</u>	<u>2,692,616</u>	<u>69,315,970</u>	<u>(151,406,307)</u>
General revenues:				
Property taxes				62,272,881
Intergovernmental:				
State aid				80,729,162
State other				232,867
County				16,193,869
Interest				204,062
Contributions and donations not restricted for specific programs				741,633
Miscellaneous				<u>4,367,010</u>
Total general revenues				<u>164,741,484</u>
Change in net position				13,335,177
Net position (deficit) - beginning				(61,347,933)
Prior period adjustment (Note 4)				<u>(244,206)</u>
Net position (deficit) - ending				<u>\$ (48,256,962)</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,234,152	\$ 852,296	\$ 48,471,986	\$ 64,558,434
Receivables:				
Property taxes, net	543,737	-	361,319	905,056
Governments	-	36,397,551	1,909,434	38,306,985
Other	250,996	149,866	102,887	503,749
Due from other funds	19,295,000	-	4,200,000	23,495,000
Prepaid items	1,188,893	-	-	1,188,893
<b>Total assets</b>	<b>\$ 36,512,778</b>	<b>\$ 37,399,713</b>	<b>\$ 55,045,626</b>	<b>\$ 128,958,117</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,533,527	\$ 3,594,013	\$ 2,270,325	\$ 13,397,865
Due to other funds	-	23,495,000	-	23,495,000
Unearned revenue	-	-	149,626	149,626
<b>Total liabilities</b>	<b>7,533,527</b>	<b>27,089,013</b>	<b>2,419,951</b>	<b>37,042,491</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	143,601	-	95,235	238,836
<b>FUND BALANCES</b>				
Nonspendable	1,188,893	-	-	1,188,893
Restricted	-	992,986	44,026,775	45,019,761
Committed	-	-	7,612,361	7,612,361
Assigned	271,806	9,317,714	891,304	10,480,824
Unassigned	27,374,951	-	-	27,374,951
<b>Total fund balances</b>	<b>28,835,650</b>	<b>10,310,700</b>	<b>52,530,440</b>	<b>91,676,790</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 36,512,778</b>	<b>\$ 37,399,713</b>	<b>\$ 55,045,626</b>	<b>\$ 128,958,117</b>

See notes to basic financial statements.

# BILLINGS PUBLIC SCHOOLS

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2022

---

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

Total fund balances, governmental funds	\$ 91,676,790
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	172,784,093
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	238,836
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	33,278,743
Deferred inflows of resources related to pensions	(45,791,310)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.	(10,730,336)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Deferred charge on refunding (to be amortized as interest expense)	2,525,074
General obligation bonds	(124,608,502)
Leases	(256,512)
Issuance premium (to be amortized over life of debt)	(1,856,067)
Compensated absences	(10,357,385)
Accrued interest payable	(280,161)
Total pension liability - service credit and termination pay benefits	(30,859,228)
Net pension liability-teachers' and public employees' retirement systems	(124,020,997)
Net position (deficit) of governmental activities	<u><u>\$ (48,256,962)</u></u>

See notes to basic financial statements.



# BILLINGS PUBLIC SCHOOLS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 37,238,011	\$ -	\$ 24,953,337	\$ 62,191,348
Intergovernmental:				
County	-	-	16,923,560	16,923,560
State aid	79,742,608	-	986,554	80,729,162
State other	18,590,287	4,034,683	3,084,342	25,709,312
Federal	-	32,248,340	10,441,574	42,689,914
Tuition	450,258	-	-	450,258
Charges for services	-	-	1,155,013	1,155,013
Interest	114,207	9,607	57,605	181,419
Miscellaneous	182	1,027,207	4,501,174	5,528,563
Total revenues	<u>136,135,553</u>	<u>37,319,837</u>	<u>62,103,159</u>	<u>235,558,549</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	84,488,313	23,980,854	19,326,245	127,795,412
Support services:				
Students	9,313,577	5,605,606	2,399,917	17,319,100
Instructional staff	7,328,637	1,129,660	2,007,175	10,465,472
General administration	2,240,570	4,133	65,801	2,310,504
School administration	8,742,499	3,314,387	1,806,370	13,863,256
Business services	2,101,353	287,747	329,714	2,718,814
Operation and maintenance	14,856,297	1,073,059	3,530,811	19,460,167
Student transportation	119,710	95,827	7,418,393	7,633,930
Food services	4,759	-	7,354,213	7,358,972
Extracurricular	2,909,279	3,318	3,315,093	6,227,690
Capital outlay	287,508	803,987	2,611,974	3,703,469
Debt service:				
Principal	17,304	51,635	8,015,777	8,084,716
Interest and other charges	1,305	1,091	3,926,132	3,928,528
Total expenditures	<u>132,411,111</u>	<u>36,351,304</u>	<u>62,107,615</u>	<u>230,870,030</u>
Excess (deficiency) of revenues over expenditures	<u>3,724,442</u>	<u>968,533</u>	<u>(4,456)</u>	<u>4,688,519</u>
<b>OTHER FINANCING SOURCES</b>				
Leases issued	16,222	-	47,820	64,042
Insurance recoveries	-	-	2,471,227	2,471,227
Total other financing sources	<u>16,222</u>	<u>-</u>	<u>2,519,047</u>	<u>2,535,269</u>
Net change in fund balances	3,740,664	968,533	2,514,591	7,223,788
Fund balances - beginning	<u>25,094,986</u>	<u>9,342,167</u>	<u>50,015,849</u>	<u>84,453,002</u>
Fund balances - ending	<u>\$ 28,835,650</u>	<u>\$ 10,310,700</u>	<u>\$ 52,530,440</u>	<u>\$ 91,676,790</u>

See notes to basic financial statements.

# BILLINGS PUBLIC SCHOOLS

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

For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ 7,223,788
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
This is the amount by which depreciation/amortization (\$8,236,354) exceeded capital outlay (\$3,703,469) in the current period.	(4,532,885)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	81,533
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of these transactions follows:	
Leases issued	(64,042)
Repayment of principal on long-term debt	8,084,716
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest	61,505
Amortization of premium on long-term debt issued	565,480
Amortization of deferred charge on refunding	(194,236)
Pension expense-service credit and termination pay benefits	5,785,450
Compensated absences	(104,825)
Pension expense-teachers' and public employees' retirement systems	(2,054,071)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with the governmental activities.	(1,517,236)
Change in net position of governmental activities	<u>\$ 13,335,177</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 12,973,863
Accounts receivable, net	598,682
Prepaid items	97,503
Total current assets	<u>13,670,048</u>
Non-current assets:	
Capital assets:	
Leases	53,180
Less: accumulated amortization	<u>(12,169)</u>
Total non-current assets	<u>41,011</u>
Total assets	<u>13,711,059</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefits	<u>8,038,505</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,330,282
Unearned revenue	17,420
Compensated absences	4,395
Leases	<u>10,637</u>
Total current liabilities	<u>2,362,734</u>
Noncurrent liabilities:	
Compensated absences	39,556
Leases	31,436
Total other postemployment benefits liability	<u>26,787,780</u>
Total noncurrent liabilities	<u>26,858,772</u>
Total liabilities	<u>29,221,506</u>
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	<u>3,258,394</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	(1,062)
Unrestricted	<u>(10,729,274)</u>
Total net position (deficit)	<u><u>\$ (10,730,336)</u></u>

See notes to basic financial statements.

**BILLINGS PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2022

	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$ 23,954,404
Total operating revenues	<u>23,954,404</u>
<b>OPERATING EXPENSES</b>	
Personal services - salaries	310,098
Personal services - benefits	64,872
Purchased professional and technical services	2,990
Purchased property services	81,801
Other purchased services	1,101,003
Supplies and materials	95,240
Insurance claims and expenses	23,823,536
Miscellaneous	25
Amortization	12,169
Total operating expenses	<u>25,491,734</u>
Operating loss	<u>(1,537,330)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	22,643
Interest expense	<u>(2,549)</u>
Total nonoperating revenues (expenses)	<u>20,094</u>
Change in net position	(1,517,236)
Net position (deficit) - beginning	<u>(9,213,100)</u>
Net position (deficit) - ending	<u><u>\$ (10,730,336)</u></u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from health insurance premiums	\$ 23,612,181
Cash received from interfund services	338,836
Medical claims paid	(22,475,745)
Cash paid to employees health insurance services	(204,316)
Cash paid to employees interfund services	(178,730)
Cash paid to suppliers for goods and services health insurance services	(1,113,856)
Cash paid to suppliers for goods and services interfund services	(166,698)
Net cash used by operating activities	(188,328)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Principal payments on capital leases	(11,107)
Interest paid	(2,549)
Net cash used by capital financing activities	(13,656)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	22,643
Net cash provided by investing activities	22,643
Change in cash and cash equivalents	(179,341)
Cash and cash equivalents - beginning	13,153,204
Cash and cash equivalents - ending	\$ 12,973,863
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (1,537,330)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Amortization	12,169
Other postemployment benefits	1,502,353
Increase in accounts receivable	(169,982)
Decrease in prepaid items	1,437
Increase in accounts payable	387
Increase in unearned revenue	10,591
Decrease in compensated absences	(7,953)
Net cash used by operating activities	\$ (188,328)

See notes to basic financial statements.

# BILLINGS PUBLIC SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government adopted the provisions of the following GASB statements:

For the year ended June 30, 2022, the government implemented the provisions of GASB Statement No. 87, Leases. This Statement was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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 effect of the implementation of this standard on beginning net position is disclosed in Note 4 and the additional disclosures required by this standard are included in Note 3.

The district's significant accounting policies are described below.

#### Reporting Entity

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

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

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

#### Government-wide and Fund Financial Statements

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

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

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

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be

## BILLINGS PUBLIC SCHOOLS

### NOTES TO BASIC FINANCIAL STATEMENTS

---

available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the district.

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

The district reports the following major governmental funds:

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

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

Additionally, the district reports the following fund types:

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

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

##### Cash and Investments

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

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. The government had no nonrecurring fair value measurements. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Cash on hand, demand, savings and time deposits, STIP and short-term investments with original maturities of three months or less from the date of acquisition are considered cash equivalents.

##### Receivables and Payables

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

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 6 percent of the outstanding balance at June 30, 2022. The allowance at June 30, 2022, was \$57,770.

Most property taxes are levied in September of each fiscal year, based on assessments as of the prior January 1. Real property taxes are billed as of November 1 and are payable in two payments, November 30 and May 31. Unpaid taxes are considered delinquent on

# BILLINGS PUBLIC SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

---

December 1 and June 1, at which time the applicable property is subject to lien, and penalties and interest are assessed. Most personal property taxes are due and payable on January 1 and become delinquent February 1. Property taxes are maintained and collected by the County Treasurer.

### Inventories and Prepaids

Inventory items purchased are recorded as expenditures/expenses at the time of purchase. Inventory at year-end was not material and therefore not recorded. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. This current asset is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed (consumption method).

### Capital Assets

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	10-60
Machinery and equipment	5-20
Right to use assets	2-6

### Collections Not Capitalized

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

### Compensated Absences

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

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

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

### Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Deferred Outflows/Inflows of Resources

In addition to assets, the district's statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense until then. The district has three items that meet this criteria: deferred charges on bond refunding, pension plans and other postemployment benefits.



## BILLINGS PUBLIC SCHOOLS

### NOTES TO BASIC FINANCIAL STATEMENTS

---

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The district has two items that meet the criteria for this category: pension plans and other postemployment benefits.

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

#### Net Position

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

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

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

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

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

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

#### Fund Balance

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

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

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

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

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

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

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

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

#### Leases

As the lessee, the district recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The district recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the district initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

## BILLINGS PUBLIC SCHOOLS

### NOTES TO BASIC FINANCIAL STATEMENTS

---

Key estimates and judgments related to leases include how the government determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The district uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the district generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the district is reasonably certain to exercise.

The district monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

As the lessor, the district recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the district initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the district determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The district uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The district monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### Miscellaneous Revenue

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

#### Estimates

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

#### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### Deficit Fund Equity

The health insurance fund, an internal service fund, had a deficit net position of \$11,060,784 as of June 30, 2022. The deficit exists in the health insurance fund because of the unfunded liability for other postemployment benefits. The district is in the process of reviewing the funding of the health insurance fund in order to reduce or eliminate the deficit.

#### NOTE 3. DETAILED NOTES ON ALL FUNDS

##### Equity in Pooled Cash and Investments

As discussed in Note 1, the district participates in the County's investment pool. The pooled cash is invested by the County Treasurer in accordance with State statute. Interest earnings are distributed to the district based on average daily balances. The County Treasurer withdraws funds as needed to pay warrants. Investment risk related to the district's share of the pool is not determinable. Information related to the pool can be obtained from the County. Demand and savings accounts held outside of the County pool were covered by FDIC insurance. The uninsured portion was covered by collateral held by financial institutions or by their departments or agents, but not in the district's name. The amount of collateral held for the district's deposits as of June 30, 2022, exceeded the amount required by State statute. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2022 to support the value of shares in the pool. The district does not currently have a policy on custodial credit risk. Along with limitations placed on investments by state law, the County minimizes custodial risk by restrictions set forth by County policy. The County maintains a listing of financial institutions which are approved for investment purposes.

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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

Disaggregation of Payable Balances

Payables as of June 30, 2022, were as follows:

	Vendors	Salaries and Benefits	Claims incurred but not reported	Total
General	\$ 6,845,128	\$ 688,399	\$ -	\$ 7,533,527
Elementary miscellaneous programs	3,230,078	363,935	-	3,594,013
Internal service funds	42,271	11,549	2,276,462	2,330,282
Nonmajor governmental funds	2,098,568	171,757	-	2,270,325
	<u>\$ 12,216,045</u>	<u>\$ 1,235,640</u>	<u>\$ 2,276,462</u>	<u>\$ 15,728,147</u>

Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 4,934,084	\$ -	\$ -	\$ 4,934,084
Construction in progress	1,887,166	2,031,533	(1,879,966)	2,038,733
Total capital assets, not being depreciated/amortized	<u>6,821,250</u>	<u>2,031,533</u>	<u>(1,879,966)</u>	<u>6,972,817</u>
Capital assets, being depreciated/amortized:				
Buildings/improvements	244,011,036	3,007,164	-	247,018,200
Improvements other than buildings	4,703,130	-	-	4,703,130
Machinery and equipment	17,408,830	480,696	-	17,889,526
Right to use assets	469,366	64,042	(51,635)	481,773
Total capital assets, being depreciated/amortized	<u>266,592,362</u>	<u>3,551,902</u>	<u>(51,635)</u>	<u>270,092,629</u>
Less accumulated depreciation/amortization for:				
Buildings/improvements	(82,383,204)	(6,976,832)	-	(89,360,036)
Improvements other than buildings	(1,663,626)	(231,996)	-	(1,895,622)
Machinery and equipment	(11,996,624)	(788,046)	-	(12,784,670)
Right to use assets	-	(251,649)	51,635	(200,014)
Total accumulated depreciation/amortization	<u>(96,043,454)</u>	<u>(8,248,523)</u>	<u>51,635</u>	<u>(104,240,342)</u>
Total capital assets, being depreciated/amortized, net	<u>170,548,908</u>	<u>(4,696,621)</u>	<u>-</u>	<u>165,852,287</u>
Total capital assets, net	<u>\$ 177,370,158</u>	<u>\$ (2,665,088)</u>	<u>\$ (1,879,966)</u>	<u>\$ 172,825,104</u>

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Depreciation/amortization expense was charged to district activities as follows:

Instruction	\$ 6,369,303
Support services-students	581,008
Support services-instructional staff	237,701
Support services-general administration	15,090
Support services-administration	110,699
Support services-business	21,295
Operation and maintenance	392,955
Student transportation	7,018
Food services	234,774
Extracurricular	266,511
Internal service fund	12,169
	<u>\$ 8,248,523</u>

Interfund Receivables and Payables

Interfund balances as of June 30, 2022, consisted of the following:

	Due from funds	Due to funds
General	\$ 19,295,000	\$ -
Elementary miscellaneous programs	-	23,495,000
Elementary building fund	4,200,000	-
Total	<u>\$ 23,495,000</u>	<u>\$ 23,495,000</u>

The balance of \$23,495,000 due to the general and elementary building funds from the elementary miscellaneous programs fund resulted from loans made to cover cash deficits. The balances will be repaid in the subsequent year.

Leases

The government, as a lessee, has entered into lease agreements involving copiers, motor vehicles, and buildings. The total costs of the government's lease assets are recorded as \$481,773, less accumulated amortization of \$200,014. The future lease payments under lease agreements are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 179,220	\$ 15,394	\$ 194,614
2024	66,009	5,101	71,110
2025	31,336	2,120	33,456
2026	20,376	597	20,973
2027	1,644	27	1,671
	<u>\$ 298,585</u>	<u>\$ 23,239</u>	<u>\$ 321,824</u>

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Long-Term Debt

During the year ended June 30, 2022, the following changes occurred in long-term debt:

	Restated Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 132,469,502	\$ -	\$ (7,861,000)	\$ 124,608,502	\$ 7,035,000
Premium	2,421,547	-	(565,480)	1,856,067	-
Total bonds payable	134,891,049	-	(8,426,480)	126,464,569	7,035,000
Leases	469,366	64,042	(234,823)	298,585	179,220
Compensated absences	10,304,464	9,875,227	(9,778,355)	10,401,336	1,040,134
Total	\$ 145,664,879	\$ 9,939,269	\$ (18,439,658)	\$ 137,164,490	\$ 8,254,354

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

General Obligation Bonds

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

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

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

On January 30, 2014, the district issued general obligation school building bonds in the amount of \$80,900,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs of building or improving schools in accordance with the district's facilities master plan. Interest rates range from 2.125% to 5.000% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2025 or any date thereafter. \$50,160,000 of the bonds were advance refunded on April 29, 2021. The remaining principal balance of the outstanding bonds is \$7,545,000. The bonds mature beginning June 15, 2015 through 2024. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

On September 29, 2015, the district issued general obligation school building bonds in the amount of \$33,000,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs of building or improving schools in accordance with the district's facilities master plan. Interest rates range from 3.0% to 5.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2025 or any date thereafter. \$20,845,000 of the bonds were advance refunded on April 29, 2021. The remaining principal balance of the outstanding bonds is \$4,565,000. The bonds mature beginning June 15, 2017 through 2025. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On February 4, 2020, the district issued general obligation school building bonds in the amount of \$8,400,000. General obligation bonds are direct obligations and pledge the full faith and credit of the district. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs improving schools in accordance with the district's facilities master plan. Interest rates range from 2.0% to 4.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on December 15, 2027 or any date thereafter. The remaining principal balance of the outstanding bonds is \$7,545,000. The bonds mature beginning June 15, 2021 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On April 29, 2021 the district issued \$81,305,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$71,005,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability is not included in the government's financial statements. \$50,160,000 and \$20,845,000 of the refunded debt will be paid off on June 15, 2024 and 2025, respectively. Interest rates on the refunding bonds range from .239% to 2.503% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2031 or any date thereafter. The remaining principal balance of the outstanding bonds is \$80,080,000. The bonds mature beginning June 15, 2022 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

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

Year ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 7,035,000	\$ 3,467,787	\$ 10,502,787
2024	7,310,000	3,196,823	10,506,823
2025	7,560,000	2,940,189	10,500,189
2026	7,720,000	2,790,286	10,510,286
2027	19,820,000	2,687,386	22,507,386
2028-2032	54,163,502	7,998,403	62,161,905
2033-2035	21,000,000	903,140	21,903,140
	<u>\$ 124,608,502</u>	<u>\$ 23,984,014</u>	<u>\$ 148,592,516</u>

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Fund Balances

As of June 30, 2022, fund balances are comprised of the following:

	General Fund	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepays	\$ 1,188,893	\$ -	\$ -	\$ 1,188,893
Restricted:				
Instruction	-	778,027	10,045,120	10,823,147
Support services:				
Students	-	1,844	-	1,844
Instructional staff	-	213,115	31,158	244,273
School administration	-	-	340,209	340,209
Business services	-	-	17,964	17,964
Operation and maintenance	-	-	4,609,225	4,609,225
Student transportation	-	-	1,988,349	1,988,349
Food services	-	-	2,762,108	2,762,108
Extracurricular	-	-	2,994,206	2,994,206
Capital projects	-	-	5,423,410	5,423,410
Debt service	-	-	15,815,026	15,815,026
Committed:				
Instruction	-	-	5,100,336	5,100,336
Support services:				
Students	-	-	2,468,024	2,468,024
Operation and maintenance	-	-	500	500
Community services	-	-	43,501	43,501
Assigned:				
Instruction	48,008	4,793,567	91,649	4,933,224
Support services:				
Students	-	1,127,839	-	1,127,839
Instructional staff	12,932	1,914,467	-	1,927,399
General administration	-	807,922	-	807,922
School administration	-	159,916	-	159,916
Business services	-	495,190	263,886	759,076
Operation and maintenance	137,605	18,813	535,769	692,187
Capital projects	73,261	-	-	73,261
Unassigned	27,374,951	-	-	27,374,951
	<u>\$ 28,835,650</u>	<u>\$ 10,310,700</u>	<u>\$ 52,530,440</u>	<u>\$ 91,676,790</u>

**NOTE 4. OTHER INFORMATION**

Risk Management

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

Self-Insurance

During the year ended June 30, 2022, employees of the district were covered by a medical self-insurance plan (the "plan"). The district

# BILLINGS PUBLIC SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

contributed approximately \$831 per month per employee to the plan and employees, at their option, authorized payroll withholdings to pay contributions for dependents. In spring of 2013 the district opened two in house clinics to manage health care cost. Claims were paid by a third party administrator acting on behalf of the district.

The administrative contract between the district and the third party administrator is renewable annually and administrative fees and stop-loss premiums are included in the contractual provisions. The district was protected against unanticipated catastrophic individual loss by stop-loss coverage through Highmark Life Insurance Company. Stop-loss coverage was in effect for individual claims exceeding \$300,000 and aggregate claims exceeding \$19,823,074.

The costs associated with the medical self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues in the internal service fund and as operating expenditures in the governmental funds. The liability as of June 30, 2022, is based on the requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not result in an exact amount.

Changes in the claims liability amount during fiscal year 2022 and 2021 were:

	Liability July 1,	Curent Year Claims and Changes in Estimates	Claims Payments	Liability June 30,
2021-22	2,276,462	23,823,536	(23,823,536)	2,276,462
2020-21	2,276,462	21,911,777	(21,911,777)	2,276,462

### Commitments and Contingencies

At year-end, the district had a commitment outstanding, in the form of purchase orders for \$271,806 to purchase supplies and equipment. Commitments related to construction projects totaled approximately \$3,747,361 at year end.

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

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

### Retirement Plans

For the year ended June 30, 2022, the district reported it's proportionate share of the net pension liability, deferred outflows and inflows of resources, and pension expense for the Teacher's Retirement System (TRS) and Public Employees Retirement System (PERS) as follows:

	TRS	PERS	Total
Net pension liability	\$ 109,234,672	\$ 14,786,325	\$ 124,020,997
Deferred outflows of resources	26,400,630	3,596,764	29,997,394
Deferred inflows of resources	35,410,463	6,200,370	41,610,833
Pension expense	19,252,377	1,777,647	21,030,024

### Plan Descriptions

The TRS is a mandatory-participation multiple-employer cost sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana. The TRS Board is the governing body of the system and the TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated (MCA), and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at [trs.mt.gov](http://trs.mt.gov).



## BILLINGS PUBLIC SCHOOLS

### NOTES TO BASIC FINANCIAL STATEMENTS

---

The PERS Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 and 3, MCA). The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the PERS web site at [mpera.mt.gov](http://mpera.mt.gov).

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

#### Pension Benefits

##### Teachers' Retirement System

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

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

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

##### Public Employees Retirement System

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

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

Plan members hired prior to July 1, 2011 are eligible for early retirement at age 50 with 5 years of membership service or any age with 25 years of membership service. Plan members hired on or after July 1, 2011 are eligible for early retirement at age 55 with 5 years of membership service. Benefits are actuarially reduced.

Second retirement applies to plan members re-employed in a PERS position after retirement. Plan members who retire before January 1, 2016 and accumulate less than 2 years' additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years' additional service credit receive a refund of the plan member's contributions from the second employment plus regular interest at 2.02%. Plan members who retire before January 1, 2016 and accumulate at least 2 years of additional service credit receive a recalculated retirement benefit based on the laws in effect at second retirement. Plan members who retire on or after January 1, 2016 and accumulate 5 or more years of additional service credit receive the same retirement benefit as prior to their return to service and a second retirement benefit for the second period of service based on the laws in effect at second retirement.

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

# BILLINGS PUBLIC SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

funded below 90%; and c). 0% whenever the amortization period for PERS is 40 years or more.

### Member and Employer Contributions

#### Teachers' Retirement System

The TRS funding policy provides for monthly employee and employer contributions at rates specified by state law. Plan members, for the fiscal year ending June 30, 2022, were required to contribute 8.15% of their earned compensation. TRS employers were required to contribute 9.27% of earned compensation. Pursuant to 19-20-609, MCA, the employer contribution rate will increase by 0.10% each year beginning July 1, 2014 through fiscal year 2024. The State's General fund contributes an additional 2.49% of earned compensation. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

#### Public Employees Retirement System

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

Employers contributed 8.6% of each member's compensation. This was temporarily increased from 6.8% on July 1, 2013. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The additional employer contributions terminate on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates. The State's General fund contributes an additional .37% of earned compensation. Beginning July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

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

At June 30, 2022, the government recorded a liability of \$109,234,672 (TRS) and \$14,786,325 (PERS) for its proportionate share of the net pension liability.

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

	Net Pension Liability June 30, 2022	
	TRS	PERS
Employer proportionate share	\$ 109,234,672	\$ 14,786,325
State of Montana proportionate share associated with employer	62,331,303	4,813,958
Total	<u>\$ 171,565,975</u>	<u>\$ 19,600,283</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for TRS and June 30, 2020 for PERS. The government's proportion of the net pension liability was based on the government's contributions received by TRS and PERS during the measurement period July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all TRS and PERS participating employers. At June 30, 2022, the government's proportion was 6.5942 and .8155 percent for TRS and PERS, respectively.

For the year ended June 30, 2022, the government recognized \$13,179,888 (TRS) and \$525,406 (PERS) for its proportionate share of the pension expense. The government also recognized grant revenue of \$6,072,489 (TRS) and \$1,252,241 (PERS) for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the government. Total pension expense recognized was \$19,252,377 and \$1,777,647 for TRS and PERS, respectively.

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

At June 30, 2022, the government reported its proportionate share of TRS and PERS deferred outflows and inflows of resources from the following sources:

	TRS		PERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,715,577	\$ -	\$ 157,797	\$ 107,038
Changes in actuarial assumptions	12,438,061	56,100	2,190,130	-
Difference between projected and actual investment earnings	-	34,516,607	-	5,990,093
Changes in the proportion and differences between actual and expected contributions	1,844,606	837,756	-	103,239
Employer contributions subsequent to measurement date	10,402,386	-	1,248,837	-
	<u>\$ 26,400,630</u>	<u>\$ 35,410,463</u>	<u>\$ 3,596,764</u>	<u>\$ 6,200,370</u>

Amounts reported as deferred outflows of resources related to pensions resulting from the government's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	TRS	PERS
2023	\$ (125,429)	\$ (25,630)
2024	(1,878,278)	(467,866)
2025	(6,455,585)	(1,446,761)
2026	(10,952,927)	(1,912,186)

Actuarial Assumptions

For each of the retirement plans, the total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	PERS
Investment rate of return, net of investment and administrative expenses	7.06%	7.06%
Salary increases	3.25%	3.50%
Inflation	2.40%	2.40%

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

The long-term rate of return for both TRS and PERS was calculated using the average long-term capital market assumptions published in the Survey of Capital Market Assumptions 2021 Edition by Horizon Actuarial Service, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the 2021 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, are summarized in the table below.

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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

Discount Rate

Teachers Retirement System

The discount rate used to measure the total pension liability was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions, the State general fund will contribute \$25 million annually to TRS payable July 1st of each year. Based on those assumptions, the TRS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2124. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

Public Employees Retirement System

The discount rate used to measure the total pension liability was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and nonemployer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes a statutory appropriation from the general fund. Based on those assumptions, the PERS' fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 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 total pension liability. No municipal bond rate was incorporated in the discount rate.

Sensitivity Analysis

The following presents the employer's proportionate share of the TRS and PERS net pension liability calculated using the discount rate of 7.06%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.06%) or 1.00% higher (8.06%) than the current rate.

	1% Decrease (6.06%)	Current Discount Rate (7.06%)	1% Increase (8.06%)
Net pension liability-TRS	\$ 162,301,446	\$ 109,234,672	\$ 64,951,305
Net pension liability-PERS	23,470,986	14,786,325	7,501,911

PERS Disclosure for the Defined Contribution Plan

The government contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the 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 PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

BILLINGS PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS

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 PERS-DCRP.

At the plan level for the measurement period ended June 30, 2021, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 340 employers that have participants in the PERS-DCRP totaled \$1,103,889.

Service Credit and Termination Pay Benefit Plan

Plan Description

The Billings Public Schools Service Credit and Termination Pay Benefit Plan (the "Plan") is a single-employer, defined-benefit plan covering employees that belong to the following unions or groups; Billings Education Association (BEA), Billings Classified Employees Association (BCEA), Montana Public Employees Association (MPEA), Administrators and Administrative Support. The Plan was established by the Board of Trustees through union agreements and agreements with other employee groups. The Plan does not issue a separate report. Pension expense and related liabilities and deferred inflows/outflows of resources for the Plan are recognized in the financial statements consistent with the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Plan is a non-trusted plan that historically has been funded on a pay-as-you-go basis; therefore, no assets have been accumulated and there is no plan fiduciary net position. Accordingly, Billings Public Schools recognizes its *total pension liability*, rather than a *net pension liability*. At June 30, 2022, there were 1,804 active employees in the Plan.

Plan Benefits

Following is a summary of Plan benefit provisions:

	Service Credit
Eligibility	12 Years of service with Billings Public Schools
Benefit	<p>A single amount is payable upon termination or retirement. The amount is dependent on the employee group; the number of years of service credit and the rate of pay</p> <p>Administrators: \$100 per year of service prior to June 30, 1986 plus 2 ½ days of pay for each full year of service after July 1, 1986 for members hired before July 1, 2022. 2 days of pay for each full year of service for members hired after July 1, 2022. No service credit is paid to any teacher or administrator with more than 35 years of service.</p> <p>BEA: \$100 per year of service prior to June 30, 1986 plus 2 ½ days of pay for each full year of service after July 1, 1986 for members hired before September 1, 2017. 2 days of pay for each full year of service for members hired after September 1, 2017. No service credit is paid to any teacher or administrator with more than 35 years of service.</p> <p>BCEA and Administrative Support: 2 ½ days of pay for each full year of service for members hired before July 1, 2022. 2 days of pay for each full year of service for members hired after July 1, 2022.</p> <p>MPEA: For those hired before November 20, 2017, 2 ½ days of pay for each full year of service for those that retire with less than 20 years of service and 3 days of pay for each full year of service for those that retire with 20 or more years of service. 2 days of pay for each full year of service for members hired after November 20, 2017.</p>

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Rate of Pay                      BEA and Administrators: Highest daily rate.  
    BCEA, MPEA and Administrative Support: Most recent daily rate.

Form of Benefit                Lump sum upon termination.

Death Benefit                 Full value of the service credit benefit as if the date of death had been the employee's date of termination.

TRS Option 1 Benefit

Eligibility                      Employees who are eligible for retirement with TRS at 25 years of service or age 60 and 5 years of service for Normal Retirement, or age 50 and 5 years of service for Early Retirement.

Benefit                          TRS Employees may increase their monthly retirement benefit by including their Termination Pay (service credit, 25% of sick leave, and 100% of vacation leave) in the calculation of their Average Final Compensation. This option is also available to beneficiaries of eligible TRS employees who had not yet retired.

As of October 1, 2011, administrators' vacation pay was frozen for the purpose of payment within the district's severance package. As of July 1, 2011, no newly employed administrator is entitled to include vacation pay in the severance payment. Vacation severance pay for administrators is paid at the daily rate earned as of June 30, 2012.

Employee Cost                Termination Pay x Employee Rate x Total years of Creditable Service

Employer Cost                Termination Pay x Employee Rate x Total years of Creditable Service

Total Pension Liability

Following is the total pension liability:

	June 30, 2021	June 30, 2022
Service credit	\$ 17,420,583	\$ 13,462,869
Option 1	21,746,304	17,396,359
Total pension liability	<u>\$ 39,166,887</u>	<u>\$ 30,859,228</u>
Covered payroll	\$ 102,033,339	\$ 107,034,106
Total pension liability as a % of covered payroll	38.39%	28.83%

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

Valuation date	June 30, 2021	June 30, 2021
Measurement date	June 30, 2021	June 30, 2022
Reporting date	June 30, 2021	June 30, 2022

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

Discount rate	2.14%	3.54%
---------------	-------	-------

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Changes in the total pension liability were as follows:

Service cost	\$ 2,682,167
Interest on the total pension liability	866,302
Effect of plan changes	(6,407,578)
Effect of assumption changes or inputs	(2,698,700)
Benefit payments	<u>(2,749,850)</u>
Net change in total pension liability	(8,307,659)
Total pension liability - beginning of year	<u>39,166,887</u>
Total pension liability - end of year	<u><u>\$ 30,859,228</u></u>

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

Actuarial Assumptions

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

Actuarial cost method	Entry age actuarial cost method
Salary increases	3.25% plus merit and longevity component based on years of service ranging from 4.51% for 1 year of service to 0.00% for 22 years of service and above.
Discount rate	3.54%
Mortality	For males and females: RP 2000 Healthy Combined Mortality Table Projected to 2022 adjusted for partial credibility setback for two years

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

The following presents the total pension liability calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (2.54%) or 1.00% higher (4.54%) than the current rate.

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total pension liability	\$ 32,565,002	\$ 30,859,228	\$ 29,210,281

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

For the year ended June 30, 2022, Billings Public Schools recognized pension expense of \$3,035,600. At June 30, 2022, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$1,212,322 and \$2,069,027, respectively, and deferred inflows of resources from changes in assumptions of \$4,180,477.

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

Year ended June 30:	
2023	\$ (176,491)
2024	(176,491)
2025	(176,491)
2026	(161,080)
2027	(16,300)
Thereafter	(192,275)

**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Postemployment Health Insurance Benefits Plan (OPEB)

Plan Description

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

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

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

Benefits Provided

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

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,011
Inactive employees entitled to but not receiving benefit payments	-
Active employees	<u>1,956</u>
Total	<u><u>2,967</u></u>

Total OPEB Liability

The total OPEB liability of \$26,787,780 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

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

Changes in the total OPEB liability were as follows:

Total OPEB liability - beginning of the year	<u>\$ 23,344,967</u>
Changes for the year:	
Service cost	810,957
Interest cost	517,659
Differences between expected and actual experience	5,905,532
Changes in assumptions or other inputs	(3,410,906)
Benefit payments	<u>(380,429)</u>
Net change in total OPEB liability	<u>3,442,813</u>
Total OPEB liability - end of year	<u><u>\$ 26,787,780</u></u>

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



**BILLINGS PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Salary increases	3.50%
Discount rate	3.54%
Healthcare cost trend rates	7.00% for 2022 decreasing 0.25% per year to an ultimate rate of 4.00% for 2034 and later years

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

- The discount rate was updated from 2.16% to 3.54%.
- The mortality projection scale was updated from the RP 2014 with MP-2019 scaling to the Pub 2010 generational mortality table using MP-21 scaling.
- The trend rates were reset to an initial rate of 7.00%, grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

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

The following presents the total OPEB liability calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (2.54%) or 1.00% higher (4.54%) than the current rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 30,220,000	\$ 26,787,780	\$ 23,900,000

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

The following presents the total OPEB liability calculated using the healthcare cost trend rate of 7.00%, as well as what the total pension liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current healthcare cost trend rate.

	1% Decrease (6.00% Decreasing to 3.00%)	Healthcare Cost Trend Rate (7.00% Decreasing to 4.00%)	1% Increase (8.00% Decreasing to 5.00%)
Total OPEB liability	\$ 24,764,000	\$ 26,787,780	\$ 29,196,000

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

For the year ended June 30, 2022, Billings Public Schools recognized OPEB expense of \$1,882,782. At June 30, 2022, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$5,546,719 and \$2,491,786, respectively and deferred inflows of resources from changes in assumptions of \$3,258,394.

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

Year ended June 30:	
2023	\$ 554,166
2024	611,029
2025	588,724
2026	521,270
2027	521,270
Thereafter	1,983,652

# BILLINGS PUBLIC SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

---

### Restatement of Beginning Net Position

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires 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. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Government-Wide Financial Statements:	
Net position (deficit) - June 30, 2021 as previously reported	\$ (61,347,933)
Elimination of capital lease asset and related capital lease liability due to implementation of GASB Statement No. 87	(244,206)
	<u>(244,206)</u>
Net Position (deficit) - July 1, 2021, as restated	<u>\$ (61,592,139)</u>

### Future Implementation of GASB Pronouncements

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

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

GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

## **REQUIRED SUPPLEMENTAL INFORMATION**

THIS PAGE INTENTIONALLY LEFT BLANK

# BILLINGS PUBLIC SCHOOLS

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

### GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
<b>REVENUES</b>					
Property taxes	\$ 37,494,319	\$ 37,494,319	\$ 37,238,011	\$ -	\$ 37,238,011
Intergovernmental:					
State aid	79,742,608	79,742,608	79,742,608	-	79,742,608
State other	11,265,557	11,265,557	11,265,557	7,324,730	18,590,287
Tuition	360,000	360,000	450,258	-	450,258
Interest	5,671	5,671	9,837	104,370	114,207
Miscellaneous	-	-	182	-	182
Total revenues	<u>128,868,155</u>	<u>128,868,155</u>	<u>128,706,453</u>	<u>7,429,100</u>	<u>136,135,553</u>
<b>EXPENDITURES</b>					
Current:					
Instructional	83,945,307	83,917,727	79,595,826	4,892,487	84,488,313
Support services:					
Students	8,411,373	8,442,707	8,562,538	751,039	9,313,577
Instructional staff	6,719,780	6,718,938	6,893,185	435,452	7,328,637
General administration	2,276,113	2,276,219	2,207,100	33,470	2,240,570
Administration	9,658,496	9,662,410	8,043,578	698,921	8,742,499
Business	1,854,406	1,854,381	1,958,317	143,036	2,101,353
Operation and maintenance	13,409,678	13,407,003	12,985,537	1,870,760	14,856,297
Student transportation	5,321	5,321	35,222	84,488	119,710
Food services	-	-	-	4,759	4,759
Extracurricular	2,601,777	2,601,777	2,809,069	100,210	2,909,279
Debt Service:					
Principal	-	-	17,304	-	17,304
Interest and other charges	-	-	1,305	-	1,305
Capital Outlay	130,137	125,905	248,686	38,822	287,508
Total expenditures	<u>129,012,388</u>	<u>129,012,388</u>	<u>123,357,667</u>	<u>9,053,444</u>	<u>132,411,111</u>
Excess (deficiency) of revenues over expenditures	<u>(144,233)</u>	<u>(144,233)</u>	<u>5,348,786</u>	<u>(1,624,344)</u>	<u>3,724,442</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Leases issued	-	-	16,222	-	16,222
Transfers out	-	-	(793,748)	793,748	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(777,526)</u>	<u>793,748</u>	<u>16,222</u>
Net change in fund balances	<u>\$ (144,233)</u>	<u>\$ (144,233)</u>	<u>4,571,260</u>	<u>(830,596)</u>	<u>3,740,664</u>
Fund balances - beginning			<u>8,536,613</u>	<u>16,558,373</u>	<u>25,094,986</u>
Fund balances - ending			<u>\$ 13,107,873</u>	<u>\$ 15,727,777</u>	<u>\$ 28,835,650</u>

### NOTES TO THE BUDGET AND ACTUAL SCHEDULES

State law requires budgets be prepared for certain funds - generally those supported by property tax revenues. Budgets are prepared on the modified accrual basis. State law requires only that a fund's total expenditures not exceed total budgeted expenditures. Budgets may be amended as defined by State law. There were no General fund budget amendments.

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

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

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

BILLINGS PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
ELEMENTARY GENERAL SUBFUND  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
<b>REVENUES</b>					
Property taxes	\$ 24,168,168	\$ 24,168,168	\$ 24,004,125	\$ -	\$ 24,004,125
Intergovernmental:					
State aid	51,062,115	51,062,115	51,062,115	-	51,062,115
State other	7,932,110	7,932,110	7,932,110	-	7,932,110
Tuition	200,000	200,000	255,636	-	255,636
Interest	3,686	3,686	5,442	112	5,554
Miscellaneous	-	-	182	-	182
Total revenues	<u>83,366,079</u>	<u>83,366,079</u>	<u>83,259,610</u>	<u>112</u>	<u>83,259,722</u>
<b>EXPENDITURES</b>					
Current:					
Instructional	55,220,194	55,224,217	52,913,682	-	52,913,682
Support services:					
Students	6,044,821	6,044,012	6,078,929	-	6,078,929
Instructional staff	4,367,761	4,367,210	4,686,580	-	4,686,580
General administration	1,499,927	1,500,033	1,471,878	-	1,471,878
Administration	6,127,222	6,130,048	4,871,729	-	4,871,729
Business	1,213,271	1,213,246	1,313,234	-	1,313,234
Operation and maintenance	8,175,980	8,164,781	7,814,105	(5,680)	7,808,425
Student transportation	5,321	5,321	21,614	-	21,614
Extracurricular	792,769	792,769	793,647	-	793,647
Debt Service:					
Principal	-	-	8,312	-	8,312
Interest and other charges	-	-	536	-	536
Capital Outlay	<u>63,046</u>	<u>68,675</u>	<u>88,237</u>	<u>(12,246)</u>	<u>75,991</u>
Total expenditures	<u>83,510,312</u>	<u>83,510,312</u>	<u>80,062,483</u>	<u>(17,926)</u>	<u>80,044,557</u>
Excess (deficiency) of revenues over expenditures	<u>(144,233)</u>	<u>(144,233)</u>	<u>3,197,127</u>	<u>18,038</u>	<u>3,215,165</u>
<b>OTHER FINANCING SOURCES</b>					
Leases issued	-	-	16,222	-	16,222
Total other financing sources	<u>-</u>	<u>-</u>	<u>16,222</u>	<u>-</u>	<u>16,222</u>
Net change in fund balances	<u>\$ (144,233)</u>	<u>\$ (144,233)</u>	<u>3,213,349</u>	<u>18,038</u>	<u>3,231,387</u>
Fund balances - beginning			<u>5,197,481</u>	<u>9,077,442</u>	<u>14,274,923</u>
Fund balances - ending			<u>\$ 8,410,830</u>	<u>\$ 9,095,480</u>	<u>\$ 17,506,310</u>

BILLINGS PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
HIGH SCHOOL GENERAL SUBFUND  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
<b>REVENUES</b>					
Property taxes	\$ 13,326,151	\$ 13,326,151	\$ 13,233,886	\$ -	\$ 13,233,886
Intergovernmental:					
State aid	28,680,493	28,680,493	28,680,493	-	28,680,493
State other	3,333,447	3,333,447	3,333,447	7,324,730	10,658,177
Tuition	160,000	160,000	194,622	-	194,622
Interest	1,985	1,985	4,395	104,258	108,653
Total revenues	<u>45,502,076</u>	<u>45,502,076</u>	<u>45,446,843</u>	<u>7,428,988</u>	<u>52,875,831</u>
<b>EXPENDITURES</b>					
Current:					
Instructional	28,725,113	28,693,510	26,682,144	4,892,487	31,574,631
Support services:					
Students	2,366,552	2,398,695	2,483,609	751,039	3,234,648
Instructional staff	2,352,019	2,351,728	2,206,605	435,452	2,642,057
General administration	776,186	776,186	735,222	33,470	768,692
Administration	3,531,274	3,532,362	3,171,849	698,921	3,870,770
Business	641,135	641,135	645,083	143,036	788,119
Operation and maintenance	5,233,698	5,242,222	5,171,432	1,876,440	7,047,872
Student transportation	-	-	13,608	84,488	98,096
Food services	-	-	-	4,759	4,759
Extracurricular	1,809,008	1,809,008	2,015,422	100,210	2,115,632
Debt Service:					
Principal	-	-	8,992	-	8,992
Interest and other charges	-	-	769	-	769
Capital Outlay	67,091	57,230	160,449	51,068	211,517
Total expenditures	<u>45,502,076</u>	<u>45,502,076</u>	<u>43,295,184</u>	<u>9,071,370</u>	<u>52,366,554</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,151,659</u>	<u>(1,642,382)</u>	<u>509,277</u>
<b>OTHER FINANCING USES</b>					
Transfers out	<u>-</u>	<u>-</u>	<u>(793,748)</u>	<u>793,748</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(793,748)</u>	<u>793,748</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,357,911</u>	<u>(848,634)</u>	<u>509,277</u>
Fund balances - beginning			<u>3,339,132</u>	<u>7,480,931</u>	<u>10,820,063</u>
Fund balances - ending			<u>\$ 4,697,043</u>	<u>\$ 6,632,297</u>	<u>\$ 11,329,340</u>

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

Schedule of Changes in Total Pension Liability

	2022	2021	For the Years Ended June 30,		2018	2017
			2020	2019		
Total pension liability - beginning of year	\$ 39,166,887	\$ 37,060,645	\$ 36,614,805	\$ 37,026,494	\$ 36,842,219	\$ 38,082,019
Service cost	2,682,167	2,667,816	2,160,877	1,985,177	2,073,882	2,248,910
Interest on total pension liability	866,302	845,166	1,258,499	1,460,740	1,346,429	1,106,008
Effect of plan changes	(6,407,578)	(35,020)	-	-	-	-
Effect of economic/demographic gains or losses	-	1,455,212	-	35,046	-	-
Effect of assumption changes or inputs	(2,698,700)	160,726	2,712,534	(1,335,500)	(600,187)	(1,525,869)
Benefit payments	(2,749,850)	(2,987,658)	(5,686,070)	(2,557,152)	(2,635,849)	(3,068,849)
Total pension liability - end of year	<u>\$ 30,859,228</u>	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>

Schedule of Total Pension Liability

Service Credit	\$ 13,462,869	\$ 17,420,583	\$ 16,862,166	\$ 16,505,861	\$ 16,463,334	\$ 16,229,698
Option 1	17,396,359	21,746,304	20,198,479	20,108,944	20,563,160	20,612,521
Total pension liability	<u>\$ 30,859,228</u>	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>
Covered-employee payroll	\$ 107,034,106	\$ 102,033,339	\$ 104,682,288	\$ 98,241,729	\$ 94,097,244	\$ 88,498,935
Total pension liability as a percentage of covered-employee payroll	28.83%	38.39%	35.40%	37.27%	39.35%	41.63%

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

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



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

Schedule of Changes in the Total OPEB Liability

	For the Years Ended June 30,				
	2022	2021	2020	2019	2018
Total OPEB liability - beginning of year	\$ 23,344,967	\$ 22,781,110	\$ 19,240,482	\$ 17,891,604	\$ 18,048,017
Service cost	810,957	785,194	576,599	512,336	493,247
Interest cost	517,659	511,008	680,500	697,191	704,950
Differences between expected and actual experience	5,905,532	-	252,464		
Changes in assumptions and other inputs	(3,410,906)	155,224	2,779,526	916,666	(703,610)
Benefit payments	(380,429)	(887,569)	(748,461)	(777,315)	(651,000)
Total OPEB liability - end of year	<u>\$ 26,787,780</u>	<u>\$ 23,344,967</u>	<u>\$ 22,781,110</u>	<u>\$ 19,240,482</u>	<u>\$ 17,891,604</u>
Covered-employee payroll	\$ 105,648,949	\$ 105,167,000	\$ 102,103,671	\$ 97,001,542	\$ 105,916,268
Total OPEB liability as a percentage of covered-employee payroll	25.36%	22.20%	22.31%	19.84%	16.89%

Notes to Schedule

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

3.54%	2.16%	2.21%	3.50%	3.87%
-------	-------	-------	-------	-------

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

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

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

Teachers Retirement System:	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	6.5942%	6.6663%	6.6165%	6.3408%	6.1412%	5.9946%	5.9829%	5.9426%
Employer's proportionate share of the net pension liability associated with the employer	\$ 109,234,672	\$ 149,954,757	\$ 127,583,357	\$ 117,692,051	\$ 103,545,175	\$ 109,511,465	\$ 98,299,904	\$ 91,447,722
State of Montana's proportionate share of the net pension liability associated with the employer	62,331,303	88,683,129	77,237,394	73,090,742	65,725,830	71,342,769	65,807,012	62,631,322
Total	<u>\$ 171,565,975</u>	<u>\$ 238,637,886</u>	<u>\$ 204,820,751</u>	<u>\$ 190,782,793</u>	<u>\$ 169,271,005</u>	<u>\$ 180,854,234</u>	<u>\$ 164,106,916</u>	<u>\$ 154,079,044</u>
Employer's covered payroll	\$ 93,993,652	\$ 91,772,771	\$ 90,552,432	\$ 84,831,987	\$ 81,000,456	\$ 78,169,994	\$ 75,956,754	\$ 74,941,045
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	116.21%	163.40%	140.89%	138.74%	127.83%	140.09%	129.42%	122.03%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%
Public Employees Retirement System:	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.8155%	0.8166%	0.8298%	0.8015%	1.0223%	1.0368%	1.0536%	1.0522%
Employer's proportionate share of the net pension liability associated with the employer	\$ 14,786,325	\$ 21,542,431	\$ 17,344,689	\$ 16,728,740	\$ 19,909,929	\$ 17,659,729	\$ 14,727,804	\$ 13,111,068
State of Montana's proportionate share of the net pension liability associated with the employer	4,813,958	7,462,116	6,192,840	6,178,075	949,347	825,338	692,057	612,898
Total	<u>\$ 19,600,283</u>	<u>\$ 29,004,547</u>	<u>\$ 23,537,529</u>	<u>\$ 22,906,815</u>	<u>\$ 20,859,276</u>	<u>\$ 18,485,067</u>	<u>\$ 15,419,861</u>	<u>\$ 13,723,966</u>
Employer's covered payroll	\$ 14,781,730	\$ 14,387,296	\$ 14,136,849	\$ 13,618,226	\$ 13,105,064	\$ 12,837,782	\$ 12,712,639	\$ 12,323,696
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	100.03%	149.73%	122.69%	122.84%	151.93%	137.56%	115.85%	106.39%
Plan fiduciary net position as a percentage of the total pension liability	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

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

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

<u>Teachers Retirement System:</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 10,402,386	\$ 10,128,765	\$ 11,743,767	\$ 9,420,595	\$ 9,059,455	\$ 8,828,344	\$ 9,205,589	\$ 8,391,444
Contributions in relation to the contractually required contributions	<u>10,402,386</u>	<u>10,128,765</u>	<u>11,743,767</u>	<u>9,420,595</u>	<u>9,059,455</u>	<u>8,828,344</u>	<u>9,205,589</u>	<u>8,391,444</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 97,483,626	\$ 93,993,652	\$ 91,772,771	\$ 90,552,432	\$ 84,831,987	\$ 81,000,456	\$ 78,169,994	\$ 75,956,754
Contributions as a percentage of covered payroll	10.67%	10.78%	12.80%	10.40%	10.68%	10.90%	11.78%	11.05%
 <u>Public Employees Retirement System:</u>	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Contractually required contributions	\$ 1,248,837	\$ 1,276,502	\$ 1,200,339	\$ 1,177,521	\$ 1,116,460	\$ 1,061,441	\$ 1,049,999	\$ 1,032,813
Contributions in relation to the contractually required contributions	<u>1,248,837</u>	<u>1,276,502</u>	<u>1,200,339</u>	<u>1,177,521</u>	<u>1,116,460</u>	<u>1,061,441</u>	<u>1,049,999</u>	<u>1,032,813</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 14,521,890	\$ 14,781,730	\$ 14,387,296	\$ 14,136,849	\$ 13,618,226	\$ 13,105,064	\$ 12,837,782	\$ 12,712,639
Contributions as a percentage of covered payroll	8.60%	8.64%	8.34%	8.33%	8.20%	8.10%	8.18%	8.12%

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

# BILLINGS PUBLIC SCHOOLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2022

### Teacher's Retirement System

#### Changes of Benefit Terms:

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

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

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

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

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

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

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

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

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

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

School Districts contributions will increase from 7.47% to 8.47%

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

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

- 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.

## BILLINGS PUBLIC SCHOOLS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2022

- 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 2021:

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

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

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.5% to 2.4%.

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

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

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

- Assumed rate of inflation was reduced from 3.25% to 2.50%.
- Payroll growth assumption was reduced from 4.00% to 3.25%.
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

The tables include margins for mortality improvement which is expected to occur in the future.

- Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.

For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.

- Retirement rates were updated.
- Termination rates were updated.
- Rates of salary increases were updated.

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

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

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

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).

## BILLINGS PUBLIC SCHOOLS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2022

- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to "retain membership in the System" are covered by the \$500 death benefit after termination.

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

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

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

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

- Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

### Public Employees Retirement System

#### Changes of Benefit Terms:

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

2017:

Working Retiree Limitations - for PERS:

- 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:

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

## BILLINGS PUBLIC SCHOOLS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION

For the Year Ended June 30, 2022

#### Interest Credited to Member Accounts:

- The interest 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 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.

#### Changes in actuarial assumptions and other inputs:

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

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered 7.50% to 7.34%.
- The inflation rate was reduced from 2.5% to 2.4%.

#### Method and assumptions used in calculations of actuarially determined contributions:

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

THIS PAGE INTENTIONALLY LEFT BLANK



## **OTHER SUPPLEMENTAL INFORMATION**

THIS PAGE INTENTIONALLY LEFT BLANK

## **General Fund**

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

THIS PAGE INTENTIONALLY LEFT BLANK

# BILLINGS PUBLIC SCHOOLS

## COMBINING BALANCE SHEET

### ALL GENERAL SUBFUNDS

June 30, 2022

	Elementary General Subfund	High School General Subfund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,289,178	\$ 11,944,974	\$ 15,234,152
Receivables:			
Property taxes, net	339,786	203,951	543,737
Other	234,276	16,720	250,996
Due from other funds	13,287,000	6,008,000	19,295,000
Prepaid items	1,129,878	59,015	1,188,893
 Total assets	 <u>\$ 18,280,118</u>	 <u>\$ 18,232,660</u>	 <u>\$ 36,512,778</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 684,693	\$ 6,848,834	\$ 7,533,527
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	89,115	54,486	143,601
 <b>FUND BALANCES</b>			
Nonspendable	1,129,878	59,015	1,188,893
Assigned	17,926	253,880	271,806
Unassigned	16,358,506	11,016,445	27,374,951
 Total fund balances	 <u>17,506,310</u>	 <u>11,329,340</u>	 <u>28,835,650</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 18,280,118</u>	 <u>\$ 18,232,660</u>	 <u>\$ 36,512,778</u>

# BILLINGS PUBLIC SCHOOLS

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### ALL GENERAL SUBFUNDS

For the Year Ended June 30, 2022

	Elementary General Subfund	High School General Subfund	Total
<b>REVENUES</b>			
Property taxes	\$ 24,004,125	\$ 13,233,886	\$ 37,238,011
Intergovernmental:			
State aid	51,062,115	28,680,493	79,742,608
State other	7,932,110	10,658,177	18,590,287
Tuition	255,636	194,622	450,258
Interest	5,554	108,653	114,207
Miscellaneous	182	-	182
Total revenues	83,259,722	52,875,831	136,135,553
<b>EXPENDITURES</b>			
Current:			
Instruction	52,913,682	31,574,631	84,488,313
Support services:			
Students	6,078,929	3,234,648	9,313,577
Instructional staff	4,686,580	2,642,057	7,328,637
General administration	1,471,878	768,692	2,240,570
School administration	4,871,729	3,870,770	8,742,499
Business services	1,313,234	788,119	2,101,353
Operation and maintenance	7,808,425	7,047,872	14,856,297
Student transportation	21,614	98,096	119,710
Food services	-	4,759	4,759
Extracurricular	793,647	2,115,632	2,909,279
Capital outlay	75,991	211,517	287,508
Debt service:			
Principal	8,312	8,992	17,304
Interest and other charges	536	769	1,305
Total expenditures	80,044,557	52,366,554	132,411,111
Excess (deficiency) of revenues over expenditures	3,215,165	509,277	3,724,442
<b>OTHER FINANCING SOURCES</b>			
Leases issued	16,222	-	16,222
Total other financing sources	16,222	-	16,222
Net change in fund balances	3,231,387	509,277	3,740,664
Fund balances - beginning	14,274,923	10,820,063	25,094,986
Fund balances - ending	\$ 17,506,310	\$ 11,329,340	\$ 28,835,650

## **Nonmajor Governmental Funds - By Fund Type**

THIS PAGE INTENTIONALLY LEFT BLANK



BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
 June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 26,693,677	\$ 15,252,059	\$ 6,526,250	\$ 48,471,986
Receivables:				
Property taxes, net	192,149	154,606	14,564	361,319
Governments	1,394,655	514,779	-	1,909,434
Other	81,228	-	21,659	102,887
Total assets	<u>\$ 28,361,709</u>	<u>\$ 15,921,444</u>	<u>\$ 10,762,473</u>	<u>\$ 55,045,626</u>
LIABILITIES				
Accounts payable	\$ 1,496,060	\$ 65,744	\$ 708,521	\$ 2,270,325
Unearned revenue	149,626	-	-	149,626
Total liabilities	<u>1,645,686</u>	<u>65,744</u>	<u>708,521</u>	<u>2,419,951</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>50,693</u>	<u>40,674</u>	<u>3,868</u>	<u>95,235</u>
FUND BALANCES				
Restricted	18,161,665	15,815,026	10,050,084	44,026,775
Committed	7,612,361	-	-	7,612,361
Assigned	891,304	-	-	891,304
Total fund balances	<u>26,665,330</u>	<u>15,815,026</u>	<u>10,050,084</u>	<u>52,530,440</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,361,709</u>	<u>\$ 15,921,444</u>	<u>\$ 10,762,473</u>	<u>\$ 55,045,626</u>

# BILLINGS PUBLIC SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

For the Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 13,111,804	\$ 10,846,966	\$ 994,567	\$ 24,953,337
Intergovernmental:				
County	16,923,560	-	-	16,923,560
State aid	234,258	752,296	-	986,554
State other	2,295,302	-	789,040	3,084,342
Federal	9,412,018	1,029,556	-	10,441,574
Charges for services	1,104,591	-	50,422	1,155,013
Interest	13,947	31,364	12,294	57,605
Miscellaneous	4,471,083	-	30,091	4,501,174
Total revenues	47,566,563	12,660,182	1,876,414	62,103,159
EXPENDITURES				
Current:				
Instruction	19,305,985	-	20,260	19,326,245
Support services:				
Students	2,399,917	-	-	2,399,917
Instructional staff	2,007,175	-	-	2,007,175
General administration	65,801	-	-	65,801
School administration	1,806,370	-	-	1,806,370
Business services	324,878	-	4,836	329,714
Operation and maintenance	1,368,320	-	2,162,491	3,530,811
Student transportation	7,418,393	-	-	7,418,393
Food services	7,354,213	-	-	7,354,213
Extracurricular	3,315,093	-	-	3,315,093
Capital outlay	261,708	-	2,350,266	2,611,974
Debt service				
Principal	154,777	7,861,000	-	8,015,777
Interest and other charges	5,278	3,920,854	-	3,926,132
Total expenditures	45,787,908	11,781,854	4,537,853	62,107,615
Excess (deficiency) of revenues over expenditures	1,778,655	878,328	(2,661,439)	(4,456)
OTHER FINANCING SOURCES				
Leases issued	47,820	-	-	47,820
Insurance recoveries	-	-	2,471,227	2,471,227
Total other financing sources	47,820	-	2,471,227	2,519,047
Net change in fund balances	1,826,475	878,328	(190,212)	2,514,591
Fund balances - beginning	24,838,855	14,936,698	10,240,296	50,015,849
Fund balances - ending	\$ 26,665,330	\$ 15,815,026	\$ 10,050,084	\$ 52,530,440

## **Nonmajor Special Revenue Funds**

### **Budgeted:**

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

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

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

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

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

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

### **Non-Budgeted:**

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

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

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2022

Page 1 of 5

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,597,347	\$ 617,344	\$ 2,112,619	\$ 409,562	\$ 318,258
Receivables:					
Property taxes, net	58,803	25,497	-	26,992	14,622
Governments	-	-	1,050,203	-	-
Other	15,900	-	61,041	-	-
Total assets	<u>\$ 1,672,050</u>	<u>\$ 642,841</u>	<u>\$ 3,223,863</u>	<u>\$ 436,554</u>	<u>\$ 332,880</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 200,098	\$ 104,549	\$ 312,129	\$ 223,809	\$ 319,180
Unearned revenue	-	-	149,626	-	-
Total liabilities	<u>200,098</u>	<u>104,549</u>	<u>461,755</u>	<u>223,809</u>	<u>319,180</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	<u>15,199</u>	<u>6,696</u>	<u>-</u>	<u>7,411</u>	<u>4,173</u>
<b>FUND BALANCES</b>					
Restricted	1,456,753	531,596	2,762,108	205,334	9,527
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>1,456,753</u>	<u>531,596</u>	<u>2,762,108</u>	<u>205,334</u>	<u>9,527</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,672,050</u>	<u>\$ 642,841</u>	<u>\$ 3,223,863</u>	<u>\$ 436,554</u>	<u>\$ 332,880</u>

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2022

Page 2 of 5

	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,125,450	\$ 1,742,051	\$ 2,335,744	\$ 183,778	\$ 1,078,602
Receivables:					
Property taxes, net	-	-	-	5,413	20,039
Governments	-	-	146,950	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 4,125,450</u>	<u>\$ 1,742,051</u>	<u>\$ 2,482,694</u>	<u>\$ 189,191</u>	<u>\$ 1,098,641</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 68,963	\$ 59,507	\$ 3,855	\$ 16,307	\$ 23,544
Unearned revenue	-	-	-	-	-
Total liabilities	<u>68,963</u>	<u>59,507</u>	<u>3,855</u>	<u>16,307</u>	<u>23,544</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	-	1,468	5,257
<b>FUND BALANCES</b>					
Restricted	4,056,487	1,682,544	1,587,535	171,416	1,069,840
Committed	-	-	-	-	-
Assigned	-	-	891,304	-	-
Total fund balances	<u>4,056,487</u>	<u>1,682,544</u>	<u>2,478,839</u>	<u>171,416</u>	<u>1,069,840</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,125,450</u>	<u>\$ 1,742,051</u>	<u>\$ 2,482,694</u>	<u>\$ 189,191</u>	<u>\$ 1,098,641</u>

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2022

Page 3 of 5

	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
<b>ASSETS</b>					
Cash and cash equivalents	\$ 87,910	\$ 515	\$ 733,259	\$ 614,970	\$ 2,349,201
Receivables:					
Property taxes, net	-	-	16,858	16,805	3,480
Governments	197,502	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 285,412</u>	<u>\$ 515</u>	<u>\$ 750,117</u>	<u>\$ 631,775</u>	<u>\$ 2,352,681</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 10,963	\$ -	\$ 6,331	\$ 7,366	\$ 63,386
Unearned revenue	-	-	-	-	-
Total liabilities	<u>10,963</u>	<u>-</u>	<u>6,331</u>	<u>7,366</u>	<u>63,386</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	4,363	4,477	844
<b>FUND BALANCES</b>					
Restricted	274,449	515	739,423	619,932	-
Committed	-	-	-	-	2,288,451
Assigned	-	-	-	-	-
Total fund balances	<u>274,449</u>	<u>515</u>	<u>739,423</u>	<u>619,932</u>	<u>2,288,451</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 285,412</u>	<u>\$ 515</u>	<u>\$ 750,117</u>	<u>\$ 631,775</u>	<u>\$ 2,352,681</u>

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2022

Page 4 of 5

	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,572,943	\$ 493,734	\$ 2,527,914	\$ 971,913	\$ 1,820,563
Receivables:					
Property taxes, net	3,640	-	-	-	-
Governments	-	-	-	-	-
Other	-	-	-	4,287	-
Total assets	<u>\$ 2,576,583</u>	<u>\$ 493,734</u>	<u>\$ 2,527,914</u>	<u>\$ 976,200</u>	<u>\$ 1,820,563</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 7,305	\$ 12,726	\$ 14,716	\$ 29,153	\$ 12,173
Unearned revenue	-	-	-	-	-
Total liabilities	<u>7,305</u>	<u>12,726</u>	<u>14,716</u>	<u>29,153</u>	<u>12,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	<u>805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	481,008	2,513,198	-	-
Committed	2,568,473	-	-	947,047	1,808,390
Assigned	-	-	-	-	-
Total fund balances	<u>2,568,473</u>	<u>481,008</u>	<u>2,513,198</u>	<u>947,047</u>	<u>1,808,390</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,576,583</u>	<u>\$ 493,734</u>	<u>\$ 2,527,914</u>	<u>\$ 976,200</u>	<u>\$ 1,820,563</u>



BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2022

Page 5 of 5

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 26,693,677
Receivables:	
Property taxes, net	192,149
Governments	1,394,655
Other	<u>81,228</u>
Total assets	<u>\$ 28,361,709</u>
LIABILITIES	
Accounts payable	\$ 1,496,060
Unearned revenue	<u>149,626</u>
Total liabilities	<u>1,645,686</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	<u>50,693</u>
FUND BALANCES	
Restricted	18,161,665
Committed	7,612,361
Assigned	<u>891,304</u>
Total fund balances	<u>26,665,330</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,361,709</u>

**BILLINGS PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

Page 1 of 5

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
<b>REVENUES</b>					
Property taxes	\$ 4,174,216	\$ 1,667,706	\$ -	\$ 1,860,424	\$ 917,197
Intergovernmental:					
County	485,000	244,691	-	-	-
State aid	-	-	-	-	-
State other	485,000	244,691	16,109	-	-
Federal	-	-	8,635,097	-	-
Charges for services	49,447	300	516,194	-	-
Interest	201	88	692	484	133
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>5,193,864</b>	<b>2,157,476</b>	<b>9,168,092</b>	<b>1,860,908</b>	<b>917,330</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	-	-	-	2,535,225	1,144,608
Support services:					
Students	-	-	-	-	-
Instructional staff	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	2,636	1,260	-	-	-
Student transportation	4,962,575	2,215,452	-	-	-
Food services	-	-	7,353,797	-	-
Extracurricular	-	-	-	-	-
Capital outlay	-	-	102,448	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,965,211</b>	<b>2,216,712</b>	<b>7,456,245</b>	<b>2,535,225</b>	<b>1,144,608</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>228,653</b>	<b>(59,236)</b>	<b>1,711,847</b>	<b>(674,317)</b>	<b>(227,278)</b>
<b>OTHER FINANCING SOURCES</b>					
Leases issued	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>228,653</b>	<b>(59,236)</b>	<b>1,711,847</b>	<b>(674,317)</b>	<b>(227,278)</b>
Fund balances - beginning	1,228,100	590,832	1,050,261	879,651	236,805
Fund balances - ending	<u>\$ 1,456,753</u>	<u>\$ 531,596</u>	<u>\$ 2,762,108</u>	<u>\$ 205,334</u>	<u>\$ 9,527</u>

**BILLINGS PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

Page 2 of 5

	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 381,381	\$ 1,308,863
Intergovernmental:					
County	11,044,273	5,149,596	-	-	-
State aid	-	-	234,258	-	-
State other	-	-	255,224	-	-
Federal	-	-	776,921	-	-
Charges for services	-	-	-	200	174,860
Interest	3,534	588	-	96	210
Miscellaneous	-	-	71,287	1,211	-
<b>Total revenues</b>	<b>11,047,807</b>	<b>5,150,184</b>	<b>1,337,690</b>	<b>382,888</b>	<b>1,483,933</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	8,364,069	4,019,989	685,758	522,450	321,901
Support services:					
Students	962,541	443,703	128,025	41,028	197,857
Instructional staff	696,813	312,816	7,313	326	-
General administration	43,669	22,132	-	-	-
School administration	725,205	574,897	1,808	51,798	452,662
Business services	182,362	142,516	-	-	-
Operation and maintenance	852,924	442,785	-	45,683	21,778
Student transportation	188,316	52,050	-	-	-
Food services	-	416	-	-	-
Extracurricular	131,148	226,740	-	-	-
Capital outlay	-	-	86,304	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
<b>Total expenditures</b>	<b>12,147,047</b>	<b>6,238,044</b>	<b>909,208</b>	<b>661,285</b>	<b>994,198</b>
Excess (deficiency) of revenues over expenditures	(1,099,240)	(1,087,860)	428,482	(278,397)	489,735
<b>OTHER FINANCING SOURCES</b>					
Leases issued	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,099,240)</b>	<b>(1,087,860)</b>	<b>428,482</b>	<b>(278,397)</b>	<b>489,735</b>
<b>Fund balances - beginning</b>	<b>5,155,727</b>	<b>2,770,404</b>	<b>2,050,357</b>	<b>449,813</b>	<b>580,105</b>
<b>Fund balances - ending</b>	<b>\$ 4,056,487</b>	<b>\$ 1,682,544</b>	<b>\$ 2,478,839</b>	<b>\$ 171,416</b>	<b>\$ 1,069,840</b>

**BILLINGS PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

Page 3 of 5

	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 1,192,687	\$ 1,091,882	\$ 257,925
Intergovernmental:					
County	-	-	-	-	-
State aid	-	-	-	-	-
State other	197,502	-	50,570	28,176	489,820
Federal	-	-	-	-	-
Charges for services	363,590	-	-	-	-
Interest	44	-	2,083	1,850	957
Miscellaneous	75	-	69,954	-	-
<b>Total revenues</b>	<b>561,211</b>	<b>-</b>	<b>1,315,294</b>	<b>1,121,908</b>	<b>748,702</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	435,422	-	272,617	293,783	193,599
Support services:					
Students	-	-	-	-	-
Instructional staff	-	-	421,617	335,474	82,806
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Capital outlay	47,820	-	-	-	-
Debt service					
Principal	34,686	-	-	-	-
Interest and other charges	4,989	-	-	-	-
<b>Total expenditures</b>	<b>522,917</b>	<b>-</b>	<b>694,234</b>	<b>629,257</b>	<b>276,405</b>
Excess (deficiency) of revenues over expenditures	38,294	-	621,060	492,651	472,297
<b>OTHER FINANCING SOURCES</b>					
Leases issued	47,820	-	-	-	-
<b>Total other financing sources</b>	<b>47,820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>86,114</b>	<b>-</b>	<b>621,060</b>	<b>492,651</b>	<b>472,297</b>
Fund balances - beginning	188,335	515	118,363	127,281	1,816,154
Fund balances - ending	<u>\$ 274,449</u>	<u>\$ 515</u>	<u>\$ 739,423</u>	<u>\$ 619,932</u>	<u>\$ 2,288,451</u>

**BILLINGS PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

Page 4 of 5

	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
<b>REVENUES</b>					
Property taxes	\$ 259,523	\$ -	\$ -	\$ -	\$ -
Intergovernmental:					
County	-	-	-	-	-
State aid	-	-	-	-	-
State other	528,210	-	-	-	-
Federal	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	1,077	164	820	320	606
Miscellaneous	-	634,937	2,668,236	462,486	562,897
<b>Total revenues</b>	<b>788,810</b>	<b>635,101</b>	<b>2,669,056</b>	<b>462,806</b>	<b>563,503</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	218,840	-	-	182,445	115,279
Support services:					
Students	-	-	-	225,631	401,132
Instructional staff	123,583	-	-	20,507	5,920
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	-	-	-	1,254	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	609,241	2,347,964	-	-
Capital outlay	10,118	-	15,018	-	-
Debt service					
Principal	-	-	120,091	-	-
Interest and other charges	-	-	289	-	-
<b>Total expenditures</b>	<b>352,541</b>	<b>609,241</b>	<b>2,483,362</b>	<b>429,837</b>	<b>522,331</b>
Excess (deficiency) of revenues over expenditures	436,269	25,860	185,694	32,969	41,172
<b>OTHER FINANCING SOURCES</b>					
Leases issued	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>436,269</b>	<b>25,860</b>	<b>185,694</b>	<b>32,969</b>	<b>41,172</b>
Fund balances - beginning	2,132,204	455,148	2,327,504	914,078	1,767,218
Fund balances - ending	<u>\$ 2,568,473</u>	<u>\$ 481,008</u>	<u>\$ 2,513,198</u>	<u>\$ 947,047</u>	<u>\$ 1,808,390</u>

**BILLINGS PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

Page 5 of 5

	<u>Total</u>
<b>REVENUES</b>	
Property taxes	\$ 13,111,804
Intergovernmental:	
County	16,923,560
State aid	234,258
State other	2,295,302
Federal	9,412,018
Charges for services	1,104,591
Interest	13,947
Miscellaneous	<u>4,471,083</u>
Total revenues	<u>47,566,563</u>
<b>EXPENDITURES</b>	
Current:	
Instruction	19,305,985
Support services:	
Students	2,399,917
Instructional staff	2,007,175
General administration	65,801
School administration	1,806,370
Business services	324,878
Operation and maintenance	1,368,320
Student transportation	7,418,393
Food services	7,354,213
Extracurricular	3,315,093
Capital outlay	261,708
Debt service	
Principal	154,777
Interest and other charges	<u>5,278</u>
Total expenditures	<u>45,787,908</u>
Excess (deficiency) of revenues over expenditures	<u>1,778,655</u>
<b>OTHER FINANCING SOURCES</b>	
Leases issued	<u>47,820</u>
Total other financing sources	<u>47,820</u>
Net change in fund balances	1,826,475
Fund balances - beginning	<u>24,838,855</u>
Fund balances - ending	<u><u>\$ 26,665,330</u></u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### ELEMENTARY TRANSPORTATION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 4,201,944	\$ 4,201,944	\$ 4,174,216	\$ -	\$ 4,174,216
Intergovernmental:					
County	485,000	485,000	485,000	-	485,000
State other	485,000	485,000	485,000	-	485,000
Charges for services	-	-	49,447	-	49,447
Interest	-	-	201	-	201
Total revenues	5,171,944	5,171,944	5,193,864	-	5,193,864
EXPENDITURES					
Current:					
Support services:					
Operation and maintenance	8,597	8,597	2,636	-	2,636
Student transportation	5,324,773	5,324,773	4,962,575	-	4,962,575
Total expenditures	5,333,370	5,333,370	4,965,211	-	4,965,211
Net change in fund balances	\$ (161,426)	\$ (161,426)	228,653	-	228,653
Fund balances - beginning			1,228,100	-	1,228,100
Fund balances - ending			\$ 1,456,753	\$ -	\$ 1,456,753

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### HIGH SCHOOL TRANSPORTATION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,678,768	\$ 1,678,768	\$ 1,667,706	\$ -	\$ 1,667,706
Intergovernmental:					
County	250,000	250,000	244,691	-	244,691
State other	250,000	250,000	244,691	-	244,691
Charges for services	-	-	300	-	300
Interest	-	-	88	-	88
Total revenues	<u>2,178,768</u>	<u>2,178,768</u>	<u>2,157,476</u>	<u>-</u>	<u>2,157,476</u>
EXPENDITURES					
Current:					
Support services:					
Operation and maintenance	7,297	7,297	1,260	-	1,260
Student transportation	<u>2,300,703</u>	<u>2,300,703</u>	<u>2,215,452</u>	<u>-</u>	<u>2,215,452</u>
Total expenditures	<u>2,308,000</u>	<u>2,308,000</u>	<u>2,216,712</u>	<u>-</u>	<u>2,216,712</u>
Net change in fund balances	<u>\$ (129,232)</u>	<u>\$ (129,232)</u>	(59,236)	-	(59,236)
Fund balances - beginning			<u>590,832</u>	<u>-</u>	<u>590,832</u>
Fund balances - ending			<u>\$ 531,596</u>	<u>\$ -</u>	<u>\$ 531,596</u>



# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

#### ELEMENTARY TUITION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,864,760	\$ 1,864,760	\$ 1,860,424	\$ -	\$ 1,860,424
Interest	-	-	484	-	484
Total revenues	1,864,760	1,864,760	1,860,908	-	1,860,908
EXPENDITURES					
Current:					
Instruction	2,744,410	2,744,410	2,535,225	-	2,535,225
Total expenditures	2,744,410	2,744,410	2,535,225	-	2,535,225
Net change in fund balances	<u>\$ (879,650)</u>	<u>\$ (879,650)</u>	(674,317)	-	(674,317)
Fund balances - beginning			879,651	-	879,651
Fund balances - ending			<u>\$ 205,334</u>	<u>\$ -</u>	<u>\$ 205,334</u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

#### HIGH SCHOOL TUITION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 920,397	\$ 920,397	\$ 917,197	\$ -	\$ 917,197
Interest	-	-	133	-	133
Total revenues	920,397	920,397	917,330	-	917,330
EXPENDITURES					
Current:					
Instruction	1,157,203	1,157,203	1,144,608	-	1,144,608
Total expenditures	1,157,203	1,157,203	1,144,608	-	1,144,608
Net change in fund balances	\$ (236,806)	\$ (236,806)	(227,278)	-	(227,278)
Fund balances - beginning			236,805	-	236,805
Fund balances - ending			\$ 9,527	\$ -	\$ 9,527

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### ELEMENTARY RETIREMENT FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
<b>REVENUES</b>					
Intergovernmental:					
County	\$ 11,044,273	\$ 11,044,273	\$ 11,044,273	\$ -	\$ 11,044,273
Interest	-	-	3,534	-	3,534
Total revenues	11,044,273	11,044,273	11,047,807	-	11,047,807
<b>EXPENDITURES</b>					
Current:					
Instructional	10,328,718	10,328,718	8,364,069	-	8,364,069
Support services:					
Students	885,332	885,332	962,541	-	962,541
Instructional staff	578,452	578,452	696,813	-	696,813
General administration	27,087	27,087	43,669	-	43,669
School administration	825,003	825,003	725,205	-	725,205
Business services	147,236	147,236	182,362	-	182,362
Operation and maintenance	580,850	580,850	852,924	-	852,924
Student transportation	117,759	117,759	188,316	-	188,316
Extracurricular	9,563	9,563	131,148	-	131,148
Total expenditures	13,500,000	13,500,000	12,147,047	-	12,147,047
Net change in fund balances	\$ (2,455,727)	\$ (2,455,727)	(1,099,240)	-	(1,099,240)
Fund balances - beginning			5,155,727	-	5,155,727
Fund balances - ending			\$ 4,056,487	\$ -	\$ 4,056,487

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### HIGH SCHOOL RETIREMENT FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
<b>REVENUES</b>					
Intergovernmental:					
County	\$ 5,149,596	\$ 5,149,596	\$ 5,149,596	\$ -	\$ 5,149,596
Interest	-	-	588	-	588
Total revenues	5,149,596	5,149,596	5,150,184	-	5,150,184
<b>EXPENDITURES</b>					
Current:					
Instructional	4,905,637	4,905,637	4,019,989	-	4,019,989
Support services:					
Students	379,181	379,181	443,703	-	443,703
Instructional staff	271,497	271,497	312,816	-	312,816
General administration	29,982	29,982	22,132	-	22,132
School administration	517,164	517,164	574,897	-	574,897
Business services	86,397	86,397	142,516	-	142,516
Operation and maintenance	329,484	329,484	442,785	-	442,785
Student transportation	40,064	40,064	52,050	-	52,050
Food services	13,698	13,698	416	-	416
Extracurricular	26,896	26,896	226,740	-	226,740
Total expenditures	6,600,000	6,600,000	6,238,044	-	6,238,044
Net change in fund balances	\$ (1,450,404)	\$ (1,450,404)	(1,087,860)	-	(1,087,860)
Fund balances - beginning			2,770,404	-	2,770,404
Fund balances - ending			\$ 1,682,544	\$ -	\$ 1,682,544

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### ELEMENTARY ADULT EDUCATION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 383,675	\$ 383,675	\$ 381,381	\$ -	\$ 381,381
Charges for services	-	-	200	-	200
Interest	-	-	96	-	96
Miscellaneous	-	-	1,211	-	1,211
Total revenues	<u>383,675</u>	<u>383,675</u>	<u>382,888</u>	<u>-</u>	<u>382,888</u>
EXPENDITURES					
Current:					
Instructional	454,166	454,166	522,450	-	522,450
Support services:					
Students	4,500	4,500	41,028	-	41,028
Instructional staff	-	-	326	-	326
School administration	120,434	120,434	51,798	-	51,798
Operation and maintenance	38,300	38,300	45,683	-	45,683
Total expenditures	<u>617,400</u>	<u>617,400</u>	<u>661,285</u>	<u>-</u>	<u>661,285</u>
Net change in fund balances	<u>\$ (233,725)</u>	<u>\$ (233,725)</u>	(278,397)	-	(278,397)
Fund balances - beginning			449,813	-	449,813
Fund balances - ending			<u>\$ 171,416</u>	<u>\$ -</u>	<u>\$ 171,416</u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### HIGH SCHOOL ADULT EDUCATION FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,316,502	\$ 1,316,502	\$ 1,308,863	\$ -	\$ 1,308,863
Charges for services	280,000	280,000	174,860	-	174,860
Interest	-	-	210	-	210
Total revenues	1,596,502	1,596,502	1,483,933	-	1,483,933
EXPENDITURES					
Current:					
Instructional	556,630	556,630	321,901	-	321,901
Support services:					
Students	207,748	207,748	197,857	-	197,857
School administration	787,222	787,222	452,662	-	452,662
Operation and maintenance	34,100	34,100	21,778	-	21,778
Capital Outlay	26,600	26,600	-	-	-
Total expenditures	1,612,300	1,612,300	994,198	-	994,198
Net change in fund balances	\$ (15,798)	\$ (15,798)	489,735	-	489,735
Fund balances - beginning			580,105	-	580,105
Fund balances - ending			\$ 1,069,840	\$ -	\$ 1,069,840

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### ELEMENTARY TECHNOLOGY FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,192,687	\$ -	\$ 1,192,687
Intergovernmental:					
State other	50,570	50,570	50,570	-	50,570
Interest	-	-	2,083	-	2,083
Miscellaneous	-	-	69,954	-	69,954
Total revenues	<u>1,250,570</u>	<u>1,250,570</u>	<u>1,315,294</u>	<u>-</u>	<u>1,315,294</u>
EXPENDITURES					
Current:					
Instructional	316,656	316,656	272,617	-	272,617
Support services:					
Instructional staff	977,236	977,236	421,617	-	421,617
Capital Outlay	<u>75,041</u>	<u>75,041</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,368,933</u>	<u>1,368,933</u>	<u>694,234</u>	<u>-</u>	<u>694,234</u>
Net change in fund balances	<u>\$ (118,363)</u>	<u>\$ (118,363)</u>	621,060	-	621,060
Fund balances - beginning			<u>118,363</u>	<u>-</u>	<u>118,363</u>
Fund balances - ending			<u>\$ 739,423</u>	<u>\$ -</u>	<u>\$ 739,423</u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

### HIGH SCHOOL TECHNOLOGY FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,099,459	\$ 1,099,459	\$ 1,091,882	\$ -	\$ 1,091,882
Intergovernmental:					
State other	28,176	28,176	28,176	-	28,176
Interest	-	-	1,850	-	1,850
Total revenues	<u>1,127,635</u>	<u>1,127,635</u>	<u>1,121,908</u>	<u>-</u>	<u>1,121,908</u>
EXPENDITURES					
Current:					
Instructional	414,156	414,156	293,783	-	293,783
Support services:					
Instructional staff	774,194	774,194	335,474	-	335,474
Capital Outlay	<u>66,567</u>	<u>66,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,254,917</u>	<u>1,254,917</u>	<u>629,257</u>	<u>-</u>	<u>629,257</u>
Net change in fund balances	<u>\$ (127,282)</u>	<u>\$ (127,282)</u>	492,651	-	492,651
Fund balances - beginning			<u>127,281</u>	<u>-</u>	<u>127,281</u>
Fund balances - ending			<u>\$ 619,932</u>	<u>\$ -</u>	<u>\$ 619,932</u>



# BILLINGS PUBLIC SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUND ELEMENTARY FLEXIBILITY FUND For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 261,800	\$ 261,800	\$ 257,925	\$ -	\$ 257,925
Intergovernmental:					
State other	489,820	489,820	489,820	-	489,820
Interest	-	-	957	-	957
Total revenues	<u>751,620</u>	<u>751,620</u>	<u>748,702</u>	<u>-</u>	<u>748,702</u>
EXPENDITURES					
Current:					
Instructional	1,782,562	1,782,562	193,599	-	193,599
Support services:					
Instructional staff	<u>785,211</u>	<u>785,211</u>	<u>82,806</u>	<u>-</u>	<u>82,806</u>
Total expenditures	<u>2,567,773</u>	<u>2,567,773</u>	<u>276,405</u>	<u>-</u>	<u>276,405</u>
Net change in fund balances	<u>\$ (1,816,153)</u>	<u>\$ (1,816,153)</u>	472,297	-	472,297
Fund balances - beginning			<u>1,816,154</u>	<u>-</u>	<u>1,816,154</u>
Fund balances - ending			<u>\$ 2,288,451</u>	<u>\$ -</u>	<u>\$ 2,288,451</u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR SPECIAL REVENUE FUND

#### HIGH SCHOOL FLEXIBILITY FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 261,800	\$ 261,800	\$ 259,523	\$ -	\$ 259,523
Intergovernmental:					
State other	528,210	528,210	528,210	-	528,210
Interest	-	-	1,077	-	1,077
Total revenues	<u>790,010</u>	<u>790,010</u>	<u>788,810</u>	<u>-</u>	<u>788,810</u>
EXPENDITURES					
Current:					
Instructional	1,962,242	1,962,242	218,840	-	218,840
Support services:					
Instructional staff	942,594	942,594	123,583	-	123,583
Capital Outlay	<u>17,378</u>	<u>17,378</u>	<u>10,118</u>	<u>-</u>	<u>10,118</u>
Total expenditures	<u>2,922,214</u>	<u>2,922,214</u>	<u>352,541</u>	<u>-</u>	<u>352,541</u>
Net change in fund balances	<u>\$ (2,132,204)</u>	<u>\$ (2,132,204)</u>	436,269	-	436,269
Fund balances - beginning			<u>2,132,204</u>	<u>-</u>	<u>2,132,204</u>
Fund balances - ending			<u>\$ 2,568,473</u>	<u>\$ -</u>	<u>\$ 2,568,473</u>

## **Nonmajor Debt Service Funds**

### **Budgeted:**

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

THIS PAGE INTENTIONALLY LEFT BLANK

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUND  
 June 30, 2022

	Elementary Debt Service	High School Debt Service	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,216,075	\$ 7,035,984	\$ 15,252,059
Receivables:			
Property taxes, net	143,690	10,916	154,606
Governments	268,138	246,641	514,779
Total assets	<u>\$ 8,627,903</u>	<u>\$ 7,293,541</u>	<u>\$ 15,921,444</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 350</u>	<u>\$ 65,394</u>	<u>\$ 65,744</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	<u>37,704</u>	<u>2,970</u>	<u>40,674</u>
<b>FUND BALANCES</b>			
Restricted	<u>8,589,849</u>	<u>7,225,177</u>	<u>15,815,026</u>
Total fund balances	<u>8,589,849</u>	<u>7,225,177</u>	<u>15,815,026</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,627,903</u>	<u>\$ 7,293,541</u>	<u>\$ 15,921,444</u>

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

For the Year Ended June 30, 2022

---

	Elementary Debt Service	High School Debt Service	Total
REVENUES			
Property taxes	\$ 10,149,905	\$ 697,061	\$ 10,846,966
Intergovernmental:			
State aid	635,666	116,630	752,296
Federal	536,275	493,281	1,029,556
Interest	20,384	10,980	31,364
Total revenues	11,342,230	1,317,952	12,660,182
EXPENDITURES			
Debt service:			
Principal	7,861,000	-	7,861,000
Interest and other charges	3,349,484	571,370	3,920,854
Total expenditures	11,210,484	571,370	11,781,854
Net change in fund balances	131,746	746,582	878,328
Fund balances - beginning	8,458,103	6,478,595	14,936,698
Fund balances - ending	\$ 8,589,849	\$ 7,225,177	\$ 15,815,026

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR DEBT SERVICE FUND

### ELEMENTARY DEBT SERVICE FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 10,214,264	\$ 10,214,264	\$ 10,149,905	\$ -	\$ 10,149,905
Intergovernmental:					
State aid	-	-	635,666	-	635,666
Federal	563,000	563,000	536,275	-	536,275
Interest	-	-	20,384	-	20,384
Total revenues	10,777,264	10,777,264	11,342,230	-	11,342,230
EXPENDITURES					
Debt Service:					
Principal	7,436,120	8,707,120	7,861,000	-	7,861,000
Interest and other charges	2,781,144	2,781,144	3,349,484	-	3,349,484
Total expenditures	10,217,264	11,488,264	11,210,484	-	11,210,484
Net change in fund balances	\$ 560,000	\$ (711,000)	131,746	-	131,746
Fund balances - beginning			8,458,103	-	8,458,103
Fund balances - ending			\$ 8,589,849	\$ -	\$ 8,589,849

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR DEBT SERVICE FUND

### HIGH SCHOOL DEBT SERVICE FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 701,355	\$ 701,355	\$ 697,061	\$ -	\$ 697,061
Intergovernmental:					
State aid	-	-	116,630	-	116,630
Federal	495,000	495,000	493,281	-	493,281
Interest	-	-	10,980	-	10,980
Total revenues	<u>1,196,355</u>	<u>1,196,355</u>	<u>1,317,952</u>	<u>-</u>	<u>1,317,952</u>
EXPENDITURES					
Debt Service:					
Interest and other charges	<u>701,355</u>	<u>701,355</u>	<u>571,370</u>	<u>-</u>	<u>571,370</u>
Total expenditures	<u>701,355</u>	<u>701,355</u>	<u>571,370</u>	<u>-</u>	<u>571,370</u>
Net change in fund balances	<u>\$ 495,000</u>	<u>\$ 495,000</u>	746,582	-	746,582
Fund balances - beginning			<u>6,478,595</u>	<u>-</u>	<u>6,478,595</u>
Fund balances - ending			<u>\$ 7,225,177</u>	<u>\$ -</u>	<u>\$ 7,225,177</u>



## **Nonmajor Capital Projects Funds**

### **Budgeted:**

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

### **Nonbudgeted:**

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

THIS PAGE INTENTIONALLY LEFT BLANK

BILLINGS PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 June 30, 2022

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,906,287	\$ 1,106,434	\$ 2,743,145	\$ 770,384	\$ 6,526,250
Receivables:					
Property taxes, net	-	-	9,113	5,451	14,564
Other	2,612	19,047	-	-	21,659
Due from other funds	4,200,000	-	-	-	4,200,000
Total assets	<u>\$ 6,108,899</u>	<u>\$ 1,125,481</u>	<u>\$ 2,752,258</u>	<u>\$ 775,835</u>	<u>\$ 10,762,473</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 459,194	\$ 219,448	\$ -	\$ 29,879	\$ 708,521
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	-	2,415	1,453	3,868
<b>FUND BALANCES</b>					
Restricted	5,649,705	906,033	2,749,843	744,503	10,050,084
Total fund balances	5,649,705	906,033	2,749,843	744,503	10,050,084
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,108,899</u>	<u>\$ 1,125,481</u>	<u>\$ 2,752,258</u>	<u>\$ 775,835</u>	<u>\$ 10,762,473</u>

# BILLINGS PUBLIC SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended June 30, 2022

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 641,088	\$ 353,479	\$ 994,567
Intergovernmental:					
State other	-	-	567,087	221,953	789,040
Charges for services	26,953	23,469	-	-	50,422
Interest	11,227	323	596	148	12,294
Miscellaneous	25,109	4,982	-	-	30,091
Total revenues	63,289	28,774	1,208,771	575,580	1,876,414
<b>EXPENDITURES</b>					
Current:					
Instruction	20,260	-	-	-	20,260
Support services:					
Business services	3,143	1,693	-	-	4,836
Operation and maintenance	1,605,253	361,149	128,117	67,972	2,162,491
Capital outlay	1,821,013	323,149	10,129	195,975	2,350,266
Total expenditures	3,449,669	685,991	138,246	263,947	4,537,853
Excess (deficiency) of revenues over expenditures	(3,386,380)	(657,217)	1,070,525	311,633	(2,661,439)
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	1,677,669	793,558	-	-	2,471,227
Net change in fund balances	(1,708,711)	136,341	1,070,525	311,633	(190,212)
Fund balances - beginning	7,358,416	769,692	1,679,318	432,870	10,240,296
Fund balances - ending	\$ 5,649,705	\$ 906,033	\$ 2,749,843	\$ 744,503	\$ 10,050,084

# BILLINGS PUBLIC SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR CAPITAL PROJECTS FUND ELEMENTARY BUILDING RESERVE FUND For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 644,913	\$ 644,913	\$ 641,088	\$ -	\$ 641,088
Intergovernmental:					
State other	567,087	567,087	567,087	-	567,087
Interest	-	-	596	-	596
Total revenues	<u>1,212,000</u>	<u>1,212,000</u>	<u>1,208,771</u>	<u>-</u>	<u>1,208,771</u>
EXPENDITURES					
Current:					
Operation and maintenance	-	-	128,117	-	128,117
Capital Outlay	<u>2,891,317</u>	<u>2,891,317</u>	<u>10,129</u>	<u>-</u>	<u>10,129</u>
Total expenditures	<u>2,891,317</u>	<u>2,891,317</u>	<u>138,246</u>	<u>-</u>	<u>138,246</u>
Net change in fund balances	<u>\$ (1,679,317)</u>	<u>\$ (1,679,317)</u>	1,070,525	-	1,070,525
Fund balances - beginning			<u>1,679,318</u>	<u>-</u>	<u>1,679,318</u>
Fund balances - ending			<u>\$ 2,749,843</u>	<u>\$ -</u>	<u>\$ 2,749,843</u>

# BILLINGS PUBLIC SCHOOLS

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

### NONMAJOR CAPITAL PROJECTS FUND

### HIGH SCHOOL BUILDING RESERVE FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 356,047	\$ 356,047	\$ 353,479	\$ -	\$ 353,479
Intergovernmental:					
State other	221,953	221,953	221,953	-	221,953
Interest	-	-	148	-	148
Total revenues	<u>578,000</u>	<u>578,000</u>	<u>575,580</u>	<u>-</u>	<u>575,580</u>
EXPENDITURES					
Current:					
Operation and maintenance	-	-	67,972	-	67,972
Capital Outlay	<u>1,010,869</u>	<u>1,010,869</u>	<u>195,975</u>	<u>-</u>	<u>195,975</u>
Total expenditures	<u>1,010,869</u>	<u>1,010,869</u>	<u>263,947</u>	<u>-</u>	<u>263,947</u>
Net change in fund balances	<u>\$ (432,869)</u>	<u>\$ (432,869)</u>	311,633	-	311,633
Fund balances - beginning			<u>432,870</u>	<u>-</u>	<u>432,870</u>
Fund balances - ending			<u>\$ 744,503</u>	<u>\$ -</u>	<u>\$ 744,503</u>

## **Proprietary Funds**

### **Internal Service Funds:**

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

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK



# BILLINGS PUBLIC SCHOOLS

## COMBINING STATEMENT OF NET POSITION-ALL INTERNAL SERVICE FUNDS

June 30, 2022

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 361,144	\$ 12,612,369	\$ 350	\$ 12,973,863
Accounts receivables, net	991	597,691	-	598,682
Prepaid items	-	97,503	-	97,503
Total current assets	362,135	13,307,563	350	13,670,048
Non-current assets:				
Capital Assets:				
Leases	53,180	-	-	53,180
Less: accumulated amortization	(12,169)	-	-	(12,169)
Total non-current assets	41,011	-	-	41,011
Total assets	403,146	13,307,563	350	13,711,059
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other postemployment benefits	-	8,038,505	-	8,038,505
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	7,248	2,323,034	-	2,330,282
Unearned revenue	-	17,420	-	17,420
Compensated absences	2,373	2,022	-	4,395
Leases	10,637	-	-	10,637
Total current liabilities	20,258	2,342,476	-	2,362,734
Noncurrent liabilities:				
Compensated absences	21,354	18,202	-	39,556
Leases	31,436	-	-	31,436
Total other postemployment benefits	-	26,787,780	-	26,787,780
Total noncurrent liabilities	52,790	26,805,982	-	26,858,772
Total liabilities	73,048	29,148,458	-	29,221,506
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other postemployment benefits	-	3,258,394	-	3,258,394
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	(1,062)	-	-	(1,062)
Unrestricted	331,160	(11,060,784)	350	(10,729,274)
Total net position (deficit)	\$ 330,098	\$ (11,060,784)	\$ 350	\$ (10,730,336)

# BILLINGS PUBLIC SCHOOLS

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

### ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2022

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 338,678	\$ 23,615,726	\$ -	\$ 23,954,404
Total operating revenues	338,678	23,615,726	-	23,954,404
OPERATING EXPENSES				
Personal services - salaries	141,780	168,318	-	310,098
Personal services - benefits	33,134	31,738	-	64,872
Purchased professional and technical services	2,990	-	-	2,990
Purchased property services	59,338	22,463	-	81,801
Other purchased services	15,494	1,085,509	-	1,101,003
Supplies and materials	88,786	6,454	-	95,240
Insurance claims and expenses	-	23,823,536	-	23,823,536
Miscellaneous	-	25	-	25
Amortization	12,169	-	-	12,169
Total operating expenses	353,691	25,138,043	-	25,491,734
Operating income (loss)	(15,013)	(1,522,317)	-	(1,537,330)
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	-	22,643	-	22,643
Interest expense	(2,549)	-	-	(2,549)
Total nonoperating revenues (expenses)	(2,549)	22,643	-	20,094
Change in net position	(17,562)	(1,499,674)	-	(1,517,236)
Net position - beginning	347,660	(9,561,110)	350	(9,213,100)
Net position - ending	\$ 330,098	\$ (11,060,784)	\$ 350	\$ (10,730,336)

# BILLINGS PUBLIC SCHOOLS

## COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2022

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from health insurance premiums	\$ -	\$ 23,612,181	\$ -	\$ 23,612,181
Cash received from interfund services	338,836	-	-	338,836
Medical claims paid	-	(22,475,745)	-	(22,475,745)
Cash paid to employees health insurance services	-	(204,316)	-	(204,316)
Cash paid to employees for interfund services	(178,730)	-	-	(178,730)
Cash paid to suppliers for goods and services health insurance services	-	(1,113,856)	-	(1,113,856)
Cash paid to suppliers for goods and services interfund services	(166,698)	-	-	(166,698)
Net cash provided (used) by operating activities	(6,592)	(181,736)	-	(188,328)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Principal payments on leases	(11,107)	-	-	(11,107)
Interest paid	(2,549)	-	-	(2,549)
Net cash used by capital financing activities	(13,656)	-	-	(13,656)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	-	22,643	-	22,643
Net cash provided by investing activities	-	22,643	-	22,643
Change in cash and cash equivalents	(20,248)	(159,093)	-	(179,341)
Cash and cash equivalents - beginning	381,392	12,771,462	350	13,153,204
Cash and cash equivalents - ending	\$ 361,144	\$ 12,612,369	\$ 350	\$ 12,973,863
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating loss	\$ (15,013)	\$ (1,522,317)	\$ -	\$ (1,537,330)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Amortization	12,169	-	-	12,169
Other postemployment benefits	-	1,502,353	-	1,502,353
(Increase) decrease in accounts receivable	158	(170,140)	-	(169,982)
Decrease in prepaid items	-	1,437	-	1,437
(Decrease) increase in accounts payable	(90)	477	-	387
Increase in unearned revenue	-	10,591	-	10,591
Decrease in compensated absences	(3,816)	(4,137)	-	(7,953)
Net cash provided (used) by operating activities	\$ (6,592)	\$ (181,736)	\$ -	\$ (188,328)

THIS PAGE INTENTIONALLY LEFT BLANK

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

THIS PAGE INTENTIONALLY LEFT BLANK

**BILLINGS PUBLIC SCHOOLS**  
**SCHEDULE OF CHANGES IN NET POSITION - EXTRACURRICULAR**  
For the Year Ended June 30, 2022

Location	Balance July 1, 2021	Revenues	Expenditures	Balance June 30, 2022
Native American	\$ 168	\$ 1,800	\$ 1,929	\$ 39
Career Center	176,040	129,548	132,319	173,269
Senior High School	557,278	753,294	698,176	612,396
West High School	532,607	731,153	707,705	556,055
Skyview High School	315,162	704,284	634,472	384,974
Middle Schools-Athletics	159,382	134,675	141,855	152,202
Lewis & Clark Middle School	30,077	25,218	16,548	38,747
Lincoln Education Center	1,278	371	336	1,313
Riverside Middle School	30,248	22,309	22,148	30,409
Will James Middle School	61,685	84,815	76,173	70,327
Castlerock Middle School	47,409	96,278	86,291	57,396
Ben Steele Middle School	45,341	177,514	177,203	45,652
Medicine Crow Middle School	27,026	23,702	23,753	26,975
Arrowhead Elementary	4,568	3,130	2,433	5,265
Beartooth Elementary	2,636	4,437	4,936	2,137
Bench Elementary	2,145	5,323	600	6,868
Boulder Elementary	854	-	788	66
Broadwater Elementary	132	621	-	753
Burlington Elementary	2,602	9,834	5,505	6,931
Central Heights Elementary	225	3,353	3,137	441
Highland Elementary	1,286	-	1,286	-
McKinley Elementary	1,330	1	-	1,331
Meadowlark Elementary	63	4,580	4,450	193
Miles Elementary	7,869	55	5,626	2,298
Newman Elementary	507	2,850	3,090	267
Orchard Elementary	5,381	2,849	3,448	4,782
Poly Elementary	1,204	5,441	5,939	706
Ponderosa Elementary	5,783	780	5,396	1,167
Special Olympics	82	-	-	82
Rose Park Elementary	1,343	-	15	1,328
Sandstone Elementary	356	-	-	356
Adult Education	320	-	151	169
Washington Elementary	1,025	-	-	1,025
Alkali Creek Elementary	1,609	130	499	1,240
Big Sky Elementary	9,336	9,963	7,998	11,301
Exec Director of Activities	722,551	301,703	260,518	763,736
Coordinator of Music	25,744	64,146	57,880	32,010
	<u>\$ 2,782,652</u>	<u>\$ 3,304,157</u>	<u>\$ 3,092,603</u>	<u>\$ 2,994,206</u>

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

# BILLINGS PUBLIC SCHOOLS

## ENROLLMENT SCHEDULE

For the Year Ended June 30, 2022

	Per Enrollment Reports	Audit Per District Records	Difference
<b>Fall Enrollment - October 2021</b>			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,224	1,224	-
(b) Kindergarten (enrolled 181-719 hours per year)	7	7	-
(c) Kindergarten (enrolled < 181 hours per year)	1	3	(2)
(d) Grades 1-5 (enrolled 720+ hours per year)	5,976	5,976	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	-	-	-
(f) Grades 1-5 (enrolled < 181 hours per year)	-	-	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,859	3,859	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	5	5	-
(i) Grades 6-8 (enrolled < 181 hours per year)	3	3	-
(j) Total Elementary (add lines a through i)	11,075	11,077	(2)
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,623	5,623	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	28	28	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	6	6	-
(n) Total High School (add lines k through m)	5,657	5,657	-
(o) 19 Year-olds included on line k	-	-	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
<b>Spring Enrollment - February 2022</b>			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,240	1,240	-
(b) Kindergarten (enrolled 181-719 hours per year)	8	8	-
(c) Kindergarten (enrolled < 181 hours per year)	-	-	-
(d) Grades 1-5 (enrolled 720+ hours per year)	6,017	6,017	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	-	-	-
(f) Grades 1-5 (enrolled < 181 hours per year)	-	-	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,824	3,824	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	7	7	-
(i) Grades 6-8 (enrolled < 181 hours per year)	-	-	-
(j) Total Elementary (add lines a through i)	11,096	11,096	-
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,431	5,431	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	34	34	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	7	7	-
(n) Total High School (add lines k through m)	5,472	5,472	-
(o) 19 Year-olds included on line k	-	-	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
(r) Early Graduates	14	14	-



### **SECTION III - STATISTICAL SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK

## SECTION III - STATISTICAL SECTION

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

<b>Contents</b>	<b><u>Page</u></b>
Financial Trends	100-104
<i>These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.</i>	
Revenue Capacity	105-111
<i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	
Debt Capacity	112-116
<i>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	117-118
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</i>	
Operating Information	119-125
<i>The schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</i>	

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

THIS PAGE INTENTIONALLY LEFT BLANK

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

Table 1

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net investment in capital assets	\$ 55,266,962	\$ 52,466,677	\$ 51,771,080	\$ 51,729,935	\$ 51,818,256	\$ 51,101,069	\$ 50,535,448	\$ 49,955,870	\$ 49,450,364	\$ 51,001,007
Restricted	10,730,765	10,916,571	15,270,912	16,398,869	18,713,270	18,731,517	22,958,641	24,876,408	38,034,357	42,419,203
Unrestricted (deficit)	(12,518,164)	(8,862,940)	(112,975,416)	(103,472,531)	(127,071,672)	(133,392,674)	(138,083,731)	(141,880,118)	(148,832,654)	(141,677,172)
Total net position	\$ 53,479,563	\$ 54,520,308	\$ (45,933,424)	\$ (35,343,727)	\$ (56,540,146)	\$ (63,560,088)	\$ (64,589,642)	\$ (67,047,840)	\$ (61,347,933)	\$ (48,256,962)
	1		2		3		4		5	

1 Implemented GASB Statements 68 and 71

2 Implemented GASB Statement 73

3 Implemented GASB Statement 75

4 Implemented GASB Statement 84

5 Implemented GASB Statement 87

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

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses:</b>										
Instruction	\$ 92,876,108	\$ 96,301,172	\$ 96,651,543	\$ 97,005,016	\$ 105,539,862	\$ 111,758,344	\$ 118,621,733	\$ 129,428,619	\$ 146,237,476	\$ 131,643,610
Support services:										
Students	11,518,499	12,203,272	12,710,349	12,726,817	13,901,843	14,041,977	15,671,822	17,091,484	18,707,694	18,256,096
Instructional staff	7,760,274	8,060,342	7,940,616	8,909,748	8,520,641	10,138,104	10,225,276	10,454,633	10,941,020	10,870,823
General administration	1,728,213	1,917,754	2,060,920	2,094,473	2,255,636	1,964,370	1,943,138	1,855,131	2,008,889	2,322,275
School administration	9,790,142	10,166,229	10,285,418	10,911,561	11,154,175	11,915,815	12,318,998	13,908,822	14,498,993	14,067,493
Business services	2,002,743	2,103,298	2,424,217	2,336,752	2,330,041	2,528,926	2,772,612	2,601,673	2,996,494	2,706,205
Operation and maintenance	12,395,350	12,666,923	12,298,862	12,297,661	14,026,596	15,707,111	15,573,888	16,001,493	18,876,172	18,299,121
Student transportation	5,713,801	5,527,358	5,713,291	5,795,959	6,126,048	6,674,494	6,527,449	6,550,565	7,297,869	7,640,182
Food services	5,697,047	5,707,254	5,975,077	6,285,333	6,536,691	6,728,995	6,798,120	5,786,392	6,102,984	7,591,968
Community services	17,822	14,149	10,100	6,150	-	-	-	-	-	-
Extracurricular	2,563,371	2,553,595	2,602,188	2,729,817	3,073,078	3,180,993	3,422,143	3,470,394	5,153,499	6,518,792
Interest	1,625,782	2,523,052	4,455,186	5,583,903	5,536,184	5,424,464	5,262,594	5,251,382	5,598,471	3,498,328
<b>Total expenses</b>	<b>153,689,152</b>	<b>159,744,398</b>	<b>163,127,767</b>	<b>166,683,190</b>	<b>179,000,795</b>	<b>190,063,593</b>	<b>199,137,773</b>	<b>212,400,588</b>	<b>238,419,561</b>	<b>223,414,893</b>
<b>Program revenues:</b>										
Charges for services:										
Instruction	796,991	745,180	773,615	840,445	770,718	906,861	1,373,797	993,227	1,000,762	988,908
Support services:										
School administration	-	-	-	-	-	-	-	-	38,252	-
Operation and maintenance	64,230	64,894	57,034	418,069	160,782	57,945	78,734	79,176	208,730	1,137,767
Student transportation	39,393	34,550	36,618	40,285	36,411	56,946	70,783	62,636	43,327	49,747
Food services	2,271,012	2,185,261	2,089,187	2,303,357	2,042,033	2,031,519	2,135,611	1,655,999	465,757	516,194
Operating grants and contributions	31,165,921	31,443,773	34,661,238	34,311,787	36,670,029	34,920,643	38,061,642	48,098,641	72,610,223	69,315,970
Capital grants and contributions	139,927	54,637	97,003	177,026	422,990	320,499	164,404	193,938	-	-
<b>Total program revenues</b>	<b>34,477,474</b>	<b>34,528,095</b>	<b>37,714,695</b>	<b>38,090,969</b>	<b>40,102,963</b>	<b>38,294,413</b>	<b>41,884,971</b>	<b>51,083,617</b>	<b>74,367,051</b>	<b>72,008,586</b>
<b>Net expense</b>	<b>(119,211,678)</b>	<b>(125,216,303)</b>	<b>(125,413,072)</b>	<b>(128,592,221)</b>	<b>(138,897,832)</b>	<b>(151,769,180)</b>	<b>(157,252,802)</b>	<b>(161,316,971)</b>	<b>(164,052,510)</b>	<b>(151,406,307)</b>
<b>General revenues:</b>										
Property taxes	40,099,921	41,926,382	48,002,113	51,132,533	54,492,742	58,103,653	61,058,675	62,686,937	63,670,285	62,272,881
Unrestricted intergovernmental:										
State aid	57,753,278	60,768,215	64,120,939	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390	80,729,162
State other	6,484,021	6,244,913	7,322,579	6,907,224	6,928,173	623,278	153,971	264,776	260,474	232,867
County	14,978,791	15,809,305	15,458,169	15,643,024	17,154,480	17,735,249	18,525,340	18,406,726	20,865,016	16,193,869
Interest	133,528	196,214	580,470	582,535	735,757	872,224	1,326,947	1,100,598	201,992	204,062
Contributions and donations	995,403	1,127,943	1,242,275	838,217	667,437	528,760	304,256	271,894	396,692	741,633
Miscellaneous	534,177	496,534	828,766	568,855	746,367	1,082,835	1,092,444	844,536	2,920,491	4,367,010
Gain on disposal of capital assets	-	-	8,139	-	-	305	14,699	-	-	-
<b>Total general revenues</b>	<b>120,979,119</b>	<b>126,569,506</b>	<b>137,563,450</b>	<b>139,181,918</b>	<b>145,332,325</b>	<b>147,990,255</b>	<b>156,223,248</b>	<b>158,858,773</b>	<b>167,314,340</b>	<b>164,741,484</b>
<b>Change in net position</b>	<b>\$ 1,767,441</b>	<b>\$ 1,353,203</b>	<b>\$ 12,150,378</b>	<b>\$ 10,589,697</b>	<b>\$ 6,434,493</b>	<b>\$ (3,778,925)</b>	<b>\$ (1,029,554)</b>	<b>\$ (2,458,198)</b>	<b>\$ 3,261,830</b>	<b>\$ 13,335,177</b>

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

Table 3

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,650	\$ 30,000	\$ -	\$ -	\$ 1,188,893
Assigned	804,770	1,261,432	695,086	274,135	349,511	165,846	30,000	129,287	101,685	271,806
Unassigned	4,950,752	6,848,264	10,331,887	16,216,463	17,236,642	15,553,390	13,164,574	12,830,370	24,993,301	27,374,951
<b>Total general fund</b>	<b>\$ 5,755,522</b>	<b>\$ 8,109,696</b>	<b>\$ 11,026,973</b>	<b>\$ 16,490,598</b>	<b>\$ 17,586,153</b>	<b>\$ 15,727,886</b>	<b>\$ 13,224,574</b>	<b>\$ 12,959,657</b>	<b>\$ 25,094,986</b>	<b>\$ 28,835,650</b>
<b>All other governmental funds</b>										
Nonspendable	\$ -	\$ -	\$ 1,659	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -
Restricted	18,773,122	99,009,127	53,835,242	53,229,035	31,443,705	23,937,766	24,849,725	31,905,152	42,514,974	45,019,761
Committed	2,610,838	3,209,175	3,869,220	4,221,789	4,729,480	5,065,484	5,164,372	6,060,618	6,898,226	7,612,361
Assigned	6,816,264	5,288,065	9,335,756	10,175,831	11,392,598	12,195,610	12,577,161	12,058,011	9,944,816	10,209,018
<b>Total all other governmental funds</b>	<b>\$ 28,200,224</b>	<b>\$ 107,506,367</b>	<b>\$ 67,041,877</b>	<b>\$ 67,626,655</b>	<b>\$ 47,565,783</b>	<b>\$ 41,198,860</b>	<b>\$ 42,706,258</b>	<b>\$ 50,023,781</b>	<b>\$ 59,358,016</b>	<b>\$ 62,841,140</b>

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

Table 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property taxes	\$ 40,006,403	\$ 42,518,450	\$ 47,163,854	\$ 53,365,029	\$ 52,928,392	\$ 59,688,055	\$ 60,901,465	\$ 60,704,851	\$ 65,918,571	\$ 62,191,348
Intergovernmental:										
County	15,862,391	16,621,981	16,313,938	16,477,104	17,958,672	18,550,708	19,275,036	19,142,277	21,598,301	16,923,560
State aid	57,753,278	60,788,215	64,120,939	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390	80,729,162
State other	22,328,332	22,299,555	26,390,195	25,342,892	27,744,479	19,405,841	20,996,830	28,021,070	31,619,944	25,709,312
Federal	14,438,010	14,576,455	14,689,534	15,011,200	15,032,163	15,312,111	16,455,487	19,466,798	40,415,148	42,689,914
Tuition	243,312	215,980	210,943	204,913	330,996	336,731	747,032	575,426	449,716	450,258
Charges for services	2,947,509	2,818,719	2,754,282	3,014,927	2,751,143	2,716,540	2,911,893	2,215,612	1,076,942	1,155,013
Interest	116,722	168,041	525,184	530,978	644,480	745,116	1,140,929	944,008	176,117	181,419
Miscellaneous	1,529,580	1,624,477	2,119,360	1,437,911	1,433,784	1,622,105	1,410,300	1,256,428	3,419,503	5,528,563
<b>Total revenues</b>	<b>155,225,537</b>	<b>161,611,873</b>	<b>174,288,229</b>	<b>178,894,484</b>	<b>183,431,478</b>	<b>187,421,158</b>	<b>197,585,888</b>	<b>207,609,776</b>	<b>243,673,632</b>	<b>235,558,549</b>
<b>Expenditures</b>										
Instruction	90,187,253	92,966,202	95,684,521	97,255,949	100,659,911	105,519,529	110,265,854	120,561,969	127,594,888	127,795,412
Support services:										
Students	11,286,445	11,968,564	12,823,247	12,579,662	13,486,341	13,480,220	14,944,978	16,090,236	17,042,189	17,319,100
Instructional staff	7,596,063	7,931,366	7,863,139	8,851,876	8,323,039	9,792,095	9,902,452	9,852,505	10,098,398	10,465,472
General administration	1,785,865	1,897,129	2,060,623	2,101,720	2,213,056	1,951,195	1,907,776	1,795,310	1,928,809	2,310,504
School administration	9,553,940	10,224,366	10,579,520	11,206,165	11,117,070	11,661,222	12,039,005	13,401,069	13,429,886	13,863,256
Business services	1,960,014	2,054,553	2,469,323	2,366,351	2,360,883	2,418,418	2,713,934	2,466,019	2,878,108	2,718,814
Operations and maintenance	12,164,592	12,475,533	12,393,710	12,710,622	14,287,143	15,095,368	15,198,855	16,332,088	19,842,533	19,460,167
Student transportation	5,707,029	5,511,248	5,707,091	5,814,423	6,119,000	6,603,013	6,563,372	6,472,898	7,141,451	7,633,930
Food services	5,598,212	5,606,418	5,865,132	6,165,203	6,361,179	6,526,032	6,589,819	5,570,415	5,881,494	7,358,972
Community services	17,822	14,149	10,100	6,150	-	-	-	-	-	-
Extracurricular	2,435,096	2,424,350	2,505,235	2,636,320	2,890,536	2,961,203	3,164,849	3,087,992	4,737,576	6,227,690
Capital outlay	10,837,415	14,217,934	46,298,754	41,129,075	24,964,129	9,310,879	5,063,782	4,729,452	5,357,012	3,703,469
Debt service										
Principal	165,203	124,227	1,474,250	2,869,250	4,114,250	4,234,250	4,315,000	4,505,000	5,207,163	8,084,716
Interest	1,412,218	1,767,896	6,170,436	6,132,494	6,213,824	6,092,924	5,927,274	5,823,897	6,302,877	3,928,528
<b>Total expenditures</b>	<b>160,707,167</b>	<b>169,183,935</b>	<b>211,905,081</b>	<b>211,825,260</b>	<b>203,110,361</b>	<b>195,646,348</b>	<b>198,596,950</b>	<b>210,688,850</b>	<b>227,442,384</b>	<b>230,870,030</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,481,630)</b>	<b>(7,572,062)</b>	<b>(37,616,852)</b>	<b>(32,930,776)</b>	<b>(19,678,883)</b>	<b>(8,225,190)</b>	<b>(1,011,062)</b>	<b>(3,079,074)</b>	<b>16,231,248</b>	<b>4,688,519</b>
<b>Other financing sources (uses)</b>										
Transfers in	9,845	-	196,450	-	-	-	-	2,400,000	652,179	-
Transfers out	(9,845)	-	(196,450)	-	-	-	-	(2,400,000)	(652,179)	-
Leases issued	-	-	-	-	-	-	-	-	-	64,042
Premium on long-term debt issued	-	8,332,379	-	5,119,685	-	-	-	712,645	-	-
Insurance recoveries	41,615	-	61,500	859,494	507,789	-	-	1,019,035	2,353,369	2,471,227
Long-term debt issued	14,144,502	80,900,000	-	33,000,000	-	-	-	8,400,000	81,305,000	-
Payment to refunded bond agent	-	-	-	-	-	-	-	-	(80,858,130)	-
Sale of capital assets	-	-	8,139	-	205,777	-	15,148	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,186,117</b>	<b>89,232,379</b>	<b>69,639</b>	<b>38,979,179</b>	<b>713,566</b>	<b>-</b>	<b>15,148</b>	<b>10,131,680</b>	<b>2,800,239</b>	<b>2,535,269</b>
<b>Net change in fund balances</b>	<b>\$ 8,704,487</b>	<b>\$ 81,660,317</b>	<b>\$ (37,547,213)</b>	<b>\$ 6,048,403</b>	<b>\$ (18,965,317)</b>	<b>\$ (8,225,190)</b>	<b>\$ (995,914)</b>	<b>\$ 7,052,606</b>	<b>\$ 19,031,487</b>	<b>\$ 7,223,788</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>1.05%</b>	<b>1.22%</b>	<b>4.62%</b>	<b>5.27%</b>	<b>5.80%</b>	<b>5.54%</b>	<b>5.29%</b>	<b>5.02%</b>	<b>5.18%</b>	<b>5.29%</b>



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

Table 5

Fiscal Year	Support Services							
	Instruction	Students	Instructional Staff	General Administration	School Administration	Business Services	Operation and Maintenance	Student Transportation
2013	\$ 66,777,286	\$ 6,850,794	\$ 5,865,148	\$ 1,419,132	\$ 7,435,562	\$ 1,692,700	\$ 10,820,835	\$ 26,459
2014	68,011,115	6,992,701	6,063,526	1,562,697	8,095,258	1,786,921	11,146,363	34,289
2015	68,686,471	7,143,315	5,898,708	1,711,703	8,119,218	2,146,282	11,030,807	28,222
2016	72,270,831	7,078,580	6,598,488	1,684,614	8,805,402	1,829,231	11,021,525	74,376
2017	76,287,523	7,423,399	6,372,883	1,808,934	8,845,283	1,685,627	12,300,559	47,659
2018	79,163,807	7,492,513	7,384,705	1,894,009	9,289,126	1,683,725	13,200,719	118,420
2019	82,836,991	8,234,720	7,169,843	1,856,733	9,630,170	1,968,641	13,419,996	51,131
2020	87,422,540	8,909,313	7,413,001	1,739,833	10,692,590	1,819,495	12,993,990	78,732
2021	86,631,493	8,838,101	7,877,074	1,874,995	6,156,297	2,017,454	13,934,752	107,480
2022	84,488,313	9,313,577	7,328,637	2,240,570	8,742,499	2,101,353	14,856,297	119,710

Fiscal Year	Community Services/Food Services	Extracurricular	Capital Outlay	Debt Service	Total
2013	\$ -	\$ 2,133,334	\$ 475,317	\$ 166,963	\$ 103,663,530
2014	585	2,124,122	676,220	124,426	106,618,223
2015	800	2,172,992	709,158	84,250	107,731,926
2016	-	2,353,949	580,466	84,250	112,381,712
2017	-	2,642,100	925,201	84,250	118,423,418
2018	1,140	2,633,238	1,068,645	84,800	124,014,847
2019	1,402	2,839,163	724,591	-	128,733,381
2020	1,387	2,712,417	617,704	-	134,401,002
2021	4,515	2,585,144	488,379	-	130,515,684
2022	4,759	2,909,279	287,508	18,609	132,411,111

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

Fiscal Year	Assessed Value	Estimated Actual Value	Percent of Assessed Value to Est. Actual Value	Mill Levy	Taxes Levied	Collected within the Fiscal Year of the Levy		Tax Collections after Levy Year	Total Collections to Date		
						Amount Collected	Percent of Levy		Amount Collected	Percent of Levy	
Elementary District:											
2013	\$ 176,069,203	\$ 6,154,532,525	2.86%	134.13	\$ 23,616,162	\$ 23,205,489	98.26%	\$ 314,028	\$ 23,519,517	99.59%	
2014	178,803,178	6,455,299,303	2.77%	144.10	25,765,538	25,064,410	97.28%	631,015	25,695,425	99.73%	
2015	175,238,138	6,572,130,535	2.67%	179.93	31,530,598	30,637,906	97.17%	831,626	31,469,532	99.81%	
2016	194,587,614	11,650,594,235	1.67%	178.55	34,743,618	34,618,695	99.64%	118,022	34,736,717	99.98%	
2017	198,430,778	11,739,775,974	1.69%	190.24	37,749,471	35,633,279	94.39%	901,450	36,534,729	96.78%	
2018	208,808,937	12,511,911,961	1.67%	197.33	41,204,268	39,734,170	96.43%	581,356	40,315,526	97.84%	
2019	210,943,808	12,828,718,518	1.64%	200.37	42,266,811	41,182,157	97.43%	689,316	41,871,473	99.06%	
2020	220,594,741	13,538,463,900	1.63%	195.58	43,143,919	40,901,016	94.80%	1,617,487	42,518,503	98.55%	
2021	224,174,751	13,673,306,701	1.64%	202.02	45,287,783	44,056,452	97.28%	602,271	44,658,723	98.61%	
2022	232,859,420	14,324,206,085	1.63%	184.38	42,934,620	41,990,878	97.80%	-	41,990,878	97.80%	
High School District:											
2013	\$ 235,345,707	\$ 8,256,450,287	2.85%	70.40	\$ 16,568,338	\$ 16,120,642	97.30%	\$ 398,130	\$ 16,518,772	99.70%	
2014	238,407,131	8,647,326,911	2.76%	71.44	17,031,805	16,462,130	96.66%	539,041	17,001,171	99.82%	
2015	235,586,169	8,873,443,960	2.65%	69.82	16,448,626	16,004,297	97.30%	439,591	16,443,888	99.97%	
2016	264,033,676	15,451,136,712	1.71%	66.53	17,566,160	17,513,945	99.70%	47,892	17,561,837	99.98%	
2017	269,574,516	15,595,752,243	1.73%	65.28	17,597,824	16,686,155	94.82%	444,905	17,131,060	97.35%	
2018	283,156,573	16,626,343,898	1.70%	66.63	18,866,722	18,199,329	96.46%	302,226	18,501,555	98.06%	
2019	261,369,448	15,885,942,424	1.65%	72.36	18,912,693	18,471,081	97.66%	326,533	18,797,614	99.39%	
2020	273,951,707	16,720,129,997	1.64%	73.48	20,129,971	19,160,959	95.19%	720,268	19,881,227	98.76%	
2021	278,825,706	16,893,462,738	1.65%	70.89	19,765,954	19,291,805	97.60%	272,359	19,564,164	98.98%	
2022	291,580,565	17,784,825,902	1.64%	67.23	19,602,961	19,194,058	97.91%	-	19,194,058	97.91%	

Source: Montana Department of Revenue  
 Yellowstone County Treasurer

**BILLINGS PUBLIC SCHOOLS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

Fiscal Year	Forest and Agricultural Land	Taxable Assessed Value as a Percentage of Estimated Actual Value				Total Direct Rate	
		Residential	Commerical	Total Taxable Assessed Value	Estimated Actual Value		
Elementary District:							
2013	\$ 3,320,188	\$ 6,984,712,335	\$ 2,035,516,027	\$ 9,023,548,550	2.01%	\$ 180,988,182	134.13
2014	3,316,162	7,084,649,509	2,068,778,163	9,156,743,834	2.01%	184,389,943	144.10
2015	3,218,779	7,215,631,126	2,096,142,884	9,314,992,789	1.94%	180,732,615	179.93
2016	3,187,810	8,018,376,528	2,452,252,649	10,473,816,987	1.94%	203,169,677	184.43
2017	3,222,429	8,131,584,232	2,428,808,679	10,563,615,340	1.95%	205,672,718	190.24
2018	3,567,668	8,823,846,226	2,450,924,446	11,278,338,340	1.93%	217,454,879	197.33
2019	3,781,750	8,985,738,447	2,425,187,449	11,414,707,646	1.92%	218,879,455	200.37
2020	3,998,143	9,583,698,842	2,501,776,754	12,089,473,739	1.90%	229,514,103	195.58
2021	3,955,427	9,697,517,804	2,496,704,984	12,198,178,215	1.91%	232,730,057	202.02
2022	3,586,635	10,344,923,325	2,512,974,739	12,861,484,699	1.88%	242,254,661	184.38
High School District:							
2013	\$ 25,170,347	\$ 8,329,054,288	\$ 3,167,868,899	\$ 11,522,093,534	2.09%	\$ 240,304,103	70.40
2014	25,088,887	8,488,897,645	3,220,110,183	11,734,096,715	2.08%	244,633,523	71.44
2015	24,964,930	8,688,407,933	3,283,800,234	11,997,173,097	2.01%	241,680,305	69.82
2016	26,613,215	9,718,463,873	3,952,407,813	13,697,484,901	2.00%	274,208,077	68.85
2017	27,176,869	9,884,831,869	3,898,833,351	13,810,842,089	2.01%	277,573,545	65.28
2018	29,835,506	10,748,240,209	4,032,797,240	14,810,872,955	1.98%	293,037,782	66.63
2019	28,629,702	10,482,223,166	3,722,295,772	14,233,148,640	1.90%	270,294,412	72.36
2020	30,362,075	11,197,011,388	3,845,275,985	15,072,649,448	1.88%	284,044,924	73.48
2021	30,269,563	11,364,691,864	3,833,119,457	15,228,080,884	1.90%	288,694,228	70.89
2022	28,394,444	12,216,770,902	3,873,835,206	16,119,000,552	1.88%	302,341,416	67.23

# BILLINGS PUBLIC SCHOOLS

Table 8

## PRINCIPAL PROPERTY TAX PAYERS IN THE ELEMENTARY DISTRICT Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Phillips 66 Company	\$ 18,630,660	1	8.00%	\$ -	-	0.00%
Northwestern Energy - T & D	16,545,046	2	7.11%	10,912,640	2	6.20%
Montana Dakota Utilities - Gas Dist	4,487,711	3	1.93%	1,985,799	6	1.13%
Charter Communications Inc	3,588,292	4	1.54%	-	-	0.00%
Phillips 66 Carrier LLC	1,785,088	5	0.77%	-	-	0.00%
Jupiter Sulphur LLC	1,405,964	6	0.60%	-	-	0.00%
Yellowstone Pipeline Co	1,167,106	7	0.50%	-	-	0.00%
Verizon Inc	1,130,226	8	0.49%	1,058,756	7	0.60%
Lumen Technologies Inc DBA Lumen	996,803	9	0.43%	-	-	0.00%
AT&T Mobility LLC	971,138	10	0.42%	-	-	0.00%
Western Sugar Company	-	-	0.00%	714,925	10	0.41%
ConocoPhillips Company	-	-	0.00%	17,087,910	1	9.71%
Bresnan Broadband Holdings	-	-	0.00%	4,193,940	3	2.38%
PPL Montana LLC	-	-	0.00%	2,834,846	4	1.61%
Qwest Corporation	-	-	0.00%	2,793,543	5	1.59%
Walmart	-	-	0.00%	842,091	8	0.48%
Conco Pipeline Company	-	-	0.00%	816,646	9	0.46%
Total	<u>\$ 50,708,034</u>		<u>21.78%</u>	<u>\$ 43,241,096</u>		<u>24.56%</u>

Source: Montana Department of Revenue

**BILLINGS PUBLIC SCHOOLS**  
**PRINCIPAL PROPERTY TAX PAYERS IN THE HIGH SCHOOL DISTRICT**  
Current Year and Nine Years Ago

Table 8a

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Northwestern Energy - T & D	\$ 12,942,213	1	4.44%	12,755,405	2	5.42%
Montana Dakota Utilities - Gas Dist	4,822,088	2	1.65%	2,969,187	6	1.26%
Charter Communications Inc	3,146,429	3	1.08%	-	-	0.00%
Verizon Wireless	1,271,317	4	0.44%	1,278,278	8	0.54%
Lumen Technologies Inc DBA Lumen	1,123,937	5	0.39%	-	-	0.00%
AT&T Mobility LLC	1,001,487	6	0.34%	-	-	0.00%
Western Sugar Company	879,522	7	0.30%	-	-	0.00%
RSS WFCM2013-LC12-MT RO, LLC	723,222	8	0.25%	-	-	0.00%
Walmart Real Estate Business Trust	686,029	9	0.24%	842,091	10	0.36%
AT&T Communications	678,603	10	0.23%	-	-	0.00%
Qwest Corporation/Centurylink Inc	-	-	0.00%	3,031,320	5	1.29%
ConocoPhillips Company	-	-	0.00%	17,087,910	1	7.26%
Exxon Mobile Corporation	-	-	0.00%	9,556,137	3	4.06%
Bresnan Broadband Holdings	-	-	0.00%	4,193,940	4	1.78%
PPL Montana LLC	-	-	0.00%	2,855,477	7	1.21%
Conoco Pipeline Co	-	-	0.00%	1,094,311	9	0.46%
Total	<u>\$ 27,274,847</u>		<u>9.35%</u>	<u>\$ 55,664,056</u>		<u>23.65%</u>

Source: Montana Department of Revenue

**BILLINGS PUBLIC SCHOOLS**  
**REVENUE BY SOURCE - ALL GOVERNMENTAL FUND TYPES**  
For the Fiscal Year Ended June 30, 2022  
(modified accrual basis of accounting)

Table 9

<u>Source</u>	<u>Actual Revenue</u>	<u>Percent of Total Revenue</u>
Revenue from local and intermediate sources:		
Property taxes	\$ 62,191,348	26.40%
Tuition	450,258	0.19%
Interest	181,419	0.08%
Charges for service	1,155,013	0.49%
County retirement	16,193,869	6.87%
County transportation	729,691	0.31%
Miscellaneous	5,190,786	2.20%
Total revenue from local and intermediate sources	86,092,384	36.54%
Revenue from state sources:		
Direct state aid	50,467,239	21.42%
State quality educator	4,318,556	1.83%
State at risk	479,342	0.20%
State Indian education for all	395,117	0.17%
State American Indian achievement gap	457,596	0.19%
State special education allowable cost payment	5,236,713	2.22%
State Data for Achievement	378,233	0.16%
State guaranteed tax base aid	30,027,665	12.75%
State transportation	729,691	0.31%
State Medicaid	3,248,105	1.38%
State on-behalf payment	7,324,730	3.11%
State other	3,713,264	1.58%
Total revenue from state sources	106,776,251	45.32%
Revenue from federal sources:		
Federal grants	34,054,817	14.50%
Federal food service	8,635,097	3.67%
Total revenue from federal sources	42,689,914	18.17%
Total revenue	\$ 235,558,549	100.03%

Source: District Financial Records

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

Table 10

---

Year	Property Taxes	State of Montana	Federal	Tuition	Interest	Miscellaneous	Total
2013	\$ 32,307,421	\$ 72,210,365	\$ -	\$ 243,312	\$ 9,632	\$ -	\$ 104,770,730
2014	33,357,543	75,379,776	-	215,980	19,098	-	108,972,397
2015	32,304,925	77,974,914	-	210,943	158,421	-	110,649,203
2016	35,308,571	82,271,777	-	204,913	60,076	-	117,845,337
2017	33,306,466	85,762,048	-	330,996	119,463	-	119,518,973
2018	39,050,117	82,621,625	-	336,731	148,107	-	122,156,580
2019	36,340,558	88,948,435	-	747,032	194,044	-	126,230,069
2020	36,272,793	96,072,499	-	575,426	115,367	-	133,036,085
2021	38,762,253	102,728,355	-	449,716	18,510	40,000	141,998,834
2022	37,238,011	98,332,895	-	450,258	114,207	182	136,135,553

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

Table 11

Year	District Revenue	State Revenue	Federal Revenue	Total Revenue	October Enrollment	Revenue Per Student			
						District	State	Federal	Total
2013	\$ 32,560,365	\$ 72,210,365	\$ -	\$ 104,770,730	16,220	\$ 2,007	\$ 4,452	\$ -	\$ 6,459
2014	33,592,621	75,379,776	-	108,972,397	16,268	2,065	4,634	-	6,699
2015	32,674,289	77,974,914	-	110,649,203	16,318	2,002	4,778	-	6,780
2016	35,573,560	82,271,777	-	117,845,337	16,356	2,175	5,030	-	7,205
2017	33,756,925	85,762,048	-	119,518,973	16,637	2,029	5,155	-	7,184
2018	39,534,955	82,621,625	-	122,156,580	16,645	2,375	4,964	-	7,339
2019	37,281,634	88,948,435	-	126,230,069	16,966	2,197	5,243	-	7,440
2020	36,963,586	96,072,499	-	133,036,085	17,030	2,170	5,641	-	7,811
2021	39,270,479	102,728,355	-	141,998,834	16,532	2,375	6,214	-	8,589
2022	37,802,658	98,332,895	-	136,135,553	17,032	2,220	5,773	-	7,993

Source: District Records



**BILLINGS PUBLIC SCHOOLS**  
Ratio of General Obligation Bonded Debt Outstanding  
Last Ten Fiscal Years

Table 12

Fiscal Year	Population	Assessed Value	General Obligation Bonded Debt		Less: Amounts Available in Debt Service Funds		Net General Obligation Bonded Debt	Percentage of Net G.O. Bonded Debt to Assessed Value	Net G.O. Bonded Debt per Capita	Net G.O. Bonded Debt as a % of Per Capita Income
Elementary District										
2013	107,857	\$ 176,069,203	\$ 14,784,502	\$ 1,531,348	\$ 13,253,154	7.53%	\$ 122.88	0.31%		
2014	109,059	178,803,178	104,180,290	2,451,448	101,728,842	56.89%	932.79	2.18%		
2015	110,248	175,238,138	102,289,421	3,955,846	98,333,575	56.11%	891.93	2.09%		
2016	111,902	194,587,614	136,931,249	4,457,585	132,473,664	68.08%	1,183.84	2.66%		
2017	113,581	198,430,778	132,144,396	4,103,545	128,040,851	64.53%	1,127.31	2.39%		
2018	114,967	208,808,937	127,237,543	5,338,967	121,898,576	58.38%	1,060.29	2.18%		
2019	116,370	210,943,808	122,249,940	6,605,955	115,643,985	54.82%	993.76	1.91%		
2020	117,790	220,594,741	126,184,982	7,154,300	119,030,682	53.96%	1,010.53	1.89%		
2021	119,227	224,174,751	123,531,049	8,458,103	115,072,946	51.33%	965.16	1.79%		
2022	120,682	232,859,420	115,104,569	8,589,849	106,514,720	45.74%	882.61	1.62%		
High School District										
2013	127,011	\$ 235,345,707	\$ 11,360,000	\$ 1,370,152	\$ 9,989,848	4.24%	\$ 78.65	0.20%		
2014	128,281	238,407,131	11,360,000	2,064,230	9,295,770	3.90%	72.46	0.17%		
2015	130,625	235,586,169	11,360,000	2,665,249	8,694,751	3.69%	66.56	0.16%		
2016	132,584	264,033,676	11,360,000	3,238,093	8,121,907	3.08%	61.26	0.14%		
2017	134,573	269,574,516	11,360,000	3,777,519	7,582,481	2.81%	56.34	0.12%		
2018	136,215	283,156,573	11,360,000	4,464,184	6,895,816	2.44%	50.62	0.10%		
2019	137,877	262,118,050	11,360,000	5,153,235	6,206,765	2.37%	45.02	0.09%		
2020	139,560	273,951,707	11,360,000	5,798,721	5,561,279	2.03%	39.85	0.07%		
2021	141,263	278,825,706	11,360,000	6,478,595	4,881,405	1.75%	34.56	0.07%		
2022	142,986	291,580,565	11,360,000	7,225,177	4,134,823	1.42%	28.92	0.05%		

Source and other information:

- 1 Census taken every ten years. Actual census figures given for 2011.
- 2 All other years are estimated by City/County Planning department , Yellowstone County, Montana
- 3 Department Revenue/State of Montana/Yellowstone County , Montana, Assessors office  
(these amounts do not include the incremental increases to the tax increment district).

# **BILLINGS PUBLIC SCHOOLS**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Leases	Limited Obligation Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income (1)		Population	Debt Per Capita
2013	\$ 26,144,502	\$ -		\$ 421,250	\$ 39,977	\$ 26,605,729	0.53%		127,011	\$ 209.48
2014	115,203,290	-		337,000	-	115,540,290	2.11%		128,281	900.68
2015	113,396,671	-		252,750	-	113,649,421	2.04%		130,625	870.04
2016	148,122,749	-		168,500	-	148,291,249	2.51%		132,584	1,118.47
2017	143,420,146	-		84,250	-	143,504,396	2.26%		134,573	1,066.37
2018	138,597,543	536,276		-	-	139,133,819	2.19%		136,215	1,021.43
2019	133,609,940	435,195		-	-	134,045,135	2.03%		137,877	972.21
2020	137,544,982	331,117		-	-	137,876,099	1.85%		139,560	987.93
2021	134,891,049	223,954		-	-	135,115,003	1.70%		141,263	956.48
2022	126,464,569	298,585	(2)	-	-	126,763,154	1.62%		142,986	886.54

(1) Personal income is disclosed on table 17

(2) Implementation of GASB Statement No. 87

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

Table 14

Elementary District:	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Maximum debt limit	\$ 180,280,680	\$ 187,023,650	\$ 380,545,000	\$ 384,973,600	\$ 405,467,400	\$ 404,230,800	\$ 431,019,180	\$ 434,107,800	\$ 472,250,740	\$ 469,826,550
Total net debt applicable to limit	15,232,536	96,021,502	94,547,252	124,678,002	120,479,502	116,329,502	112,014,502	115,909,502	121,109,502	113,248,502
Legal debt margin	\$ 165,048,144	\$ 91,002,148	\$ 285,997,748	\$ 260,295,598	\$ 284,987,898	\$ 287,901,298	\$ 319,004,678	\$ 318,198,298	\$ 351,141,238	\$ 356,578,048
Total net debt applicable to limit as a percentage of debt limit	8.45%	51.34%	24.85%	32.39%	29.71%	28.78%	25.99%	26.70%	25.65%	24.10%
High School District:										
Maximum debt limit	\$ 190,562,190	\$ 199,032,120	\$ 411,396,870	\$ 424,453,320	\$ 461,250,790	\$ 474,496,880	\$ 495,251,770	\$ 511,545,780	\$ 545,152,900	\$ 561,598,000
Total net debt applicable to limit	11,373,193	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000	11,360,000
Legal debt margin	\$ 179,188,997	\$ 187,672,120	\$ 400,036,870	\$ 413,093,320	\$ 449,890,790	\$ 463,136,880	\$ 483,891,770	\$ 500,185,780	\$ 533,792,900	\$ 550,238,000
Total net debt applicable to limit as a percentage of debt limit	5.97%	5.71%	2.76%	2.68%	2.46%	2.39%	2.29%	2.22%	2.08%	2.02%
Debt Limitation Calculation										
2021/22 Statewide Average Per ANB X FY22 ANB	Elementary		High School							
	\$ 40,050		\$ 98,960							
	11,731		5,675							
Total	469,826,550		561,598,000							
X Debt Limit Rate of 1.0	1.00		1.00							
Equals: Maximum Debt Capacity	469,826,550		561,598,000							
Less: bonded indebtedness	113,248,502		11,360,000							
Less: other indebtedness	-		-							
Estimated Debt Capacity Remaining	\$ 356,578,048		\$ 550,238,000							

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

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

# BILLINGS PUBLIC SCHOOLS

Table 15

## COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

For the Year Ended June 30, 2021

Governmental Unit	Debt	Applicable to Elementary District		Applicable to Portion of High School District Lying Outside Elementary District	
		Percent	Amount	Percent	Amount
DIRECT BONDED INDEBTEDNESS					
Elementary District:					
General Obligation Bonds	\$ 115,104,569	100.00%	\$ 115,104,569	0.00%	\$ -
Elementary District Total	115,104,569		115,104,569		-
High School District:					
General Obligation Bonds	11,360,000	80.48%	9,142,528	19.52%	2,217,472
Capital leases	113,613	80.48%	91,436	19.52%	22,177
High School District Total	11,473,613		9,233,964		2,239,649
Total Direct Debt	<u>\$ 126,578,182</u>		<u>\$ 124,338,533</u>		<u>\$ 2,239,649</u>
OVERLAPPING BONDED INDEBTEDNESS					
Yellowstone County:					
Various Issues	\$ 8,312,578	59.46%	\$ 4,942,268	14.74%	\$ 1,225,274
City of Billings:					
Various Issues	<u>13,511,998</u>	49.66%	6,709,856	10.37%	1,401,520
Total Overlapping Debt	<u>21,824,576</u>		<u>11,652,124</u>		<u>2,626,794</u>
Total Direct and Overlapping Debt	<u>\$ 148,402,758</u>		<u>\$ 135,990,657</u>		<u>\$ 4,866,443</u>

Source and other information:

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

Finance Department, Yellowstone County, Montana.

City of Billings, Montana

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

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

# BILLINGS PUBLIC SCHOOLS

Table 16

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

Last Ten Fiscal Years  
(budget basis of accounting)

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Subfund Expenditures	Percentage of Debt Service to General Subfund Expenditures
Elementary:					
2013	\$ -	\$ 582,139	\$ 582,139	\$ 66,987,206	0.9%
2014	-	628,104	628,104	69,868,558	0.9%
2015	1,390,000	5,599,366	6,989,366	70,203,949	10.0%
2016	2,785,000	5,561,348	8,346,348	71,748,948	11.6%
2017	4,030,000	5,643,304	9,673,304	76,154,334	12.7%
2018	4,150,000	5,606,104	9,756,104	79,756,039	12.2%
2019	4,315,000	5,355,904	9,670,904	79,245,339	12.2%
2020	4,505,000	5,252,527	9,757,527	80,121,216	12.2%
2021	5,100,000	5,017,283	10,117,283	74,848,573	13.5%
2022	7,920,947	3,351,111	11,272,058	80,044,557	14.1%
High School:					
2013	\$ -	\$ 552,174	\$ 552,174	\$ 36,676,324	1.5%
2014	-	571,020	571,020	36,749,665	1.6%
2015	-	571,070	571,070	37,527,977	1.5%
2016	-	571,146	571,146	40,632,764	1.4%
2017	-	570,520	570,520	42,269,084	1.3%
2018	-	571,070	571,070	44,258,808	1.3%
2019	-	571,370	571,370	49,484,394	1.2%
2020	-	571,370	571,370	54,279,786	1.1%
2021	107,163	581,188	688,351	55,667,111	1.2%
2022	163,769	577,417	741,186	52,366,554	1.4%

Source: District Financial Records

**BILLINGS PUBLIC SCHOOLS**  
**DEMOGRAPHIC STATISTICS**  
 Last Ten Fiscal Years

Table 17

Year	Elementary District		High School District		Per Capita Income	Total Elementary District		Total High School District		Median Age	School Enrollment	Unemployment Rate
	Population		Population			Personal Income		Personal Income				
2013	107,857		127,011		\$ 39,640	\$	4,275,451,480	\$	5,034,716,040	38.4	16,220	4.2%
2014	109,059		128,281		42,720		4,659,000,480		5,480,164,320	37.8	16,268	4.0%
2015	110,248		130,625		42,735		4,711,448,280		5,582,259,375	36.8	16,318	4.0%
2016	111,902		132,584		44,573		4,987,807,846		5,909,666,632	38.0	16,356	4.0%
2017	113,581		134,573		47,169		5,357,502,189		6,347,673,837	37.1	16,637	3.5%
2018	114,967		136,215		48,553		5,581,992,751		6,613,646,895	38.0	16,645	3.5%
2019	116,370		137,877		52,019		6,053,451,030		7,172,223,663	39.4	16,966	3.5%
2020	117,790		139,560		53,580		6,311,188,200		7,477,624,800	39.5	17,030	4.5%
2021	119,227		141,263		54,019		6,440,523,313		7,630,885,997	39.7	16,532	4.5%
2022	120,682		142,986		54,505		6,577,772,410		7,793,451,930	39.5	17,032	4.2%

Sources and other information:  
 Bureau of Economic Analysis  
 United States Census  
 Big Sky Economic Development Corporation

# BILLINGS PUBLIC SCHOOLS

Table 18

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2022		2013	
Private Employers By Class, Alphabetically	Employer Class Size	Private Employers By Class, Alphabetically	Employer Class Size
Advanced Employment Services	7	Advanced Employment Services	7
Albertsons Food & Drug	8	Albertsons Food & Drug	8
Billings Clinic Health System	9	Billings Clinic Health System	9
CHS Inc. (Cenex)	7	CHS Inc. (Cenex)	7
Costco	7	Costco	7
Employee Benefit Management Services	7	Employee Benefit Management Services	7
ExxonMobil	7	ExxonMobil	7
First Interstate Bank	8	First Interstate Bank	8
Food Services of America	7	Food Services of America	7
Rocky Mountain College	7	Rocky Mountain College	7
Sodexo	6	Sodexo	6
St. John's Lutheran Home	8	St. John's Lutheran Home	8
St. Vincent Healthcare	9	St. Vincent Healthcare	9
Sysco Food Services	7	Sysco Food Services	7
Target	7	Target	7
Billings Gazette	9	Billings Gazette	9
UPS	6	UPS	6
Wal-Mart	9	Wal-Mart	9
Wells Fargo	8	Wells Fargo	8
Yellowstone Boys and Girls Ranch	7	Yellowstone Boys and Girls Ranch	7

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

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

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

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

Based on Yellowstone County

# BILLINGS PUBLIC SCHOOLS

Table 19

## OPERATING STATISTICS

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Expenses (1)	Enrollment	Cost per Pupil	Percentage Change	Certified Staff (FTE) (2)	Pupil/ Certified Staff Ratio
2013	\$ 153,378,480	16,220	\$ 9,456	-0.36%	1,120.7	14.5
2014	159,744,398	16,268	9,820	3.84%	1,144.9	14.2
2015	163,127,767	16,318	9,997	1.81%	1,137.3	14.3
2016	166,683,190	16,356	10,191	1.94%	1,143.2	14.3
2017	179,319,639	16,637	10,778	5.76%	1,141.1	14.6
2018	190,063,593	16,645	11,419	5.94%	1,187.4	14.0
2019	199,137,773	16,966	11,737	2.79%	1,216.4	13.9
2020	212,400,588	17,030	12,472	6.26%	1,218.3	14.0
2021	238,419,561	16,532	14,422	15.63%	1,193.1	13.9
2022	223,414,893	17,032	13,117	-9.06%	1,205.5	14.1

1 Expenses are from Statement of Activities

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



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

Table 20

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Certified Staff	995.9	1,012.7	1,003.8	1,009.5	1,008.4	1,050.5	1,075.9	1,074.6	1,061.7	1,053.6
Classified Employees	202.9	202.4	196.8	199.4	179.1	190.0	190.6	206.4	195.2	200.0
Support Services										
Administrators	4.0	5.0	6.0	6.0	7.0	7.0	7.0	7.0	7.9	7.9
Administrative Support	-	-	-	-	-	-	1.0	1.0	1.0	-
Certified Staff	123.8	131.2	132.5	132.7	132.7	136.9	140.5	143.7	131.4	151.9
Classified Employees	64.9	64.2	59.9	61.2	71.3	69.0	77.6	78.2	82.4	75.2
General Administration										
Administrators	10.0	6.9	8.9	9.9	9.0	8.4	9.6	9.7	9.7	9.8
Administrative Support	10.5	10.5	14.5	12.5	10.5	10.0	10.5	10.5	11.5	10.5
Classified Employees	19.4	19.2	19.0	21.5	25.7	18.2	20.1	16.7	20.1	18.2
Building Administration										
Administrators	45.0	48.0	48.0	47.0	47.9	52.0	52.0	52.0	52.0	52.0
Certified Staff	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Classified Employees	80.6	80.9	78.5	79.2	70.8	89.5	87.9	87.4	81.8	80.8
Operations and Maintenance										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Classified Employees	142.8	142.5	142.8	144.7	145.9	142.4	142.1	151.0	136.0	140.2
Student Transportation										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.3	1.3	1.3	1.3
Administrative Support	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Classified Employees	35.1	33.1	32.8	33.3	42.6	42.4	33.3	37.4	40.7	40.1
Extracurricular Activities										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Classified Employees	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>1,741.9</b>	<b>1,763.6</b>	<b>1,750.5</b>	<b>1,763.9</b>	<b>1,756.9</b>	<b>1,821.3</b>	<b>1,855.4</b>	<b>1,882.9</b>	<b>1,838.7</b>	<b>1,847.5</b>
Summary - 2022			Admin	Admin Support	Certified Staff	Classified Employees	Total FTE			
Instruction	-	-	-	-	1,053.6	200.0	1,253.6			
Support Services	7.9	7.9	-	-	151.9	75.2	235.0			
General Administration	9.8	9.8	10.5	-	-	18.2	38.5			
Building Administration	52.0	52.0	-	-	-	80.8	132.8			
Operations and Maintenance	2.0	2.0	-	-	-	140.2	142.2			
Student Transportation	1.3	1.3	1.0	1.0	-	40.1	42.4			
Extracurricular Activities	1.0	1.0	-	-	-	2.0	3.0			
	74.0	74.0	11.5	11.5	1,205.5	556.5	1,847.5			

Source: District Records

**BILLINGS PUBLIC SCHOOLS**  
**CERTIFIED STAFF EDUCATION AND EXPERIENCE**  
November 1, 2021

Table 21

<u>Educational Attainment</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
Bachelor's Degree	226.6	18.8%
Bachelor's Degree + 15 Credits	55.1	4.6%
Bachelor's Degree + 30 Credits	42.3	3.5%
Bachelor's Degree + 45 Credits	44.0	3.6%
Bachelor's Degree + 60 Credits	30.6	2.5%
Bachelor's Degree + 75 Credits	26.0	2.2%
Bachelor's Degree + 90 Credits	30.1	2.5%
Bachelor's Degree + 105 Credits	133.3	11.1%
Master's Degree	131.1	10.9%
Master's Degree + 15 Credits	94.9	7.9%
Master's Degree + 30 Credits	71.3	5.9%
Master's Degree + 45 Credits	317.4	26.3%
Doctorate's Degree	<u>2.8</u>	<u>0.2%</u>
Total	<u><u>1,205.5</u></u>	<u><u>100%</u></u>
<u>Years of Experience</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
0-5	426.2	35%
6-10	274.1	23%
11-15	167.5	14%
16-20	141.8	12%
21-25	114.9	10%
26 and Above	<u>81.0</u>	<u>7%</u>
Total	<u><u>1,205.5</u></u>	<u><u>100%</u></u>

Source: District Records

	Year Built	Year Additions Built	Square Footage	Functional Capacity (1)	Enrollment	Percentage of Capacity Used
<u>Elementary</u>						
<u>K-5 Schools:</u>						
Alkali Creek	1979	-	43,470	394	335	85.03%
Arrowhead	1978	-	41,700	460	426	92.61%
Beartooth	1974	1980	41,600	416	360	86.54%
Bench	1955	1974, 1978	39,930	394	323	81.98%
Big Sky	1986	-	43,505	394	368	93.40%
Bitterroot	1964	1965, 1970	26,800	350	289	82.57%
Boulder	1962	1971, 2007	40,185	416	501	120.43%
Broadwater	1910	1916, 1920, 1956, 2015	56,301	400	326	81.50%
Burlington	1956	1957	32,190	263	225	85.55%
Central Heights	1962	1965, 1979	36,400	329	296	89.97%
Eagle Cliffs	1986	-	44,000	460	403	87.61%
Highland	1947	1956	30,420	285	250	87.72%
McKinley	1906	1918, 1958, 2015	54,391	400	297	74.25%
Meadowlark	1964	1971, 2007	44,200	460	522	113.48%
Miles	1955	1957, 1965	30,081	329	267	81.16%
Newman	1953	1957	28,130	263	227	86.31%
Orchard	1960	1948, 1956, 1987, 2006	58,100	438	284	64.84%
Poly	1952	1955, 1960	34,388	329	308	93.62%
Ponderosa	1965	2007	39,800	394	285	72.34%
Rimrock	1952	1976, 1979	23,043	-	-	0.00%
Rose Park	1958	1962	30,345	307	245	79.80%
Sandstone	1978	-	41,700	460	418	90.87%
Washington	1948	1952, 1962	36,590	263	255	96.96%
<u>6-8 Schools</u>						
Ben Steele	2017	-	119,268	715	795	111.19%
Castle Rock	1979	-	110,417	715	711	99.44%
Lewis & Clark	1956	1962	146,008	743	685	92.19%
Medicine Crow	2016	-	117,632	715	521	72.87%
Riverside	1963	1979	86,609	604	537	88.91%
Will James	1967	1974	91,143	664	618	93.07%
<u>High Schools:</u>						
Career Center	1975	-	133,394	N/A	N/A	N/A
Senior	1940	1953, 1967, 1974	228,314	1,560	1,823	116.86%
Skyview	1987	-	242,336	1,558	1,660	106.55%
West	1959	1962, 1966, 1975, 1976	218,458	1,601	2,174	135.79%
<u>Administration:</u>						
Lincoln Center	1913	1921, 1935, 1951, 1964, 1968, 1985	136,805			
Facilities	1958	1962	24,000			
Warehouse	1994	-	35,460			
<u>Vacant Land Sites:</u>						
H.S. - 62.66 acres						

Source: District Records

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

(1) Tied to facilities master plan

# BILLINGS PUBLIC SCHOOLS

Table 23

## PERCENTAGE OF STUDENTS WHO QUALIFIED FOR FREE AND REDUCED LUNCH

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021 (3)	2022 (3)
<u>Elementary Schools:</u>										
<u>K-6 Schools:</u>										
Alkali Creek	24.8%	24.1%	21.3%	20.2%	23.6%	31.7%	33.6%	33.8%	N/A	N/A
Arrowhead	7.3%	8.7%	7.6%	8.0%	11.5%	10.6%	16.3%	16.0%	N/A	N/A
Beartooth	45.8%	47.9%	46.5%	45.0%	47.8%	47.3%	47.2%	45.5%	N/A	N/A
Bench	61.7%	61.5%	63.1%	65.8%	65.8%	60.8%	66.6%	57.2%	N/A	N/A
Big Sky	32.9%	31.1%	35.8%	33.2%	39.7%	45.2%	48.9%	46.2%	N/A	N/A
Bitterroot	36.2%	36.1%	38.4%	34.8%	40.5%	46.1%	46.0%	47.7%	N/A	N/A
Boulder	22.0%	20.3%	18.7%	21.7%	17.0%	13.1%	14.4%	12.8%	N/A	N/A
Broadwater	59.3%	64.5%	69.3%	63.1%	59.4%	53.4%	58.3%	56.0%	N/A	N/A
Burlington	38.3%	38.8%	41.2%	40.4%	42.7%	47.1%	52.0%	41.4%	N/A	N/A
Central Heights	36.6%	36.4%	39.7%	39.4%	35.3%	45.7%	51.9%	41.4%	N/A	N/A
Eagle Cliffs	22.6%	23.1%	25.8%	26.5%	24.0%	25.4%	27.0%	26.1%	N/A	N/A
Highland	36.1%	36.4%	31.9%	37.5%	36.5%	40.4%	43.0%	38.9%	N/A	N/A
McKinley	65.0%	64.5%	73.8%	63.9%	68.7%	100.0%	100.0%	100.0%	N/A	N/A
Meadowlark	33.7%	33.1%	30.6%	30.9%	29.5%	24.1%	24.1%	20.7%	N/A	N/A
Miles	57.2%	55.8%	65.8%	62.0%	58.2%	60.3%	56.4%	51.2%	N/A	N/A
Newman	70.9%	72.4%	73.9%	71.2%	70.9%	100.0%	100.0%	100.0%	N/A	N/A
Orchard	85.7%	85.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A
Poly	21.0%	20.7%	24.1%	23.3%	22.3%	22.5%	24.9%	24.0%	N/A	N/A
Ponderosa	74.8%	74.7%	68.6%	72.8%	72.1%	100.0%	100.0%	100.0%	N/A	N/A
Rose Park	38.1%	42.5%	42.1%	43.7%	39.5%	46.3%	54.8%	46.3%	N/A	N/A
Sandstone	44.4%	44.4%	38.7%	44.4%	42.2%	45.5%	47.2%	38.8%	N/A	N/A
Washington	77.9%	77.7%	77.8%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A
<u>7-8 Schools:</u>										
Ben Steele (2)	0.0%	0.0%	0.0%	0.0%	0.0%	15.2%	19.3%	16.2%	N/A	N/A
Castle Rock	30.8%	31.6%	32.6%	35.0%	27.8%	27.3%	34.3%	28.8%	N/A	N/A
Lewis & Clark	40.7%	41.8%	44.6%	41.6%	38.6%	41.3%	49.9%	43.4%	N/A	N/A
Medicine Crow (1)	0.0%	0.0%	0.0%	0.0%	40.6%	43.6%	52.2%	49.8%	N/A	N/A
Riverside	56.6%	60.1%	66.6%	64.4%	58.6%	61.9%	77.5%	100.0%	N/A	N/A
Will James	19.8%	17.8%	14.2%	18.1%	16.9%	34.1%	38.6%	34.8%	N/A	N/A
<u>High Schools:</u>										
Senior	29.7%	29.8%	31.7%	31.3%	32.8%	32.4%	41.5%	34.7%	N/A	N/A
Skyview	23.4%	24.2%	24.0%	22.4%	25.2%	25.6%	32.7%	26.1%	N/A	N/A
West	22.8%	22.1%	21.0%	19.0%	20.1%	17.6%	23.4%	18.2%	N/A	N/A

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

(3) During fiscal years 2021 and 2022, all students ate for free due to the pandemic. As a result, the district did not determine who qualified for free and reduced lunch.

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

Source: District Records

# BILLINGS PUBLIC SCHOOLS

## ATTENDANCE DATA

Last Ten Fiscal Years

Table 24

Year Ended June 30	October Enrollment	Prior Years' Percent Increase (Decrease)	Average Number Belonging (ANB)		
			ANB	Percent Increase (Decrease)	Percent of Prior Year's Enrollment
2013	16,220	1.60	16,737	1.52	101.52
2014	16,268	0.30	16,787	0.30	100.30
2015	16,318	0.31	16,913	0.75	100.75
2016	16,356	0.23	17,101	1.11	101.11
2017	16,637	1.72	17,271	0.99	100.99
2018	16,645	0.05	17,392	0.70	100.70
2019	16,966	1.93	17,227	(0.95)	99.05
2020	17,030	0.38	17,457	1.34	101.34
2021	16,532	(2.56)	17,668	2.56	102.56
2022	17,032	3.02	17,406	(1.48)	98.52

Source: District Records

**BILLINGS PUBLIC SCHOOLS**  
**SCHEDULE OF INSURANCE IN FORCE**

Table 25

I. Commercial Property	
A. Policy #:	TO414
B. Carrier:	Affiliated FM Insurance Company
C. Policy Period:	7/1/2021-7/1/2022
D. Coverage:	Buildings/Contents
E. Limits:	\$500,000,000
II. Commercial General Liability	
A. Policy #:	GPNU-EP-0016790_00
B. Carrier:	Glatfelter Insurance Group
C. Policy Period:	7/1/21-7/1/22
D. Coverage:	General Liability, Sexual Molestation, Employee Benefits
E. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
III. Commercial Auto	
A. Policy #:	GPNU-EP-0016790_00
B. Carrier:	Glatfelter Insurance Group
C. Policy Period:	7/1/21-7/1/22
D. Coverage:	Automobile Liability and Physical Damage
E. Limits:	\$1,000,000
IV. Boiler and Machinery Policy	
A. Policy #:	Included in AFM Property Policy
B. Carrier:	
C. Policy Period:	
D. Limits:	
V. Environmental Liability	
A. Policy #:	000569609
B. Carrier:	Ironshore Specialty Insurance Company
C. Policy Period:	7/1/21-7/1/22
D. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
VI. Commercial Excess Liability	
A. Policy #:	GPNU-EP-0016790_00
B. Carrier:	Glatfelter Insurance Group
C. Policy Period:	7/1/21-7/1/22
D. Limits:	\$10,000,000
VII. Crime	
A. Policy #:	105638404
B. Carrier:	Travelers Casualty & Surety Co
C. Policy Period:	7/1/21-7/1/22
D. Limits:	\$100,000 and \$500,000 depending on coverage
VIII. Educators Legal Liability	
A. Policy #:	GPNU-EP-0016790_00
B. Carrier:	Glatfelter Insurance Group
C. Policy Period:	7/1/21-7/1/22
D. Limits:	\$1,000,000 aggregate
IX. Privacy Protection Policy	
A. Policy #:	H21NGP209037-00
B. Carrier:	Houston Casualty Company
C. Policy Period:	7/1/21-7/1/22
D. Limits:	\$1,000,000
X. Builders Risk Reporting Policy	
A. Policy #:	IMP4488435-09
B. Carrier:	Great American Insurance Company
C. Policy Period:	6/1/21-6/1/22
D. Limits:	\$450,000
XI. Workers' Compensation	
A. Policy #:	WC-22-31147
B. Carrier:	Montana Schools Group Interlocal Authority (MSGIA)
C. Policy Period:	7/1/21-6/30/22
D. Limits:	
Coverage A:	Statutory

## **SINGLE AUDIT SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK





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

To the Board of Directors  
Billings Public Schools  
Billings, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Billings Public Schools' basic financial statements and have issued our report thereon dated January 19, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Billings Public Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Billings Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Billings Public Schools' internal control.

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

## **Report on Compliance and Other Matters**

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

### **Montana Legal Compliance**

The *Compliance Supplement for Audits of Montana Local Government Entities* contains nine categories of compliance to be tested. Our audit considered all of the nine categories. In connection with our audit, nothing came to our attention that caused us to believe that Billings Public Schools failed to comply with the provisions of the *Compliance Supplement for Audits of Montana Local Government Entities*, except as described in the accompanying schedule of findings and questioned costs as item 2022-001.

### **Billings Public Schools' Response to Finding**

Billings Public Schools' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Billings Public Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Billings, Montana  
January 19, 2023

THIS PAGE INTENTIONALLY LEFT BLANK



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

To the Board of Trustees  
Billings Public Schools  
Billings, Montana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Billings Public Schools' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Billings Public Schools' major federal programs for the year ended June 30, 2022. Billings Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Billings Public Schools complied, in all material respects, with the 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Billings Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Billings Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

THIS PAGE INTENTIONALLY LEFT BLANK



## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

Billings, Montana  
January 19, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

**BILLINGS PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2021	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2022
<u>U.S. Department of Education:</u>							
Direct programs:							
Indian Education Grants to LEA's	84.060	S060A202167	\$ 441,144	\$ (79,116)	\$ 84,623	\$ (5,507)	\$ -
Indian Education Grants to LEA's	84.060	S060A212267	405,671	-	385,769	(405,671)	(19,902)
<i>CFDA Subtotal</i>				<u>(79,116)</u>	<u>470,392</u>	<u>(411,178)</u>	<u>(19,902)</u>
Total Direct Programs				<u>(79,116)</u>	<u>470,392</u>	<u>(411,178)</u>	<u>(19,902)</u>
Passed Through State Office of Public Instruction:							
Adult Education-Basic Grants to States	84.002	5609665622	239,115	-	227,307	(239,115)	(11,808)
<i>CFDA Subtotal</i>				<u>-</u>	<u>227,307</u>	<u>(239,115)</u>	<u>(11,808)</u>
Title I Grants to LEA's	84.010	5609653121	104,999	(67,181)	67,181	-	-
Title I Grants to LEA's	84.010	5609653221	4,067,668	(157,119)	333,684	(176,565)	-
Title I Grants to LEA's	84.010	5609653122	150,340	-	64,751	(70,239)	(5,488)
Title I Grants to LEA's	84.010	5609653222	5,319,705	-	3,555,062	(4,538,923)	(983,861)
<i>CFDA Subtotal</i>				<u>(224,300)</u>	<u>4,020,678</u>	<u>(4,785,727)</u>	<u>(989,349)</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664219	45,570	-	1,111	(1,111)	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664221	37,092	(11,733)	11,733	-	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664222	39,151	-	14,542	(20,539)	(5,997)
<i>CFDA Subtotal</i>				<u>(11,733)</u>	<u>27,386</u>	<u>(21,650)</u>	<u>(5,997)</u>
Career and Technical Education-Basic Grants to States	84.048	5609668121	342,312	(35,941)	35,941	-	-
Career and Technical Education-Basic Grants to States	84.048	5609668122	423,108	-	392,188	(415,590)	(23,402)
<i>CFDA Subtotal</i>				<u>(35,941)</u>	<u>428,129</u>	<u>(415,590)</u>	<u>(23,402)</u>
Special Education Cluster:							
Special Education Grants to States	84.027	5609657721	4,326,248	(184,718)	184,718	-	-
Special Education Grants to States	84.027	5609657722	4,126,705	-	4,126,702	(4,126,705)	(3)
<i>CFDA Subtotal</i>				<u>(184,718)</u>	<u>4,311,420</u>	<u>(4,126,705)</u>	<u>(3)</u>
Special Education Preschool Grants	84.173	5609657922	128,838	-	110,064	(128,838)	(18,774)
<i>CFDA Subtotal</i>				<u>-</u>	<u>110,064</u>	<u>(128,838)</u>	<u>(18,774)</u>
Special Education Cluster Subtotal				<u>(184,718)</u>	<u>4,421,484</u>	<u>(4,255,543)</u>	<u>(18,777)</u>
Education for Homeless Children and Youth	84.196	5609655722	39,094	-	30,611	(34,585)	(3,974)
<i>CFDA Subtotal</i>				<u>-</u>	<u>30,611</u>	<u>(34,585)</u>	<u>(3,974)</u>
English Language Acquisition State Grants	84.365	5609654120	33,350	(4,472)	4,554	(82)	-
English Language Acquisition State Grants	84.365	5609654122	55,561	-	36,545	(41,810)	(5,265)
<i>CFDA Subtotal</i>				<u>(4,472)</u>	<u>41,099</u>	<u>(41,892)</u>	<u>(5,265)</u>
Supporting Effective Instruction State Grants	84.367	5609651421	1,491,623	(284,928)	285,449	(521)	-
Supporting Effective Instruction State Grants	84.367	5609651422	1,768,461	-	767,321	(1,052,235)	(284,914)
<i>CFDA Subtotal</i>				<u>(284,928)</u>	<u>1,052,770</u>	<u>(1,052,756)</u>	<u>(284,914)</u>
Passed Through State Department of Public Health and Human Services:							
Special Education-Grants for Infants and Families	84.181	18-143-1800	386,201	-	386,201	(386,201)	-
<i>CFDA Subtotal</i>				<u>-</u>	<u>386,201</u>	<u>(386,201)</u>	<u>-</u>
Rehabilitative Services Vocational Rehabilitation Grants to States	84.126	20011750032	211,650	701,459	242,450	(52,244)	891,665
<i>CFDA Subtotal</i>				<u>701,459</u>	<u>242,450</u>	<u>(52,244)</u>	<u>891,665</u>

**BILLINGS PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2021	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2022
Covid-19 Education Stabilization Fund	84.425	5906959220	344,181	(9,286)	-	-	(9,286)
Covid-19 Education Stabilization Fund	84.425	5609659120	3,205,766	(3,205,766)	-	-	(3,205,766)
Covid-19 Education Stabilization Fund	84.425	5609659121	12,814,285	(12,107,214)	-	(707,069)	(12,814,283)
Covid-19 Education Stabilization Fund	84.425	5609659721	56,174	(5,892)	41,661	(37,256)	(1,487)
Covid-19 Education Stabilization Fund	84.425	5609659721	258,224	-	2,293	(15,479)	(13,186)
Covid-19 Education Stabilization Fund	84.425	5609659321	69,560	-	-	(17,390)	(17,390)
Covid-19 Education Stabilization Fund	84.425	5609659722	23,023,249	-	-	(18,017,018)	(18,017,018)
<i>CFDA Subtotal</i>				<u>(15,328,158)</u>	<u>43,954</u>	<u>(18,794,212)</u>	<u>(34,078,416)</u>
Total Pass Through Programs				<u>(15,372,791)</u>	<u>10,922,069</u>	<u>(30,079,515)</u>	<u>(34,530,237)</u>
Total U.S. Department of Education				<u>\$ (15,451,907)</u>	<u>\$ 11,392,461</u>	<u>\$ (30,490,693)</u>	<u>\$ (34,550,139)</u>
<u>U.S. Department of Health and Human Services:</u>							
Passed Through State Department of Public Health and Human Services:							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5609653821	573,694	\$ (39,398)	\$ 410,227	\$ (370,829)	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5609653822	690,507	-	366,312	(458,535)	(92,223)
<i>CFDA Subtotal</i>				<u>(39,398)</u>	<u>776,539</u>	<u>(829,364)</u>	<u>(92,223)</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	225,396	-	225,396	(225,396)	-
<i>CFDA Subtotal</i>				<u>-</u>	<u>225,396</u>	<u>(225,396)</u>	<u>-</u>
Social Services Block Grant	93.667	8022900205	537,305	-	537,305	(537,305)	-
<i>CFDA Subtotal</i>				<u>-</u>	<u>537,305</u>	<u>(537,305)</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>\$ (39,398)</u>	<u>\$ 1,539,240</u>	<u>\$ (1,592,065)</u>	<u>\$ (92,223)</u>
<u>U.S. Department of Agriculture:</u>							
Passed Through State Office of Public Instruction:							
Child Nutrition Cluster:							
Non-Cash Assistance (Commodities):							
Summer Food Service Program for Children	10.559	N/A	479,479	\$ -	\$ 479,479	\$ (479,479)	\$ -
Non-Cash Assistance Subtotal				<u>-</u>	<u>479,479</u>	<u>(479,479)</u>	<u>-</u>
Cash Assistance:							
School Breakfast Program	10.553	N/A	1,254,167	-	1,081,855	(1,254,167)	(172,312)
National School Lunch Program	10.555	N/A	6,654,155	-	5,852,952	(4,508,220)	1,344,732
Summer Food Service Program for Children- FY 2021	10.559	N/A	487,603	257,341	230,262	(487,603)	-
Summer Food Service Program for Children- FY 2022	10.559	N/A	247,296	-	186,717	(247,296)	(60,579)
Cash Assistance Subtotal				<u>257,341</u>	<u>7,351,786</u>	<u>(6,497,286)</u>	<u>1,111,841</u>
<i>Child Nutrition Cluster Subtotal</i>				<u>257,341</u>	<u>7,831,265</u>	<u>(6,976,765)</u>	<u>1,111,841</u>
Total U.S. Department of Agriculture				<u>\$ 257,341</u>	<u>\$ 7,831,265</u>	<u>\$ (6,976,765)</u>	<u>\$ 1,111,841</u>
<u>U.S. Department of Justice:</u>							
Direct programs:							
Public Safety Partnership and Community Policing Grants	16.710	2020SVWX0152	108,794	\$ (4,581)	\$ 73,048	\$ (72,841)	\$ (4,374)
<i>CFDA Subtotal</i>				<u>(4,581)</u>	<u>73,048</u>	<u>(72,841)</u>	<u>(4,374)</u>
Total U.S. Department of Justice				<u>\$ (4,581)</u>	<u>\$ 73,048</u>	<u>\$ (72,841)</u>	<u>\$ (4,374)</u>

**BILLINGS PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Award Amount	(Due from), Due to, Unearned or Fund Balance July 1, 2021	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2022
<u>U.S Environmental Protection Agency:</u>							
Passed Through Montana Department of Environmental Quality:							
Diesel Emissions Reduction Act (DERA) State Grants	66.040	DS96896401	180,000	\$ -	\$ -	\$ (180,000)	\$ (180,000)
<i>CFDA Subtotal</i>				-	-	(180,000)	(180,000)
Total U.S. Environmental Protection Agency				<u>\$ -</u>	<u>\$ -</u>	<u>\$ (180,000)</u>	<u>\$ (180,000)</u>
<u>Federal Communciations Commission:</u>							
Passed Through the Universal Service Administrative Company:							
Covid-19 Emergency Connectivity Fund Program	32.009	0633E-FY2022	499,956	\$ -	\$ 499,956	\$ (499,956)	\$ -
<i>CFDA Subtotal</i>				-	499,956	(499,956)	-
Total Federal Communications Commission				<u>\$ -</u>	<u>\$ 499,956</u>	<u>\$ (499,956)</u>	<u>\$ -</u>
Total Federal Awards				<u>\$ (15,238,545)</u>	<u>\$ 21,335,970</u>	<u>\$ (39,812,320)</u>	<u>\$ (33,714,895)</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of Billings Public Schools under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of the Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the government, it is not intended to and does not present the financial position or changes in net position of the government.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Billings Public Schools received federal awards both directly from federal agencies and indirectly through pass-through entities.

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

**NOTE B - SCHOOLWIDE TITLE I PROGRAM**

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

**NOTE C - FOOD DISTRIBUTION**

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

**NOTE D - RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS**

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

Cash receipts	\$ 21,335,970
Revenue accrual adjustments	20,324,388
Federal revenues not subject to Uniform Guidance	1,029,556
Federal revenues	<u>\$ 42,689,914</u>

THIS PAGE INTENTIONALLY LEFT BLANK

---

**Section I – Summary of Auditor’s Results**

---

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

**Identification of major programs:**

Name of Federal Program	Federal Financial Assistance Listing/CFDA Number
Title I Grants to LEA's	84.010
Covid-19 Education Stabilization Fund	84.425
Dollar threshold used to distinguish between type A and type B programs:	\$1,194,370
Auditee qualified as low-risk auditee?	Yes

---

**Section II – Financial Statement Findings**

---

None reported

---

**Section III – Federal Award Findings and Questioned Costs**

---

None reported

---

**Section IV – State of Montana Compliance Findings**

---

**2022-001      Extracurricular Funds**

*Criteria:* 1) Stationary control of pre-numbered forms must be maintained by someone designated by the board of trustees. The individual so designated must not be involved in any other accounting function of the extracurricular fund. 2) The fund should have an inventory of all equipment, inventory and supplies on file and all such items should be accounted for periodically. 3) Reconciliation of the extracurricular fund must be presented to the board of trustees monthly.

*Condition:* 1) Two school locations lacked segregation of duties over financial stationary for deposits into the extracurricular accounts. 2) One school did not adequately track and account for equipment, inventory and supplies and another school lacked documentation proving adequate records and periodic counts of supplies held for resale. 3) One school did not report the July 2021 and June 2022 extracurricular fund reconciliations to the Board of Trustees.

*Cause:* The Billings Public Schools' internal control system did not ensure that compliance was adequate at all of the school locations for extracurricular funds.

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

*Recommendation:* Proper segregation of duties should be put in place. A thorough review and reconciliation of the extracurricular fund should take place. Documentation related to monthly reporting should be retained. Inventory of equipment and supplies should be done and the supporting documentation retained. Implementing these controls will minimize the risk of errors in the extracurricular funds.

*Views of Responsible Officials:* Management agrees with the finding.



Extracurricular Funds

Finding 2022-001

Finding Summary:	During our audit, it was noted that two school locations lacked segregation of duties over financial stationary for deposits into the extracurricular accounts. One school did not adequately track and account for equipment, inventory and supplies and another school lacked documentation proving adequate records and periodic counts of supplies held for resale. One school did not report the July 2021 and June 2022 extracurricular fund reconciliations to the Board of Trustees.
Responsible Individual:	Craig Van Nice, CFO
Corrective Action Plan:	Management will implement proper segregation of duties, reconciliation and appropriate documentation retention over the extracurricular funds.
Anticipated Completion Date:	Ongoing

**END OF REPORT**





