

2023

July 1, 2022 through June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT



BILLINGS PUBLIC SCHOOLS

415 N. 30TH, BILLINGS, MT 59101

BILLINGSSCHOOLS.ORG



BILLINGS SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023

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

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

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SECTION I - INTRODUCTORY

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BILLINGS PUBLIC SCHOOLS

ORGANIZATION

BOARD OF TRUSTEES
For Fiscal Year 2022-2023

Elementary and High School
Single Member District

1	Tanya Ludwig	Trustee
2	Janna Hafer	Trustee
3	Teresa Larsen	Trustee
4	Zack Terakedis	Trustee
5	Scott McCulloch	Trustee, Chair
6	Roger Santala	Trustee
7	John VonLangen	Trustee

High School
Nominating District

A	Jennifer Hoffman	Trustee, Vice Chair
B	Russell Hall	Trustee

OFFICIALS

Greg Upham	Superintendent
Craig Van Nice	District Clerk

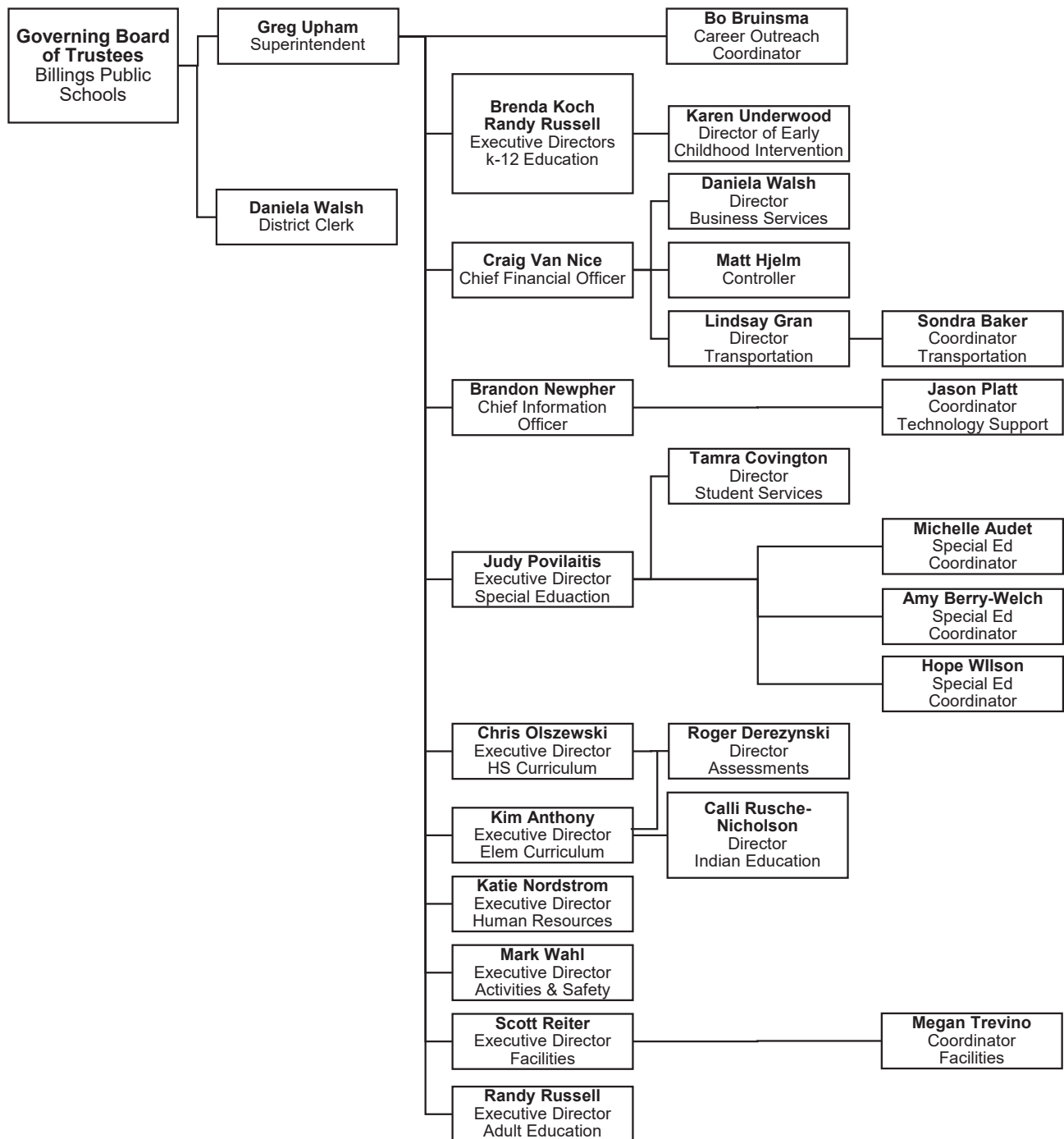
Elementary Single Member District Area:

- 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

BILLINGS PUBLIC SCHOOLS
ADMINISTRATIVE ORGANIZATIONL CHART
 As of June 30, 2023





January 25, 2024

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

Dear Board Members and Billings Community:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) for Billings Public Schools for the fiscal year ended June 30, 2023. 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 2023.

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, 2023. 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 FY23 student population totaled 16,511,

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. No 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 12th grade, as well as adult education. These include regular and enriched academic education, special education, and occupational education. These basic programs are supplemented by a wide variety of offerings in fine arts, athletics, and other specific student-based clubs.

The district has aging buildings with the oldest building constructed in 1910 and most recent built in 2017. There have been additions made to the buildings over the years and bond proceeds 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 25th immediately preceding the school year. The Board of Trustees has the legal authority to establish budgets for the districts within the parameters established by the State of Montana. The following governmental funds are state-mandated to have an annual budget appropriated: General, Transportation, Tuition, Retirement, Adult Education, Technology Acquisition, Flexibility, Debt Service and Building Reserve. These budgeted funds are the primary building blocks of the District's overall financial planning. The budgetary control is at the fund level as required by Montana Law.

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

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

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

Montana law requires that Billings Public Schools publish audited financial statements within 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 - 2022. 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 Matt Hjelm, Controller, and Cheri Nygard, Accounting Manager, 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,



Dr. Erwin Garcia
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, 2022

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, 2022.**

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



**John W. Hutchison
President**

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

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SECTION II - FINANCIAL SECTION

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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, 2023, 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, 2023, 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 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, 3, and 4 to the financial statements, Billings Public Schools has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities software subscriptions, software subscriptions liabilities, and net position as of July 1, 2022. Our opinions are not modified with respect to this matter.

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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 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.

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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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of 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' basic financial statements. The combining financial statements and supplemental information mandated by Montana Office of Public Instruction are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining financial statements and supplemental information mandated by Montana Office of Public Instruction are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024, 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 25, 2024

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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, 2023. 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 \$5.63 million (from 2022 to 2023) to \$231.12 million. This represents a 2.38% decrease over the prior year.
- Governmental activity expenses increased \$2.50 million over 2022 to \$225.92 million. This represents a 1.12% increase over the prior year.
- At year-end, the governmental funds reported total fund balances of \$97.87 million, an increase of \$6.22 million over the prior year.
- General fund unassigned reserves increased \$2.94 million.
- The 2023 general fund expenditure budget was \$130.81 million, an increase of \$1.80 million or 1.38% 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.

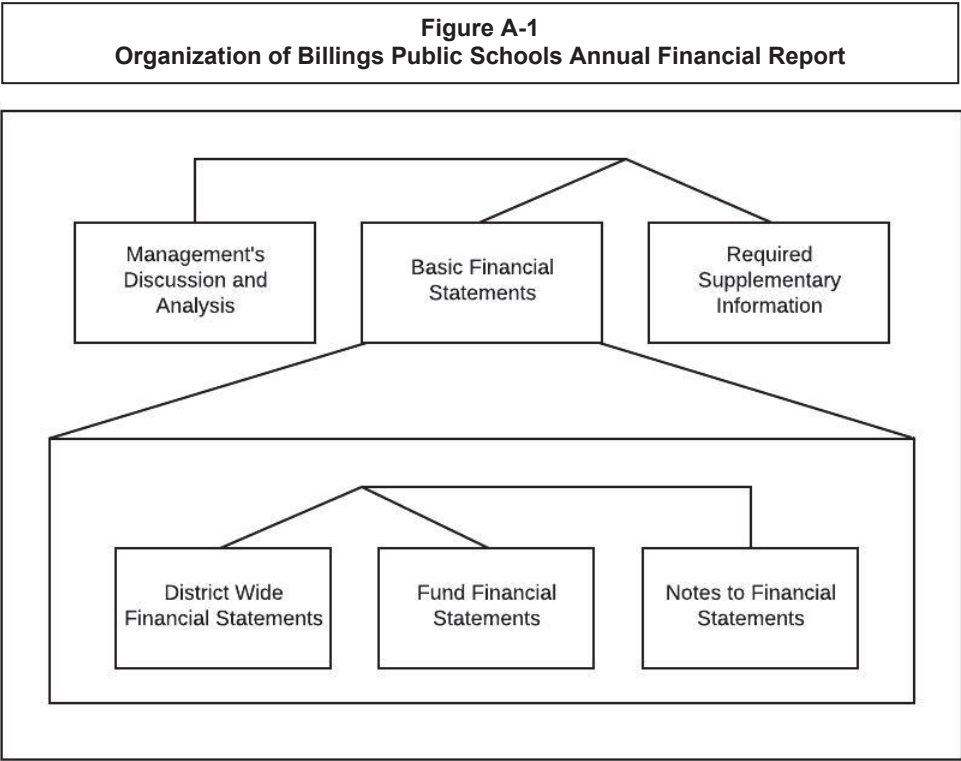


Figure A-2
Major Features of Government-Wide and Fund Financial Statements

Scope	Government-wide Statements	Fund Financial Statements
	Entire District	Governmental Funds
Required financial statements	Statement of Net Position and Statement of Activities	The activities of the district that are not proprietary, such as special education and building maintenance Balance Sheet and Statement of Revenues, Ependitures 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, expeditures 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 less 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.

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

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

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:	2023	2022*
Current and other assets	\$ 119,564,629	\$ 119,133,165
Capital assets	170,982,702	172,825,104
Total assets	290,547,331	291,958,269
Deferred outflows of resources	39,783,125	43,842,322
Other liabilities	15,988,998	16,175,354
Long-term liabilities outstanding	335,853,301	318,832,495
Total Liabilities	351,842,299	335,007,849
Deferred inflows of resources	21,251,502	49,049,704
Net Position:		
Net investment in capital assets	53,419,167	51,001,007
Restricted	49,545,600	42,419,203
Unrestricted	(145,728,112)	(141,677,172)
Total net position	\$ (42,763,345)	\$ (48,256,962)

* Not restated for GASB Statement No. 96

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

CHANGE IN NET POSITION:	2023	2022*
Revenues:		
Program revenues:		
Charges for services	\$ 2,942,686	\$ 2,692,616
Operating grants and contributions	54,143,027	69,315,970
General revenues:		
Taxes	63,716,823	62,272,881
State sources	83,285,973	80,962,029
County sources	19,220,969	16,193,869
Interest	1,901,663	204,062
Contributions and donations	405,813	741,633
Miscellaneous	5,506,386	4,367,010
Total revenues	<u>231,123,340</u>	<u>236,750,070</u>
Expenses:		
Instruction	131,265,683	131,643,610
Support services:		
Students	17,996,707	18,256,096
Instructional staff	11,534,345	10,870,823
General administration	3,175,173	2,322,275
Administration	15,176,165	14,067,493
Business	2,853,060	2,706,205
Operation and maintenance	18,871,911	18,299,121
Student transportation	7,737,728	7,640,182
Food services	7,147,535	7,591,968
Extracurricular	7,031,404	6,518,792
Interest on long-term debt	3,128,936	3,498,328
Total expenses	<u>225,918,647</u>	<u>223,414,893</u>
Change in net position	5,204,693	13,335,177
Net position, beginning	(48,256,962)	(61,347,933)
Prior period adjustment - fiscal year 2023 prior year liability error and GASB Statement No. 96, fiscal year 2022 GASB Statement No.	288,924	(244,206)
Net position, ending	<u>\$ (42,763,345)</u>	<u>\$ (48,256,962)</u>

* Not restated for GASB Statement No. 96

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 2023 revenues exceed expenses by \$5.20 million.

	2023	2022
Revenues	\$ 231,123,340	\$ 236,750,070
Expenses	<u>225,918,647</u>	<u>223,414,893</u>
Change in net position	<u>\$ 5,204,693</u>	<u>\$ 13,335,177</u>

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

	2023	2022	Change
Net investment in capital assets	\$ 53,419,167	\$ 51,001,007	\$ 2,418,160
Restricted	49,545,600	42,419,203	7,126,397
Unrestricted	(145,728,112)	(141,677,172)	(4,050,940)
Total net position (deficit)	<u>\$ (42,763,345)</u>	<u>\$ (48,256,962)</u>	<u>\$ 5,493,617</u>

The largest portion of the district's net position (\$53.42 million) is capital assets which include investments in land, buildings, equipment, improvements, and right to use leased and subscription 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 2023 net position restricted for debt service and other purposes totaling \$49.55 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 \$145.73 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 2023 was \$66.58 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 2022 were \$91.68 million, while 2023 totals were \$97.87 million. The major funds were the general and elementary miscellaneous programs funds. General fund fund balance increased \$2.76 million. The increase occurred because of efforts to increase reserves. The elementary miscellaneous programs fund fund balance increased \$1.31 million mainly due to indirect cost revenues exceeding expenditures.

The combined fund balance for all funds increased \$6.22 million in 2023.

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 2023.

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 \$31.57 million, an increase of \$2.76 million from the prior year.

The table below summarizes actual general fund revenues and expenditures for 2023 and 2022. Revenue increased by 1.40% due to an increase in state aid.

The 2.62% increase in expenditures was due to employee raises and benefit increases.

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

	2023	2022	Change
Revenues:			
Property taxes	\$ 36,912,150	\$ 37,238,011	\$ (325,861)
State aid	82,642,037	79,742,608	2,899,429
State other	17,743,721	18,590,287	(846,566)
Tuition	339,342	450,258	(110,916)
Interest	405,079	114,207	290,872
Miscellaneous	-	182	(182)
Total revenues	<u>\$ 138,042,329</u>	<u>\$ 136,135,553</u>	<u>\$ 1,906,776</u>
Expenditures			
Instruction	\$ 84,966,979	\$ 84,488,313	\$ 478,666
Support services:			
Students	9,319,961	9,313,577	6,384
Instructional staff	7,325,245	7,328,637	(3,392)
General administration	3,056,566	2,240,570	815,996
School administration	10,432,349	8,742,499	1,689,850
Business services	1,873,759	2,101,353	(227,594)
Operation and maintenance	14,916,256	14,856,297	59,959
Student transportation	91,613	119,710	(28,097)
Food services	2,360	4,759	(2,399)
Extracurricular	2,881,733	2,909,279	(27,546)
Capital outlay	889,244	287,508	601,736
Debt service	113,834	18,609	95,225
Total expenditures	<u>\$ 135,869,899</u>	<u>\$ 132,411,111</u>	<u>\$ 3,458,788</u>

There were no significant budget and actual general fund revenue or expenditure variances in 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The district's 2023 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, 2023 of \$2.54 million consists primarily of projects funded by bond proceeds.

The following schedule presents capital asset balances net of depreciation and amortization for the fiscal years ended June 30, 2023 and 2022. The district had \$170.98 million invested in a broad range of capital assets, including technology, equipment and school buildings, leased assets and software subscription assets. Additional information on the district's capital assets can be found in Note 3 of this report.

	2023	2022*	Change
Land	\$ 4,934,084	\$ 4,934,084	\$ -
Construction in progress	2,535,495	2,038,733	496,762
Improvements other than buildings	2,579,954	2,807,508	(227,554)
Buildings and improvements	153,930,962	157,658,164	(3,727,202)
Machinery and equipment	5,171,560	5,104,856	66,704
Software subscriptions	1,717,151	-	1,717,151
Right to use leased assets	113,496	281,759	(168,263)
Total	<u>\$ 170,982,702</u>	<u>\$ 172,825,104</u>	<u>\$ (1,842,402)</u>

* Not restated for GASB Statement No. 96

Debt Administration – A summary of the district's outstanding long-term debt for the years ended June 30, 2023 and 2022 is presented below:

BILLINGS PUBLIC SCHOOLS
MANAGEMENT DISCUSSION & ANALYSIS

	2023	2022*	Change
General obligation bonds	\$ 117,573,502	\$ 124,608,502	\$ (7,035,000)
Premium	1,290,587	1,856,067	(565,480)
Total bonds	118,864,089	126,464,569	(7,600,480)
Leases	119,366	298,585	(179,219)
Software subscriptions	487,864	-	487,864
Compensated absences	9,666,189	10,401,336	(735,147)
Pension related debt	179,121,543	154,880,225	24,241,318
Other postemployment benefits	27,594,250	26,787,780	806,470
Total	\$ 335,853,301	\$ 318,832,495	\$ 17,020,806

* Not restated for GASB Statement No. 96

At year-end, the district had \$118.86 million in outstanding bonds. The current portion, which is due within one year, is equal to \$7.31 million. The remainder of the Billings Public School's long-term obligations is comprised of leases, software subscriptions, 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 \$1.13 billion and \$1.01 billion, 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 30th Street, Billings, Montana, 59101.

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BASIC FINANCIAL STATEMENTS

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BILLINGS PUBLIC SCHOOLS

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Cash and cash equivalents	\$ 102,340,224
Receivables:	
Property taxes, net	1,272,529
Governments	13,480,216
Other	2,471,660
Capital assets not being depreciated/amortized	7,469,579
Capital assets, net of accumulated depreciation/amortization	<u>163,513,123</u>
 Total assets	 <u>290,547,331</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	2,330,838
Service credit and termination pay benefits pension plan	3,388,222
Teachers' and public employees' retirement systems pension plans	27,001,293
Other postemployment benefits	<u>7,062,772</u>
 Total deferred outflows of resources	 <u>39,783,125</u>

LIABILITIES

Accounts payable and accrued expenses	15,536,381
Accrued interest payable	290,359
Unearned revenue	162,258
Noncurrent liabilities:	
Due within one year:	
Bonds, leases and subscriptions payable	7,491,217
Compensated absences	966,619
Due in more than one year:	
Bonds, leases and subscriptions payable	111,980,102
Compensated absences	8,699,570
Total other postemployment benefits liability	27,594,250
Total pension liability-service credit and termination pay benefits payable	29,315,427
Net pension liability-teachers' and public employees' retirement systems	<u>149,806,116</u>
 Total liabilities	 <u>351,842,299</u>

DEFERRED INFLOWS OF RESOURCES

Service credit and termination pay benefits pension plan	4,119,530
Teachers' and public employees' retirement systems pension plans	13,977,976
Other postemployment benefits	<u>3,153,996</u>
 Total deferred inflows of resources	 <u>21,251,502</u>

NET POSITION (DEFICIT)

Net investment in capital assets	53,419,167
Restricted for:	
Instruction	15,805,101
Support services:	
Students	1,844
Instructional staff	238,343
School administration	284,376
Business services	17,367
Operation and maintenance	3,166,044
Student transportation	2,235,146
Food services	2,855,164
Extracurricular	3,162,681
Capital projects	4,239,996
Debt service	17,539,538
Unrestricted	<u>(145,728,112)</u>
 Total net position (deficit)	 <u>\$ (42,763,345)</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 131,265,683	\$ 876,569	\$ 33,142,113	\$ (97,247,001)
Support services:				
Students	17,996,707	-	6,857,750	(11,138,957)
Instructional staff	11,534,345	-	1,548,381	(9,985,964)
General administration	3,175,173	-	132,716	(3,042,457)
School administration	15,176,165	-	2,363,961	(12,812,204)
Business services	2,853,060	-	242,368	(2,610,692)
Operation and maintenance	18,871,911	67,561	1,939,019	(16,865,331)
Student transportation	7,737,728	50,109	1,494,026	(6,193,593)
Food services	7,147,535	1,948,447	5,271,277	72,189
Extracurricular	7,031,404	-	122,529	(6,908,875)
Interest	3,128,936	-	1,028,887	(2,100,049)
Total	<u>225,918,647</u>	<u>2,942,686</u>	<u>54,143,027</u>	<u>(168,832,934)</u>
General revenues:				
Property taxes				63,716,823
Intergovernmental:				
State aid				83,037,954
State other				248,019
County				19,220,969
Interest				1,901,663
Contributions and donations not restricted for specific programs				405,813
Miscellaneous				<u>5,506,386</u>
Total general revenues				<u>174,037,627</u>
Change in net position				5,204,693
Net position (deficit) - beginning				(48,256,962)
Prior period adjustment (Note 4)				<u>288,924</u>
Net position (deficit) - ending				<u>\$ (42,763,345)</u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 38,258,593	\$ 468,902	\$ 55,362,958	\$ 94,090,453
Receivables:				
Property taxes, net	746,908	-	525,621	1,272,529
Governments	-	12,686,402	793,814	13,480,216
Other	246,854	454,369	139,187	840,410
Due from other funds	1,500,000	-	-	1,500,000
Prepaid items	871,491	-	-	871,491
Total assets	\$ 41,623,846	\$ 13,609,673	\$ 56,821,580	\$ 112,055,099
LIABILITIES				
Accounts payable and accrued expenses	\$ 9,668,880	\$ 486,509	\$ 1,728,029	\$ 11,883,418
Due to other funds	-	1,500,000	-	1,500,000
Unearned revenue	-	-	147,070	147,070
Total liabilities	9,668,880	1,986,509	1,875,099	13,530,488
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	382,951	-	268,249	651,200
FUND BALANCES				
Nonspendable	871,491	-	-	871,491
Restricted	-	1,996,740	48,026,648	50,023,388
Committed	-	-	5,805,196	5,805,196
Assigned	387,756	9,626,424	846,388	10,860,568
Unassigned	30,312,768	-	-	30,312,768
Total fund balances	31,572,015	11,623,164	54,678,232	97,873,411
Total liabilities, deferred inflows of resources and fund balances	\$ 41,623,846	\$ 13,609,673	\$ 56,821,580	\$ 112,055,099

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, 2023

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

Total fund balances, governmental funds	\$ 97,873,411
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	170,953,860
Prepaid expenditures related to subscription-based information technology agreements are included as part of capital assets on the statement of net position.	(871,491)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	651,200
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	30,389,515
Deferred inflows of resources related to pensions	(18,097,506)
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.	(17,512,936)
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)	2,330,838
General obligation bonds	(117,573,502)
Leases	(88,794)
Subscription-based information technology agreements	(487,864)
Issuance premium (to be amortized over life of debt)	(1,290,587)
Compensated absences	(9,627,587)
Accrued interest payable	(290,359)
Total pension liability - service credit and termination pay benefits	(29,315,427)
Net pension liability-teachers' and public employees' retirement systems	(149,806,116)
Net position (deficit) of governmental activities	<u>\$ (42,763,345)</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, 2023

	General	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 36,912,150	\$ -	\$ 26,392,309	\$ 63,304,459
Intergovernmental:				
County	-	-	19,933,420	19,933,420
State aid	82,642,037	-	395,917	83,037,954
State other	17,743,721	5,267,908	3,272,714	26,284,343
Federal	-	20,347,025	6,845,247	27,192,272
Tuition	339,342	-	13,100	352,442
Charges for services	-	-	2,603,344	2,603,344
Interest	405,079	381,080	946,446	1,732,605
Miscellaneous	-	806,342	5,294,737	6,101,079
Total revenues	<u>138,042,329</u>	<u>26,802,355</u>	<u>65,697,234</u>	<u>230,541,918</u>
EXPENDITURES				
Current:				
Instruction	84,966,979	16,823,124	19,410,356	121,200,459
Support services:				
Students	9,319,961	4,328,531	3,286,782	16,935,274
Instructional staff	7,325,245	1,245,623	2,303,851	10,874,719
General administration	3,056,566	83,904	156,838	3,297,308
School administration	10,432,349	1,486,368	2,814,307	14,733,024
Business services	1,873,759	521,033	267,299	2,662,091
Operation and maintenance	14,916,256	116,280	2,774,155	17,806,691
Student transportation	91,613	18,665	7,403,789	7,514,067
Food services	2,360	3,718	6,855,693	6,861,771
Extracurricular	2,881,733	58,662	3,890,282	6,830,677
Capital outlay	889,244	803,983	3,706,458	5,399,685
Debt service:				
Principal	112,657	111,150	7,210,652	7,434,459
Interest and other charges	1,177	-	3,486,650	3,487,827
Total expenditures	<u>135,869,899</u>	<u>25,601,041</u>	<u>63,567,112</u>	<u>225,038,052</u>
Excess (deficiency) of revenues over expenditures	<u>2,172,430</u>	<u>1,201,314</u>	<u>2,130,122</u>	<u>5,503,866</u>
OTHER FINANCING SOURCES				
Software subscriptions	<u>590,785</u>	<u>111,150</u>	<u>17,670</u>	<u>719,605</u>
Net change in fund balances	2,763,215	1,312,464	2,147,792	6,223,471
Fund balances - beginning	28,835,650	10,310,700	52,530,440	91,676,790
Prior period adjustments-Note 4	<u>(26,850)</u>	<u>-</u>	<u>-</u>	<u>(26,850)</u>
Fund balances - ending	<u>\$ 31,572,015</u>	<u>\$ 11,623,164</u>	<u>\$ 54,678,232</u>	<u>\$ 97,873,411</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, 2023

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

Net change in fund balances - total governmental funds	\$ 6,223,471
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 (\$8,734,585) exceeded capital outlay (\$5,399,685) in the current period.	(3,334,900)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	412,364
The issuance of long-term debt (e.g., bonds, leases and subscriptions) 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:	
Subscription-based information technology agreement debt issued	(719,605)
Amortization of prepaid subscription-based information technology agreements	317,402
Repayment of principal on long-term debt	7,434,459
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	(10,198)
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	1,711,621
Compensated absences	729,798
Pension expense-teachers' and public employees' retirement systems	(1,148,363)
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.	(6,782,600)
Change in net position of governmental activities	\$ 5,204,693

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,249,771
Accounts receivable, net	1,631,250
Total current assets	9,881,021
Non-current assets:	
Capital assets:	
Leases	53,180
Less: accumulated amortization	(24,338)
Total non-current assets	28,842
Total assets	9,909,863
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefits	7,062,772
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	3,652,963
Unearned revenue	15,188
Compensated absences	3,860
Leases	12,189
Total current liabilities	3,684,200
Noncurrent liabilities:	
Compensated absences	34,742
Leases	18,383
Total other postemployment benefits liability	27,594,250
Total noncurrent liabilities	27,647,375
Total liabilities	31,331,575
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	3,153,996
NET POSITION (DEFICIT)	
Net investment in capital assets	(1,730)
Unrestricted	(17,511,206)
Total net position (deficit)	\$ (17,512,936)

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, 2023

	Internal Service Funds
OPERATING REVENUES	
Charges for services	<u>\$ 22,505,451</u>
OPERATING EXPENSES	
Personal services - salaries	287,483
Personal services - benefits	61,808
Purchased property services	81,198
Other purchased services	1,204,934
Supplies and materials	95,312
Insurance claims and expenses	27,712,025
Miscellaneous	25
Amortization	<u>12,169</u>
Total operating expenses	<u>29,454,954</u>
Operating loss	<u>(6,949,503)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	169,058
Interest expense	<u>(2,155)</u>
Total nonoperating revenues (expenses)	<u>166,903</u>
Change in net position	(6,782,600)
Net position (deficit) - beginning	<u>(10,730,336)</u>
Net position (deficit) - ending	<u><u>\$ (17,512,936)</u></u>

See notes to basic financial statements.

BILLINGS PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from health insurance premiums	\$ 22,157,004
Cash received from interfund services	319,486
Medical claims paid	(25,793,332)
Cash paid to employees health insurance services	(199,332)
Cash paid to employees interfund services	(155,404)
Cash paid to suppliers for goods and services health insurance services	(1,033,950)
Cash paid to suppliers for goods and services interfund services	(173,966)
Net cash used by operating activities	<u>(4,879,494)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Principal payments on capital leases	(11,501)
Interest paid	(2,155)
Net cash used by capital financing activities	<u>(13,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	169,058
Change in cash and cash equivalents	(4,724,092)
Cash and cash equivalents - beginning	12,973,863
Cash and cash equivalents - ending	<u>\$ 8,249,771</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (6,949,503)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Amortization	12,169
Other postemployment benefits	1,677,805
Increase in accounts receivable	(1,032,568)
Decrease in prepaid items	97,503
Increase in accounts payable	1,322,681
Decrease in unearned revenue	(2,232)
Decrease in compensated absences	(5,349)
Net cash used by operating activities	<u>\$ (4,879,494)</u>

See notes to basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government adopted the provisions of the following GASB statements:

As of July 1, 2022, Billings School District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset (an intangible asset) and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 4. 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 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

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2023. The allowance at June 30, 2023, was \$81,226.

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

Inventories and Prepaids

Inventory items purchased are recorded as expenditures/expenses at the time of purchase. Inventory at year-end was not material and

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

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, right to use assets, and software subscriptions 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:

Assets	Years
Land improvements	20
Buildings	10-60
Machinery and equipment	5-20
Right to use leased assets	2-6
Software subscriptions	1-6

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.

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.

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NOTES TO BASIC FINANCIAL STATEMENTS

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 and amortization), 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:

Nonspendable - 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 - 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 - 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 - 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.

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.

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NOTES TO BASIC FINANCIAL STATEMENTS

- 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.

Software Subscriptions

The right to use subscription IT assets are recognized at the subscription commencement date and represent Billings School District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the *shorter* of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from more than 1 to 6 years.

Subscription liabilities represent Billings School District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by Billings School District.

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 \$17,828,101 as of June 30, 2023. 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

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

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, 2023, 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, 2023 to support the value of shares in the pool. The district does not currently have a policy on custodial credit risk. Along with limitations placed on investments by state law, the County minimizes custodial risk by restrictions set forth by County policy. The County maintains a listing of financial institutions which are approved for investment purposes.

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

Disaggregation of Payable Balances

Payables as of June 30, 2023, were as follows:

	Vendors	Salaries and Benefits	Claims incurred but not reported	Total
General	\$ 9,024,089	\$ 644,791	\$ -	\$ 9,668,880
Elementary miscellaneous programs	364,403	122,106	-	486,509
Internal service funds	118,601	10,972	3,523,390	3,652,963
Nonmajor governmental funds	1,494,097	233,932	-	1,728,029
	<u>\$ 11,001,190</u>	<u>\$ 1,011,801</u>	<u>\$ 3,523,390</u>	<u>\$ 15,536,381</u>

BILLINGS PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS

Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022 (restated)	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 4,934,084	\$ -	\$ -	\$ 4,934,084
Construction in progress	2,038,733	1,767,280	(1,270,518)	2,535,495
Total capital assets, not being depreciated/amortized	<u>6,972,817</u>	<u>1,767,280</u>	<u>(1,270,518)</u>	<u>7,469,579</u>
Capital assets, being depreciated/amortized:				
Buildings/improvements	247,018,200	3,339,963	-	250,358,163
Improvements other than buildings	4,703,130	-	-	4,703,130
Machinery and equipment	17,889,526	843,355	-	18,732,881
Right to use leased assets	481,773	-	(10,839)	470,934
Software subscriptions	1,504,667	719,605	-	2,224,272
Total capital assets, being depreciated/amortized	<u>271,597,296</u>	<u>4,902,923</u>	<u>(10,839)</u>	<u>276,489,380</u>
Less accumulated depreciation/amortization for:				
Buildings/improvements	(89,360,036)	(7,067,165)	-	(96,427,201)
Improvements other than buildings	(1,895,622)	(227,554)	-	(2,123,176)
Machinery and equipment	(12,784,670)	(776,651)	-	(13,561,321)
Right to use leased assets	(200,014)	(168,263)	10,839	(357,438)
Software subscriptions	-	(507,121)	-	(507,121)
Total accumulated depreciation/amortization	<u>(104,240,342)</u>	<u>(8,746,754)</u>	<u>10,839</u>	<u>(112,976,257)</u>
Total capital assets, being depreciated/amortized, net	<u>167,356,954</u>	<u>(3,843,831)</u>	<u>-</u>	<u>163,513,123</u>
Total capital assets, net	<u>\$ 174,329,771</u>	<u>\$ (2,076,551)</u>	<u>\$ (1,270,518)</u>	<u>\$ 170,982,702</u>

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

Instruction	\$ 6,902,411
Support services-students	586,176
Support services-instructional staff	240,420
Support services-general administration	15,090
Support services-administration	109,245
Support services-business	15,628
Operation and maintenance	344,661
Student transportation	7,018
Food services	283,366
Extracurricular	230,570
Internal service fund	12,169
	<u>\$ 8,746,754</u>

Interfund Receivables and Payables

Interfund balances as of June 30, 2023, consisted of the following:

	Due from funds	Due to funds
General	\$ 1,500,000	\$ -
Elementary miscellaneous programs	-	1,500,000
Total	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

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The balance of \$1,500,000 due to the general fund 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 \$470,934, less accumulated amortization of \$357,438. The future lease payments under lease agreements are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 66,009	\$ 5,101	\$ 71,110
2025	31,337	2,119	33,456
2026	20,376	597	20,973
2027	1,644	27	1,671
	<u>\$ 119,366</u>	<u>\$ 7,844</u>	<u>\$ 127,210</u>

Subscription-Based Information Technology Arrangements (SBITA)

In the prior year, the District entered into seven SBITA contracts related to digital curriculum with subscription terms ranging from 25 months to 71 months. Although multi-year agreements, these contracts were paid in full at contract inception. As a result, there is no ongoing subscription liability for the District. The total amount of right to use subscription assets, and the related accumulated amortization on right to use subscription assets was \$1,504,667 and \$364,705, as of June 30, 2023, respectively.

During the current year, the District entered into five SBITA contracts related to web security, school management software, digital curriculum, and analytics and information systems with subscription terms ranging from 24 to 72 months. As of June 30, 2023, the value of the total subscription liabilities for these contracts was \$487,864. The subscription liabilities were valued using discount rates ranging from 4.33% to 4.43% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreements. The total amount of right to use subscription assets, and the related accumulated amortization on right to use subscription assets were \$719,605 and \$142,416, as of June 30, 2023, respectively.

The future payments under SBITA agreements are as follows:

Year ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 115,208	\$ 21,964	\$ 137,172
2025	136,699	16,832	153,531
2026	112,276	10,644	122,920
2027	59,519	5,592	65,111
2028	64,162	2,901	67,063
	<u>\$ 487,864</u>	<u>\$ 57,933</u>	<u>\$ 545,797</u>

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Long-Term Debt

During the year ended June 30, 2023, the following changes occurred in long-term debt:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 124,608,502	\$ -	\$ (7,035,000)	\$ 117,573,502	\$ 7,310,000
Premium	1,856,067	-	(565,480)	1,290,587	-
Total bonds payable	126,464,569	-	(7,600,480)	118,864,089	7,310,000
Leases	298,585	-	(179,219)	119,366	66,009
Software subscriptions	-	719,605	(231,741)	487,864	115,208
Compensated absences	10,401,336	10,227,831	(10,962,978)	9,666,189	966,619
Total	\$ 137,164,490	\$ 10,947,436	\$ (18,974,418)	\$ 129,137,508	\$ 8,457,836

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 \$3,865,000. The bonds mature beginning June 15, 2015 through 2024. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

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

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remaining principal balance of the outstanding bonds is \$3,110,000. 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 \$7,060,000. 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 \$78,665,000. 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
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	7,940,000	1,913,038	9,853,038
2029-2033	55,023,502	6,599,647	61,623,149
2034-2035	12,200,000	388,858	12,588,858
	<u>\$ 117,573,502</u>	<u>\$ 20,516,227</u>	<u>\$ 138,089,729</u>

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Fund Balances

As of June 30, 2023, fund balances are comprised of the following:

	General Fund	Elementary Miscellaneous Programs	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepays	\$ 871,491	\$ -	\$ -	\$ 871,491
Restricted:				
Instruction	-	1,779,200	13,940,603	15,719,803
Support services:				
Students	-	1,844	-	1,844
Instructional staff	-	215,696	22,647	238,343
School administration	-	-	284,376	284,376
Business services	-	-	17,367	17,367
Operation and maintenance	-	-	3,166,044	3,166,044
Student transportation	-	-	2,176,085	2,176,085
Food services	-	-	2,855,164	2,855,164
Extracurricular	-	-	3,162,681	3,162,681
Capital projects	-	-	4,678,509	4,678,509
Debt service	-	-	17,723,172	17,723,172
Committed:				
Instruction	-	-	3,147,987	3,147,987
Support services:				
Students	-	-	2,621,217	2,621,217
Community services	-	-	35,992	35,992
Assigned:				
Instruction	316,716	4,946,483	91,649	5,354,848
Support services:				
Students	-	1,127,916	-	1,127,916
Instructional staff	-	1,999,945	-	1,999,945
General administration	-	862,478	-	862,478
School administration	-	151,179	-	151,179
Business services	-	520,638	249,064	769,702
Operation and maintenance	42,598	17,785	505,675	566,058
Capital projects	28,442	-	-	28,442
Unassigned	30,312,768	-	-	30,312,768
	<u>\$ 31,572,015</u>	<u>\$ 11,623,164</u>	<u>\$ 54,678,232</u>	<u>\$ 97,873,411</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, 2023, employees of the district were covered by a medical self-insurance plan (the "plan"). The district contributed approximately \$795 per month per employee to the plan and employees, at their option, authorized payroll withholdings to

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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 \$24,600,692.

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, 2023, 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 2023 and 2022 were:

	Liability July 1,	Curent Year Claims and Changes in Estimates	Claims Payments	Liability June 30,
2022-23	2,276,462	24,073,499	(22,826,571)	3,523,390
2021-22	2,276,462	23,823,536	(23,823,536)	2,276,462

Commitments and Contingencies

At year-end, the district had a commitment outstanding, in the form of purchase orders for \$387,756 to purchase supplies and equipment. Commitments related to construction projects totaled approximately \$1,708,300 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, 2023, 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	\$ 130,609,185	\$ 19,196,931	\$ 149,806,116
Deferred outflows of resources	24,344,332	2,656,961	27,001,293
Deferred inflows of resources	12,440,799	1,537,177	13,977,976
Pension expense	18,095,641	2,475,332	20,570,973

Plan Descriptions

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

The PERS Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 and 3, MCA. The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. All new members are initially members of the

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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.

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. Average 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 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, 2023, were required to contribute 8.15% of their earned compensation. TRS employers were required to

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contribute 9.37% 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 8.7% 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, 2023, the government recorded a liability of \$130,609,185 (TRS) and \$19,196,931 (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, 2023	
	TRS	PERS
Employer proportionate share	\$ 130,609,185	\$ 19,196,931
State of Montana proportionate share associated with employer	72,154,222	6,323,761
Total	<u>\$ 202,763,407</u>	<u>\$ 25,520,692</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 for TRS and June 30, 2022 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, 2021, through June 30, 2022, relative to the total employer contributions received from all TRS and PERS participating employers. At June 30, 2023, the government's proportion was 6.6406 and .8073 percent for TRS and PERS, respectively.

For the year ended June 30, 2023, the government recognized \$12,129,102 (TRS) and \$1,819,870 (PERS) for its proportionate share of the pension expense. The government also recognized grant revenue of \$5,966,539 (TRS) and \$655,462 (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 \$18,095,641 and \$2,475,332 for TRS and PERS, respectively.

At June 30, 2023, the government reported its proportionate share of TRS and PERS deferred outflows and inflows of resources from the following sources:

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	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	\$ 1,914,389	\$ -	\$ 244,723	\$ -
Changes in actuarial assumptions	6,675,388	11,939,491	715,394	1,405,392
Difference between projected and actual investment earnings	3,054,917	-	564,190	-
Changes in the proportion and differences between actual and expected contributions	1,031,683	501,308	-	131,785
Employer contributions subsequent to measurement date	11,667,955	-	1,132,654	-
	<u>\$ 24,344,332</u>	<u>\$ 12,440,799</u>	<u>\$ 2,656,961</u>	<u>\$ 1,537,177</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, 2024. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	TRS	PERS
2024	\$ 2,238,580	\$ 140,056
2025	(2,369,435)	(828,961)
2026	(6,899,613)	(608,507)
2027	7,266,046	1,284,542

Actuarial Assumptions

For each of the retirement plans, the total pension liability in the June 30, 2022 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	7.30%	7.30%
Salary increases	3.50%	3.50%
Inflation	2.75%	2.75%

Mortality rates for the TRS And PERS retirement plans are based on the PUB-2010 general amount weighted employer mortality projected to 2021 for males and females and projected generationally using MP-2021.

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

Asset Class	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 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions, the State general fund will contribute \$25 million annually to 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 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

Public Employees Retirement System

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and 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. A municipal bond rate was not 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 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Net pension liability-TRS	\$ 182,440,970	\$ 130,609,185	\$ 87,232,519
Net pension liability-PERS	27,673,272	19,196,931	12,085,383

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.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions

BILLINGS PUBLIC SCHOOLS

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2022, 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 344 employers that have participants in the PERS-DCRP totaled \$1,681,603.

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:

	<u>Service Credit</u>
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>
Rate of Pay	<p>BEA and Administrators: Highest daily rate.</p> <p>BCEA, MPEA and Administrative Support: Most recent daily rate.</p>

All groups subject to the following maximum daily rate.

	<u>Bargaining Group</u>	<u>Maximum Daily Rate</u>
	BEA	\$460
	BCEA	339
	MPEA	260
	Administrator	593
	Admin Support	329
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	<p>TRS Employees may increase their monthly retirement benefit by including their Termination Pay (service credit, 25% of sick leave, and 100% of vacation leave) in the calculation of their Average Final Compensation. This option is also available to beneficiaries of eligible TRS employees who had not yet retired.</p> <p>As of October 1, 2011, administrators' vacation pay was frozen for the purpose of payment within the district's severance package. As of July 1, 2011, no newly employed administrator is entitled to include vacation pay in the severance payment. Vacation severance pay for administrators is paid at the daily rate earned as of June 30, 2012.</p>
Employee Cost	Termination Pay x Employee Rate x Total years of Creditable Service
Employer Cost	Termination Pay x Employee Rate x Total years of Creditable Service

Total Pension Liability

Following is the total pension liability:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Service credit	\$ 12,828,758	\$ 13,462,869
Option 1	<u>16,486,669</u>	<u>17,396,359</u>
Total pension liability	<u>\$ 29,315,427</u>	<u>\$ 30,859,228</u>
Covered payroll	\$ 100,539,554	\$ 107,034,106
Total pension liability as a % of covered payroll	29.16%	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, 2023	June 30, 2021
Measurement date	June 30, 2023	June 30, 2022
Reporting date	June 30, 2023	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	3.65%	3.54%
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Changes in the total pension liability were as follows:

Service cost	\$ 1,827,457
Interest on total pension liability	1,079,188
Effect of plan changes	-
Effect of economic/demographic gains or losses	563,624
Effect of assumptions changes or inputs	(573,105)
Benefit payments	<u>(4,440,965)</u>
Net change in total pension liability	(1,543,801)
Total pension liability - beginning of year	<u>30,859,228</u>
Total pension liability - end of year	<u>\$ 29,315,427</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	3.50% plus merit and longevity component based on years of service ranging from 5.31% for 1 year of service to 0.00% for 22 years of service and above.
Discount rate	3.65%
Mortality	For males and females: PUBT Teacher Employee Mortality Table Projected to 2021. Projected generationally using MP-2021.

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 3.65%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (2.65%) or 1.00% higher (4.65%) than the current rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total pension liability	\$ 30,902,603	\$ 29,315,427	\$ 27,776,228

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

For the year ended June 30, 2023, Billings Public Schools recognized pension expense of \$2,729,344. At June 30, 2023, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$1,592,143 and \$1,796,079, respectively, and deferred inflows of resources from changes in assumptions of \$4,119,530.

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

Year ended June 30:	
2024	\$ (177,301)
2025	(177,301)
2026	(161,890)
2027	(17,110)
2028	37,452
Thereafter	(235,158)

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 \$27,594,250 was measured as of June 30, 2023, 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>\$ 26,787,780</u>
Changes for the year:	
Service cost	1,149,011
Interest cost	971,878
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(349,206)
Benefit payments	<u>(965,213)</u>
Net change in total OPEB liability	<u>806,470</u>
Total OPEB liability - end of year	<u><u>\$ 27,594,250</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, 2023 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	3.65%
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 3.54% to 3.65%.

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 3.65%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.00% lower (2.65%) or 1.00% higher (4.65%) than the current rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 31,129,000	\$ 27,594,250	\$ 24,619,000

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	\$ 25,509,000	\$ 27,594,250	\$ 30,074,000

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

For the year ended June 30, 2023, Billings Public Schools recognized OPEB expense of \$2,643,018. At June 30, 2023, Billings Public Schools reported deferred outflows of resources from differences between expected and actual experience and changes in assumptions of \$4,981,765 and \$2,081,007. respectively and deferred inflows of resources from changes in assumptions of \$3,153,996.

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

Year ended June 30:	
2024	\$ 578,994
2025	556,686
2026	489,232
2027	489,232
2028	489,232
Thereafter	1,305,400

Restatement of Beginning Net Position

Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 and due to an accounting error related to accounts payable and encumbrances as follows:

Government-Wide Financial Statements:

Net position (deficit) - June 30, 2022 as previously reported	\$ (48,256,962)
Recognition of right to use subscription IT assets	1,504,667
Derecognition of subscriptions previously reported in prepaid assets	(1,188,893)
Error recording accounts payable and encumbrances in fiscal year ended June 30, 2022*	<u>(26,850)</u>
Net Position (deficit) - July 1, 2022, as restated	<u>\$ (47,968,038)</u>

* This error also affected the high school general fund in similar fashion in the governmental fund statements.

Future Implementation of GASB Pronouncements

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

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BILLINGS PUBLIC SCHOOLS

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

GENERAL FUND

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 37,036,473	\$ 37,036,473	\$ 36,912,150	\$ -	\$ 36,912,150
Intergovernmental:					
State aid	82,642,037	82,642,037	82,642,037	-	82,642,037
State other	11,121,720	11,121,720	11,121,720	6,622,001	17,743,721
Tuition	-	-	339,342	-	339,342
Interest	9,837	9,837	178,704	226,375	405,079
Miscellaneous	187	187	-	-	-
Total revenues	<u>130,810,254</u>	<u>130,810,254</u>	<u>131,193,953</u>	<u>6,848,376</u>	<u>138,042,329</u>
EXPENDITURES					
Current:					
Instructional	81,359,067	81,429,830	80,881,506	4,085,473	84,966,979
Support services:					
Students	8,767,344	8,767,202	8,834,847	485,114	9,319,961
Instructional staff	6,983,833	7,005,511	6,919,910	405,335	7,325,245
General administration	3,119,562	3,088,535	2,992,604	63,962	3,056,566
Administration	9,976,368	9,970,715	9,650,585	781,764	10,432,349
Business	1,852,339	1,834,167	1,785,318	88,441	1,873,759
Operation and maintenance	13,978,582	13,924,515	14,534,294	381,962	14,916,256
Student transportation	5,321	5,321	37,784	53,829	91,613
Food services	-	-	-	2,360	2,360
Extracurricular	2,653,995	2,653,995	2,759,204	122,529	2,881,733
Debt Service:					
Principal	-	-	112,657	-	112,657
Interest and other charges	-	-	1,177	-	1,177
Capital Outlay	109,285	125,905	235,810	653,434	889,244
Total expenditures	<u>128,805,696</u>	<u>128,805,696</u>	<u>128,745,696</u>	<u>7,124,203</u>	<u>135,869,899</u>
Excess (deficiency) of revenues over expenditures	<u>2,004,558</u>	<u>2,004,558</u>	<u>2,448,257</u>	<u>(275,827)</u>	<u>2,172,430</u>
OTHER FINANCING SOURCES (USES)					
Software subscriptions	-	-	-	590,785	590,785
Transfers out	(2,004,558)	(2,004,558)	(2,004,558)	2,004,558	-
Total other financing sources (uses)	<u>(2,004,558)</u>	<u>(2,004,558)</u>	<u>(2,004,558)</u>	<u>2,595,343</u>	<u>590,785</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	443,699	2,319,516	2,763,215
Fund balances - beginning			13,081,023	15,754,627	28,835,650
Prior period adjustments			(26,850)	-	(26,850)
Fund balances - ending			<u>\$ 13,497,872</u>	<u>\$ 18,074,143</u>	<u>\$ 31,572,015</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, recording software subscriptions 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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 23,866,307	\$ 23,866,307	\$ 23,756,587	\$ -	\$ 23,756,587
Intergovernmental:					
State aid	52,404,302	52,404,302	52,404,302	-	52,404,302
State other	7,832,071	7,832,071	7,832,071	-	7,832,071
Tuition	-	-	272,854	-	272,854
Interest	5,442	5,442	105,869	4,102	109,971
Miscellaneous	187	187	-	-	-
Total revenues	84,108,309	84,108,309	84,371,683	4,102	84,375,785
EXPENDITURES					
Current:					
Instructional	53,423,501	53,445,734	52,735,411	-	52,735,411
Support services:					
Students	6,124,526	6,124,949	6,149,475	-	6,149,475
Instructional staff	4,697,901	4,689,738	4,743,104	-	4,743,104
General administration	2,023,511	2,022,687	1,967,075	-	1,967,075
Administration	6,158,105	6,157,952	5,966,756	-	5,966,756
Business	1,231,006	1,218,831	1,178,947	-	1,178,947
Operation and maintenance	8,562,323	8,561,099	9,283,899	(14,105)	9,269,794
Student transportation	5,321	5,321	32,317	-	32,317
Extracurricular	793,503	793,503	812,985	-	812,985
Debt Service:					
Principal	-	-	78,382	-	78,382
Interest and other charges	-	-	775	-	775
Capital Outlay	68,792	68,675	109,363	410,573	519,936
Total expenditures	83,088,489	83,088,489	83,058,489	396,468	83,454,957
Excess (deficiency) of revenues over expenditures	1,019,820	1,019,820	1,313,194	(392,366)	920,828
OTHER FINANCING SOURCES (USES)					
Software subscriptions	-	-	-	417,188	417,188
Transfers out	(1,019,820)	(1,019,820)	(1,019,820)	1,019,820	-
Total other financing sources (uses)	(1,019,820)	(1,019,820)	(1,019,820)	1,437,008	417,188
Net change in fund balances	\$ -	\$ -	293,374	1,044,642	1,338,016
Fund balances - beginning			8,410,830	9,095,480	17,506,310
Fund balances - ending			\$ 8,704,204	\$ 10,140,122	\$ 18,844,326

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 13,170,166	\$ 13,170,166	\$ 13,155,563	\$ -	\$ 13,155,563
Intergovernmental:					
State aid	30,237,735	30,237,735	30,237,735	-	30,237,735
State other	3,289,649	3,289,649	3,289,649	6,622,001	9,911,650
Tuition	-	-	66,488	-	66,488
Interest	4,395	4,395	72,835	222,273	295,108
Total revenues	46,701,945	46,701,945	46,822,270	6,844,274	53,666,544
EXPENDITURES					
Current:					
Instructional	27,935,566	27,984,096	28,146,095	4,085,473	32,231,568
Support services:					
Students	2,642,818	2,642,253	2,685,372	485,114	3,170,486
Instructional staff	2,285,932	2,315,773	2,176,806	405,335	2,582,141
General administration	1,096,051	1,065,848	1,025,529	63,962	1,089,491
Administration	3,818,263	3,812,763	3,683,829	781,764	4,465,593
Business	621,333	615,336	606,371	88,441	694,812
Operation and maintenance	5,416,259	5,363,416	5,250,395	396,067	5,646,462
Student transportation	-	-	5,467	53,829	59,296
Food services	-	-	-	2,360	2,360
Extracurricular	1,860,492	1,860,492	1,946,219	122,529	2,068,748
Debt Service:					
Principal	-	-	34,275	-	34,275
Interest and other charges	-	-	402	-	402
Capital Outlay	40,493	57,230	126,447	242,861	369,308
Total expenditures	45,717,207	45,717,207	45,687,207	6,727,735	52,414,942
Excess (deficiency) of revenues over expenditures	984,738	984,738	1,135,063	116,539	1,251,602
OTHER FINANCING SOURCES (USES)					
Software subscriptions	-	-	-	173,597	173,597
Transfers out	(984,738)	(984,738)	(984,738)	984,738	-
Total other financing sources (uses)	(984,738)	(984,738)	(984,738)	1,158,335	173,597
Net change in fund balances	\$ -	\$ -	150,325	1,274,874	1,425,199
Fund balances - beginning			4,670,193	6,659,147	11,329,340
Prior period adjustments			(26,850)	-	(26,850)
Fund balances - ending			\$ 4,793,668	\$ 7,934,021	\$ 12,727,689

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

Schedule of Changes in Total Pension Liability

	For the Years Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total pension liability - beginning of year	\$ 30,859,228	\$ 39,166,887	\$ 37,060,645	\$ 36,614,805	\$ 37,026,494	\$ 36,842,219	\$ 38,082,019
Service cost	1,827,457	2,682,167	2,667,816	2,160,877	1,985,177	2,073,882	2,248,910
Interest on total pension liability	1,079,188	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	563,624	-	1,455,212	-	35,046	-	-
Effect of assumption changes or inputs	(573,105)	(2,698,700)	160,726	2,712,534	(1,335,500)	(600,187)	(1,525,869)
Benefit payments	(4,440,965)	(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>\$ 29,315,427</u>	<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	\$ 12,828,758	\$ 13,462,869	\$ 17,420,583	\$ 16,862,166	\$ 16,505,861	\$ 16,463,334	\$ 16,229,698
Option 1	16,486,669	17,396,359	21,746,304	20,198,479	20,108,944	20,563,160	20,612,521
Total pension liability	<u>\$ 29,315,427</u>	<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	\$ 100,539,554	\$ 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	29.16%	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

	2023	2022	For the Years Ended June 30,		2019	2018
			2021	2020		
Total OPEB liability - beginning of year	\$ 26,787,780	\$ 23,344,967	\$ 22,781,110	\$ 19,240,482	\$ 17,891,604	\$ 18,048,017
Service cost	1,149,011	810,957	785,194	576,599	512,336	493,247
Interest cost	971,878	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	(349,206)	(3,410,906)	155,224	2,779,526	916,666	(703,610)
Benefit payments	(965,213)	(380,429)	(887,569)	(748,461)	(777,315)	(651,000)
Total OPEB liability - end of year	<u>\$ 27,594,250</u>	<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	\$ 109,347,000	\$ 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	25.24%	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:

3.65%	3.54%	2.16%	2.21%	3.50%	3.87%
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There are no assets accumulated in an irrevocable trust to pay plan benefits.

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

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

Teachers Retirement System:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	6.6406%	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									
State of Montana's proportionate share of the net pension liability associated with the employer	\$ 130,609,185	\$ 109,234,672	\$ 149,954,757	\$ 127,583,357	\$ 117,692,051	\$ 103,545,175	\$ 109,511,465	\$ 98,299,904	\$ 91,447,722
Total	<u>72,154,222</u>	<u>62,331,303</u>	<u>88,683,129</u>	<u>77,237,394</u>	<u>73,090,742</u>	<u>65,725,830</u>	<u>71,342,769</u>	<u>65,807,012</u>	<u>62,631,322</u>
	<u>\$ 202,763,407</u>	<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	\$ 97,483,626	\$ 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	133.98%	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	70.61%	75.54%	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%
Public Employees Retirement System:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.8073%	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									
State of Montana's proportionate share of the net pension liability associated with the employer	\$ 19,196,931	\$ 14,786,325	\$ 21,542,431	\$ 17,344,689	\$ 16,728,740	\$ 19,909,929	\$ 17,659,729	\$ 14,727,804	\$ 13,111,068
Total	<u>6,323,761</u>	<u>4,813,958</u>	<u>7,462,116</u>	<u>6,192,840</u>	<u>6,178,075</u>	<u>949,347</u>	<u>825,338</u>	<u>692,057</u>	<u>612,898</u>
	<u>\$ 25,520,692</u>	<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	\$ 14,521,890	\$ 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	132.19%	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	73.66%	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.

See notes to required supplementary information-pension plan information.

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

Teachers Retirement System:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 11,667,955	\$ 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	11,667,955	10,402,386	10,128,765	11,743,767	9,420,595	9,059,455	8,828,344	9,205,589	8,391,444
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 97,426,286	\$ 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	11.98%	10.67%	10.78%	12.80%	10.40%	10.68%	10.90%	11.78%	11.05%
Public Employees Retirement System:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,132,654	\$ 1,261,790	\$ 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	1,132,654	1,261,790	1,276,502	1,200,339	1,177,521	1,116,460	1,061,441	1,049,999	1,032,813
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 13,019,012	\$ 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	8.70%	8.69%	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.

See notes to required supplementary information-pension plan information.

BILLINGS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION
For the Year Ended June 30, 2023

Teacher's Retirement System

Changes of Benefit Terms:

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

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

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

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

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

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

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

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

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

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

School Districts contributions will increase from 7.47% to 8.47%

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

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

BILLINGS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION
For the Year Ended June 30, 2023

- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System. This amount will increase by 1.00% for fiscal year 2014 and increase by 0.10% each fiscal year through 2024 until the total employer contribution is equal to 11.85% of re-employed retiree compensation.

Changes in actuarial assumptions and other inputs:

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

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

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

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

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

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

BILLINGS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION
For the Year Ended June 30, 2023

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

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

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

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

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

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

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

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

- Mortality among disabled members was updated to the following:

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

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

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.

BILLINGS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION PLAN INFORMATION
For the Year Ended June 30, 2023

Refunds:

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

Interest Credited to Member Accounts:

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

Lump-sum Payouts:

- 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.

Method and assumptions used in calculations of actuarially determined contributions:

	TRS	PERS
Acturial cost method	Entry age	Entry age
Amortization method	Level percentage of pay, open	Level percentage of pay, open
Remaining amortization period	24 years	30 years
Asset valuation method	4 year smoothed market	4 year smoothed market
Inflation	2.50%	2.75%
Salary increases	3.25 to 7.76 percent, including inflation for Non-University Members	3.50%
Investment rate of return	7.50%, net of pension plan investment expense and including inflation	7.65%, net of pension plan investment expense and including inflation

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OTHER SUPPLEMENTAL INFORMATION

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General Fund

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

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BILLINGS PUBLIC SCHOOLS

COMBINING BALANCE SHEET

ALL GENERAL SUBFUNDS

June 30, 2023

	Elementary General Subfund	High School General Subfund	Total
ASSETS			
Cash and cash equivalents	\$ 16,672,057	\$ 21,586,536	\$ 38,258,593
Receivables:			
Property taxes, net	467,375	279,533	746,908
Other	236,841	10,013	246,854
Due from other funds	1,500,000	-	1,500,000
Prepaid items	841,984	29,507	871,491
Total assets	<u>\$ 19,718,257</u>	<u>\$ 21,905,589</u>	<u>\$ 41,623,846</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>\$ 636,487</u>	<u>\$ 9,032,393</u>	<u>\$ 9,668,880</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>237,444</u>	<u>145,507</u>	<u>382,951</u>
FUND BALANCES			
Nonspendable	841,984	29,507	871,491
Assigned	38,646	349,110	387,756
Unassigned	<u>17,963,696</u>	<u>12,349,072</u>	<u>30,312,768</u>
Total fund balances	<u>18,844,326</u>	<u>12,727,689</u>	<u>31,572,015</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,718,257</u>	<u>\$ 21,905,589</u>	<u>\$ 41,623,846</u>

BILLINGS PUBLIC SCHOOLS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL GENERAL SUBFUNDS

For the Year Ended June 30, 2023

	Elementary General Subfund	High School General Subfund	Total
REVENUES			
Property taxes	\$ 23,756,587	\$ 13,155,563	\$ 36,912,150
Intergovernmental:			
State aid	52,404,302	30,237,735	82,642,037
State other	7,832,071	9,911,650	17,743,721
Tuition	272,854	66,488	339,342
Interest	109,971	295,108	405,079
Total revenues	84,375,785	53,666,544	138,042,329
EXPENDITURES			
Current:			
Instruction	52,735,411	32,231,568	84,966,979
Support services:			
Students	6,149,475	3,170,486	9,319,961
Instructional staff	4,743,104	2,582,141	7,325,245
General administration	1,967,075	1,089,491	3,056,566
School administration	5,966,756	4,465,593	10,432,349
Business services	1,178,947	694,812	1,873,759
Operation and maintenance	9,269,794	5,646,462	14,916,256
Student transportation	32,317	59,296	91,613
Food services	-	2,360	2,360
Extracurricular	812,985	2,068,748	2,881,733
Capital outlay	519,936	369,308	889,244
Debt service:			
Principal	78,382	34,275	112,657
Interest and other charges	775	402	1,177
Total expenditures	83,454,957	52,414,942	135,869,899
Excess (deficiency) of revenues over expenditures	920,828	1,251,602	2,172,430
OTHER FINANCING SOURCES			
Software subscriptions	417,188	173,597	590,785
Net change in fund balances	1,338,016	1,425,199	2,763,215
Fund balances - beginning	17,506,310	11,329,340	28,835,650
Prior period adjustments	-	(26,850)	(26,850)
Fund balances - ending	\$ 18,844,326	\$ 12,727,689	\$ 31,572,015

Nonmajor Governmental Funds - By Fund Type

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 June 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,639,989	\$ 17,361,833	\$ 8,361,136	\$ 55,362,958
Receivables:				
Property taxes, net	294,726	211,674	19,221	525,621
Governments	472,030	321,784	-	793,814
Other	76,575	-	62,612	139,187
Total assets	<u>\$ 30,483,320</u>	<u>\$ 17,895,291</u>	<u>\$ 8,442,969</u>	<u>\$ 56,821,580</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,090,989	\$ 65,394	\$ 571,646	\$ 1,728,029
Unearned revenue	147,070	-	-	147,070
Total liabilities	<u>1,238,059</u>	<u>65,394</u>	<u>571,646</u>	<u>1,875,099</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>151,600</u>	<u>106,725</u>	<u>9,924</u>	<u>268,249</u>
FUND BALANCES				
Restricted	22,442,077	17,723,172	7,861,399	48,026,648
Committed	5,805,196	-	-	5,805,196
Assigned	846,388	-	-	846,388
Total fund balances	<u>29,093,661</u>	<u>17,723,172</u>	<u>7,861,399</u>	<u>54,678,232</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,483,320</u>	<u>\$ 17,895,291</u>	<u>\$ 8,442,969</u>	<u>\$ 56,821,580</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, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 14,742,622	\$ 10,718,647	\$ 931,040	\$ 26,392,309
Intergovernmental:				
County	19,933,420	-	-	19,933,420
State aid	-	395,917	-	395,917
State other	2,260,855	-	1,011,859	3,272,714
Federal	5,816,360	1,028,887	-	6,845,247
Tuition	13,100	-	-	13,100
Charges for services	2,535,783	-	67,561	2,603,344
Interest	480,300	274,282	191,864	946,446
Miscellaneous	5,000,242	-	294,495	5,294,737
Total revenues	50,782,682	12,417,733	2,496,819	65,697,234
EXPENDITURES				
Current:				
Instruction	19,410,356	-	-	19,410,356
Support services:				
Students	3,286,782	-	-	3,286,782
Instructional staff	2,303,851	-	-	2,303,851
General administration	156,838	-	-	156,838
School administration	2,814,307	-	-	2,814,307
Business services	258,278	-	9,021	267,299
Operation and maintenance	1,226,863	-	1,547,292	2,774,155
Student transportation	7,403,789	-	-	7,403,789
Food services	6,855,693	-	-	6,855,693
Extracurricular	3,890,282	-	-	3,890,282
Capital outlay	577,267	-	3,129,191	3,706,458
Debt service				
Principal	175,652	7,035,000	-	7,210,652
Interest and other charges	12,063	3,474,587	-	3,486,650
Total expenditures	48,372,021	10,509,587	4,685,504	63,567,112
Excess (deficiency) of revenues over expenditures	2,410,661	1,908,146	(2,188,685)	2,130,122
OTHER FINANCING SOURCES				
Software Subscriptions	17,670	-	-	17,670
Net change in fund balances	2,428,331	1,908,146	(2,188,685)	2,147,792
Fund balances - beginning	26,665,330	15,815,026	10,050,084	52,530,440
Fund balances - ending	\$ 29,093,661	\$ 17,723,172	\$ 7,861,399	\$ 54,678,232

Nonmajor Special Revenue Funds

Budgeted:

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

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

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

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

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

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

Non-Budgeted:

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

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

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

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

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

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2023

Page 1 of 5

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
ASSETS					
Cash and cash equivalents	\$ 1,538,807	\$ 601,558	\$ 3,059,764	\$ 533,981	\$ 412,805
Receivables:					
Property taxes, net	79,062	38,444	-	59,242	28,399
Governments	-	-	92,102	-	-
Other	150	-	62,851	-	-
Total assets	<u>\$ 1,618,019</u>	<u>\$ 640,002</u>	<u>\$ 3,214,717</u>	<u>\$ 593,223</u>	<u>\$ 441,204</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 18,141	\$ 4,734	\$ 212,483	\$ 213,707	\$ 346,080
Unearned revenue	-	-	147,070	-	-
Total liabilities	<u>18,141</u>	<u>4,734</u>	<u>359,553</u>	<u>213,707</u>	<u>346,080</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	<u>39,616</u>	<u>19,445</u>	<u>-</u>	<u>31,450</u>	<u>15,547</u>
FUND BALANCES					
Restricted	1,560,262	615,823	2,855,164	348,066	79,577
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>1,560,262</u>	<u>615,823</u>	<u>2,855,164</u>	<u>348,066</u>	<u>79,577</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,618,019</u>	<u>\$ 640,002</u>	<u>\$ 3,214,717</u>	<u>\$ 593,223</u>	<u>\$ 441,204</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2023

Page 2 of 5

	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
ASSETS					
Cash and cash equivalents	\$ 3,830,817	\$ 1,481,294	\$ 2,373,684	\$ 288,706	\$ 900,503
Receivables:					
Property taxes, net	-	-	-	11,601	18,578
Governments	-	-	165,893	-	-
Other	-	-	-	-	5,322
Total assets	<u>\$ 3,830,817</u>	<u>\$ 1,481,294</u>	<u>\$ 2,539,577</u>	<u>\$ 300,307</u>	<u>\$ 924,403</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 82,371	\$ 74,517	\$ 4,689	\$ 18,922	\$ 20,609
Unearned revenue	-	-	-	-	-
Total liabilities	<u>82,371</u>	<u>74,517</u>	<u>4,689</u>	<u>18,922</u>	<u>20,609</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	5,113	9,531
FUND BALANCES					
Restricted	3,748,446	1,406,777	1,688,500	276,272	894,263
Committed	-	-	-	-	-
Assigned	-	-	846,388	-	-
Total fund balances	<u>3,748,446</u>	<u>1,406,777</u>	<u>2,534,888</u>	<u>276,272</u>	<u>894,263</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,830,817</u>	<u>\$ 1,481,294</u>	<u>\$ 2,539,577</u>	<u>\$ 300,307</u>	<u>\$ 924,403</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2023

Page 3 of 5

	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
ASSETS					
Cash and cash equivalents	\$ 151,880	\$ 521	\$ 1,308,174	\$ 1,094,882	\$ 3,011,173
Receivables:					
Property taxes, net	-	-	23,454	23,258	7,229
Governments	214,035	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 365,915</u>	<u>\$ 521</u>	<u>\$ 1,331,628</u>	<u>\$ 1,118,140</u>	<u>\$ 3,018,402</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 10,350	\$ -	\$ 20,595	\$ 7,104	\$ 1,248
Unearned revenue	-	-	-	-	-
Total liabilities	<u>10,350</u>	<u>-</u>	<u>20,595</u>	<u>7,104</u>	<u>1,248</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	11,614	12,043	3,946
FUND BALANCES					
Restricted	355,565	521	1,299,419	1,098,993	1,687,620
Committed	-	-	-	-	1,325,588
Assigned	-	-	-	-	-
Total fund balances	<u>355,565</u>	<u>521</u>	<u>1,299,419</u>	<u>1,098,993</u>	<u>3,013,208</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 365,915</u>	<u>\$ 521</u>	<u>\$ 1,331,628</u>	<u>\$ 1,118,140</u>	<u>\$ 3,018,402</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2023

Page 4 of 5

	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
ASSETS					
Cash and cash equivalents	\$ 2,927,541	\$ 483,051	\$ 2,705,602	\$ 1,122,129	\$ 1,813,117
Receivables:					
Property taxes, net	5,459	-	-	-	-
Governments	-	-	-	-	-
Other	-	-	4,000	4,252	-
Total assets	<u>\$ 2,933,000</u>	<u>\$ 483,051</u>	<u>\$ 2,709,602</u>	<u>\$ 1,126,381</u>	<u>\$ 1,813,117</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 2,471	\$ 2,341	\$ 27,631	\$ 19,506	\$ 3,490
Unearned revenue	-	-	-	-	-
Total liabilities	<u>2,471</u>	<u>2,341</u>	<u>27,631</u>	<u>19,506</u>	<u>3,490</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	<u>3,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	1,364,128	480,710	2,681,971	-	-
Committed	1,563,106	-	-	1,106,875	1,809,627
Assigned	-	-	-	-	-
Total fund balances	<u>2,927,234</u>	<u>480,710</u>	<u>2,681,971</u>	<u>1,106,875</u>	<u>1,809,627</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,933,000</u>	<u>\$ 483,051</u>	<u>\$ 2,709,602</u>	<u>\$ 1,126,381</u>	<u>\$ 1,813,117</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2023

Page 5 of 5

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 29,639,989
Receivables:	
Property taxes, net	294,726
Governments	472,030
Other	<u>76,575</u>
Total assets	<u><u>\$ 30,483,320</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 1,090,989
Unearned revenue	<u>147,070</u>
Total liabilities	<u>1,238,059</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	<u>151,600</u>
FUND BALANCES	
Restricted	22,442,077
Committed	5,805,196
Assigned	<u>846,388</u>
Total fund balances	<u>29,093,661</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 30,483,320</u></u>

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

Page 1 of 5

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition
REVENUES					
Property taxes	\$ 4,034,845	\$ 1,841,434	\$ -	\$ 3,086,697	\$ 1,363,943
Intergovernmental:					
County	476,548	235,903	-	-	-
State other	476,548	235,903	-	-	-
Federal	-	-	5,265,870	-	-
Tuition	-	-	-	-	-
Charges for services	50,034	75	1,948,447	-	-
Interest	24,866	9,048	42,768	14,945	9,373
Miscellaneous	-	-	-	-	-
Total revenues	5,062,841	2,322,363	7,257,085	3,101,642	1,373,316
EXPENDITURES					
Current:					
Instruction	-	5,371	-	2,037,685	1,206,158
Support services:					
Students	-	-	-	704,723	97,108
Instructional staff	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	216,502	-
Business services	-	-	-	-	-
Operation and maintenance	3,776	2,058	-	-	-
Student transportation	4,955,556	2,230,707	-	-	-
Food services	-	-	6,841,252	-	-
Extracurricular	-	-	-	-	-
Capital outlay	-	-	322,777	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	4,959,332	2,238,136	7,164,029	2,958,910	1,303,266
Excess (deficiency) of revenues over expenditures	103,509	84,227	93,056	142,732	70,050
OTHER FINANCING SOURCES					
Software subscriptions	-	-	-	-	-
Net change in fund balances	103,509	84,227	93,056	142,732	70,050
Fund balances - beginning	1,456,753	531,596	2,762,108	205,334	9,527
Fund balances - ending	\$ 1,560,262	\$ 615,823	\$ 2,855,164	\$ 348,066	\$ 79,577

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

Page 2 of 5

	Elementary Retirement	High School Retirement	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 616,231	\$ 823,147
Intergovernmental:					
County	12,503,513	6,717,456	-	-	-
State other	-	-	190,196	-	-
Federal	-	-	550,490	-	-
Tuition	-	-	-	-	-
Charges for services	-	-	-	7,250	149,662
Interest	17,347	5,235	-	3,747	14,846
Miscellaneous	-	-	74,637	1,441	-
Total revenues	12,520,860	6,722,691	815,323	628,669	987,655
EXPENDITURES					
Current:					
Instruction	8,434,034	4,462,726	572,080	328,340	477,755
Support services:					
Students	997,352	514,277	18,940	65,464	227,838
Instructional staff	845,388	337,531	26,760	698	-
General administration	85,736	71,102	-	-	-
School administration	1,266,153	823,822	13,329	63,768	428,422
Business services	164,824	93,454	-	-	-
Operation and maintenance	723,350	371,064	-	47,873	29,217
Student transportation	164,358	53,168	-	-	-
Food services	-	14,441	-	-	-
Extracurricular	147,706	256,873	-	-	-
Capital outlay	-	-	128,165	17,670	-
Debt service					
Principal	-	-	-	17,670	-
Interest and other charges	-	-	-	-	-
Total expenditures	12,828,901	6,998,458	759,274	541,483	1,163,232
Excess (deficiency) of revenues over expenditures	(308,041)	(275,767)	56,049	87,186	(175,577)
OTHER FINANCING SOURCES					
Software subscriptions	-	-	-	17,670	-
Net change in fund balances	(308,041)	(275,767)	56,049	104,856	(175,577)
Fund balances - beginning	4,056,487	1,682,544	2,478,839	171,416	1,069,840
Fund balances - ending	<u>\$ 3,748,446</u>	<u>\$ 1,406,777</u>	<u>\$ 2,534,888</u>	<u>\$ 276,272</u>	<u>\$ 894,263</u>

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

Page 3 of 5

	High School Traffic Education	High School Lease Rental	Elementary Technology	High School Technology	Elementary Flexibility
REVENUES					
Property taxes	\$ -	\$ -	\$ 1,194,013	\$ 1,096,853	\$ 404,751
Intergovernmental:					
County	-	-	-	-	-
State other	214,035	-	65,779	37,544	496,634
Federal	-	-	-	-	-
Tuition	-	-	-	-	-
Charges for services	380,315	-	-	-	-
Interest	2,241	6	98,706	86,646	35,867
Miscellaneous	3,108	-	37,365	22,752	-
Total revenues	599,699	6	1,395,863	1,243,795	937,252
EXPENDITURES					
Current:					
Instruction	468,918	-	326,256	361,497	140,463
Support services:					
Students	-	-	-	-	-
Instructional staff	-	-	477,551	387,447	72,032
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Operation and maintenance	-	-	32,060	15,790	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	44,194	-	-	-	-
Interest and other charges	5,471	-	-	-	-
Total expenditures	518,583	-	835,867	764,734	212,495
Excess (deficiency) of revenues over expenditures	81,116	6	559,996	479,061	724,757
OTHER FINANCING SOURCES					
Software subscriptions	-	-	-	-	-
Net change in fund balances	81,116	6	559,996	479,061	724,757
Fund balances - beginning	274,449	515	739,423	619,932	2,288,451
Fund balances - ending	<u>\$ 355,565</u>	<u>\$ 521</u>	<u>\$ 1,299,419</u>	<u>\$ 1,098,993</u>	<u>\$ 3,013,208</u>

BILLINGS PUBLIC SCHOOLS
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

Page 4 of 5

	High School Flexibility	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust
REVENUES					
Property taxes	\$ 280,708	\$ -	\$ -	\$ -	\$ -
Intergovernmental:					
County	-	-	-	-	-
State other	544,216	-	-	-	-
Federal	-	-	-	-	-
Tuition	-	-	-	-	13,100
Charges for services	-	-	-	-	-
Interest	39,526	6,852	34,174	12,030	22,077
Miscellaneous	371	715,163	3,063,654	643,918	437,833
Total revenues	864,821	722,015	3,097,828	655,948	473,010
EXPENDITURES					
Current:					
Instruction	338,804	-	-	142,068	108,201
Support services:					
Students	5,531	-	-	294,572	360,977
Instructional staff	154,465	-	-	1,884	95
General administration	-	-	-	-	-
School administration	-	-	-	1,811	500
Business services	-	-	-	-	-
Operation and maintenance	-	-	-	1,675	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Extracurricular	-	722,313	2,759,606	1,784	2,000
Capital outlay	7,260	-	49,069	52,326	-
Debt service					
Principal	-	-	113,788	-	-
Interest and other charges	-	-	6,592	-	-
Total expenditures	506,060	722,313	2,929,055	496,120	471,773
Excess (deficiency) of revenues over expenditures	358,761	(298)	168,773	159,828	1,237
OTHER FINANCING SOURCES					
Software subscriptions	-	-	-	-	-
Net change in fund balances	358,761	(298)	168,773	159,828	1,237
Fund balances - beginning	2,568,473	481,008	2,513,198	947,047	1,808,390
Fund balances - ending	<u>\$ 2,927,234</u>	<u>\$ 480,710</u>	<u>\$ 2,681,971</u>	<u>\$ 1,106,875</u>	<u>\$ 1,809,627</u>

BILLINGS PUBLIC SCHOOLS
 COMBINING STATEMENT OF
 REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2023

Page 5 of 5

	Total
REVENUES	
Property taxes	\$ 14,742,622
Intergovernmental:	
County	19,933,420
State other	2,260,855
Federal	5,816,360
Tuition	13,100
Charges for services	2,535,783
Interest	480,300
Miscellaneous	5,000,242
	<hr/>
Total revenues	50,782,682
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EXPENDITURES	
Current:	
Instruction	19,410,356
Support services:	
Students	3,286,782
Instructional staff	2,303,851
General administration	156,838
School administration	2,814,307
Business services	258,278
Operation and maintenance	1,226,863
Student transportation	7,403,789
Food services	6,855,693
Extracurricular	3,890,282
Capital outlay	577,267
Debt service	
Principal	175,652
Interest and other charges	12,063
	<hr/>
Total expenditures	48,372,021
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Excess (deficiency) of revenues over expenditures	2,410,661
	<hr/>
OTHER FINANCING SOURCES	
Software subscriptions	17,670
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Net change in fund balances	2,428,331
Fund balances - beginning	26,665,330
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Fund balances - ending	\$ 29,093,661
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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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 4,053,447	\$ 4,053,447	\$ 4,034,845	\$ -	\$ 4,034,845
Intergovernmental:					
County	500,500	500,500	476,548	-	476,548
State other	500,500	500,500	476,548	-	476,548
Charges for services	-	-	50,034	-	50,034
Interest	-	-	24,866	-	24,866
Total revenues	5,054,447	5,054,447	5,062,841	-	5,062,841
EXPENDITURES					
Current:					
Support services:					
Operation and maintenance	3,260	3,260	3,776	-	3,776
Student transportation	5,422,740	5,422,740	4,955,556	-	4,955,556
Total expenditures	5,426,000	5,426,000	4,959,332	-	4,959,332
Net change in fund balances	\$ (371,553)	\$ (371,553)	103,509	-	103,509
Fund balances - beginning			1,456,753	-	1,456,753
Fund balances - ending			\$ 1,560,262	\$ -	\$ 1,560,262

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,843,803	\$ 1,843,803	\$ 1,841,434	\$ -	\$ 1,841,434
Intergovernmental:					
County	247,500	247,500	235,903	-	235,903
State other	247,500	247,500	235,903	-	235,903
Charges for services	-	-	75	-	75
Interest	-	-	9,048	-	9,048
Total revenues	2,338,803	2,338,803	2,322,363	-	2,322,363
EXPENDITURES					
Current:					
Instructional	-	-	5,371	-	5,371
Support services:					
Operation and maintenance	1,960	1,960	2,058	-	2,058
Student transportation	2,390,040	2,390,040	2,230,707	-	2,230,707
Total expenditures	2,392,000	2,392,000	2,238,136	-	2,238,136
Net change in fund balances	\$ (53,197)	\$ (53,197)	84,227	-	84,227
Fund balances - beginning			531,596	-	531,596
Fund balances - ending			\$ 615,823	\$ -	\$ 615,823

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 3,094,665	\$ 3,094,665	\$ 3,086,697	\$ -	\$ 3,086,697
Interest	-	-	14,945	-	14,945
Total revenues	3,094,665	3,094,665	3,101,642	-	3,101,642
EXPENDITURES					
Current:					
Instruction	3,300,000	3,300,000	2,037,685	-	2,037,685
Support services:					
Students	-	-	704,723	-	704,723
Administration	-	-	216,502	-	216,502
Total expenditures	3,300,000	3,300,000	2,958,910	-	2,958,910
Net change in fund balances	<u>\$ (205,335)</u>	<u>\$ (205,335)</u>	142,732	-	142,732
Fund balances - beginning			205,334	-	205,334
Fund balances - ending			<u>\$ 348,066</u>	<u>\$ -</u>	<u>\$ 348,066</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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 1,365,472	\$ 1,365,472	\$ 1,363,943	\$ -	\$ 1,363,943
Interest	-	-	9,373	-	9,373
Total revenues	<u>1,365,472</u>	<u>1,365,472</u>	<u>1,373,316</u>	<u>-</u>	<u>1,373,316</u>
EXPENDITURES					
Current:					
Instruction	1,375,000	1,375,000	1,206,158	-	1,206,158
Support services:					
Students	-	-	97,108	-	97,108
Total expenditures	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,303,266</u>	<u>-</u>	<u>1,303,266</u>
Net change in fund balances	<u>\$ (9,528)</u>	<u>\$ (9,528)</u>	70,050	-	70,050
Fund balances - beginning			<u>9,527</u>	<u>-</u>	<u>9,527</u>
Fund balances - ending			<u>\$ 79,577</u>	<u>\$ -</u>	<u>\$ 79,577</u>

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
County	\$ 12,503,513	\$ 12,503,513	\$ 12,503,513	\$ -	\$ 12,503,513
Interest	-	-	17,347	-	17,347
Total revenues	12,503,513	12,503,513	12,520,860	-	12,520,860
EXPENDITURES					
Current:					
Instructional	11,136,967	11,136,967	8,434,034	-	8,434,034
Support services:					
Students	899,628	899,628	997,352	-	997,352
Instructional staff	561,983	561,983	845,388	-	845,388
General administration	8,309	8,309	85,736	-	85,736
School administration	246,154	246,154	1,266,153	-	1,266,153
Business services	125,006	125,006	164,824	-	164,824
Operation and maintenance	681,836	681,836	723,350	-	723,350
Student transportation	135,746	135,746	164,358	-	164,358
Extracurricular	4,371	4,371	147,706	-	147,706
Total expenditures	13,800,000	13,800,000	12,828,901	-	12,828,901
Net change in fund balances	\$ (1,296,487)	\$ (1,296,487)	(308,041)	-	(308,041)
Fund balances - beginning			4,056,487	-	4,056,487
Fund balances - ending			\$ 3,748,446	\$ -	\$ 3,748,446

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Intergovernmental:					
County	\$ 6,717,456	\$ 6,717,456	\$ 6,717,456	\$ -	\$ 6,717,456
Interest	-	-	5,235	-	5,235
Total revenues	6,717,456	6,717,456	6,722,691	-	6,722,691
EXPENDITURES					
Current:					
Instructional	5,581,610	5,581,610	4,462,726	-	4,462,726
Support services:					
Students	418,729	418,729	514,277	-	514,277
Instructional staff	226,006	226,006	337,531	-	337,531
General administration	29,614	29,614	71,102	-	71,102
School administration	237,461	237,461	823,822	-	823,822
Business services	80,921	80,921	93,454	-	93,454
Operation and maintenance	357,030	357,030	371,064	-	371,064
Student transportation	36,769	36,769	53,168	-	53,168
Food services	15,084	15,084	14,441	-	14,441
Extracurricular	16,776	16,776	256,873	-	256,873
Total expenditures	7,000,000	7,000,000	6,998,458	-	6,998,458
Net change in fund balances	\$ (282,544)	\$ (282,544)	(275,767)	-	(275,767)
Fund balances - beginning			1,682,544	-	1,682,544
Fund balances - ending			\$ 1,406,777	\$ -	\$ 1,406,777

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 617,400	\$ 617,400	\$ 616,231	\$ -	\$ 616,231
Charges for services	-	-	7,250	-	7,250
Interest	-	-	3,747	-	3,747
Miscellaneous	-	-	1,441	-	1,441
Total revenues	617,400	617,400	628,669	-	628,669
EXPENDITURES					
Current:					
Instructional	395,876	395,876	328,340	-	328,340
Support services:					
Students	58,814	58,814	65,464	-	65,464
Instructional staff	-	-	698	-	698
School administration	124,410	124,410	63,768	-	63,768
Operation and maintenance	38,300	38,300	47,873	-	47,873
Debt Service:					
Principal	-	-	17,670	-	17,670
Capital Outlay	-	-	-	17,670	17,670
Total expenditures	617,400	617,400	523,813	17,670	541,483
Excess (deficiency) of revenues over expenditures	-	-	104,856	(17,670)	87,186
OTHER FINANCING SOURCES					
Software Subscriptions	-	-	-	17,670	17,670
Total other financing sources	-	-	-	17,670	17,670
Net change in fund balances	\$ -	\$ -	104,856	-	104,856
Fund balances - beginning			171,416	-	171,416
Fund balances - ending			\$ 276,272	\$ -	\$ 276,272

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 826,765	\$ 826,765	\$ 823,147	\$ -	\$ 823,147
Charges for services	280,000	280,000	149,662	-	149,662
Interest	-	-	14,846	-	14,846
Total revenues	1,106,765	1,106,765	987,655	-	987,655
EXPENDITURES					
Current:					
Instructional	786,804	786,804	477,755	-	477,755
Support services:					
Students	210,613	210,613	227,838	-	227,838
School administration	554,183	554,183	428,422	-	428,422
Operation and maintenance	34,100	34,100	29,217	-	29,217
Capital Outlay	26,600	26,600	-	-	-
Total expenditures	1,612,300	1,612,300	1,163,232	-	1,163,232
Net change in fund balances	\$ (505,535)	\$ (505,535)	(175,577)	-	(175,577)
Fund balances - beginning			1,069,840	-	1,069,840
Fund balances - ending			\$ 894,263	\$ -	\$ 894,263

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, 2023

	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	\$ 1,194,013	\$ -	\$ 1,194,013
Intergovernmental:					
State other	65,779	65,779	65,779	-	65,779
Interest	-	-	98,706	-	98,706
Miscellaneous	-	-	37,365	-	37,365
Total revenues	<u>1,265,779</u>	<u>1,265,779</u>	<u>1,395,863</u>	<u>-</u>	<u>1,395,863</u>
EXPENDITURES					
Current:					
Instructional	934,130	934,130	326,256	-	326,256
Support services:					
Instructional staff	865,099	865,099	477,551	-	477,551
Operation and maintenance	157,791	157,791	32,060	-	32,060
Capital Outlay	<u>48,183</u>	<u>48,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,005,203</u>	<u>2,005,203</u>	<u>835,867</u>	<u>-</u>	<u>835,867</u>
Net change in fund balances	<u>\$ (739,424)</u>	<u>\$ (739,424)</u>	559,996	-	559,996
Fund balances - beginning			<u>739,423</u>	<u>-</u>	<u>739,423</u>
Fund balances - ending			<u>\$ 1,299,419</u>	<u>\$ -</u>	<u>\$ 1,299,419</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, 2023

	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	\$ 1,096,853	\$ -	\$ 1,096,853
Intergovernmental:					
State other	37,544	37,544	37,544	-	37,544
Interest	-	-	86,646	-	86,646
Miscellaneous	-	-	22,752	-	22,752
Total revenues	1,137,003	1,137,003	1,243,795	-	1,243,795
EXPENDITURES					
Current:					
Instructional	1,237,345	1,237,345	361,497	-	361,497
Support services:					
Instructional staff	494,017	494,017	387,447	-	387,447
Operation and maintenance	12,075	12,075	15,790	-	15,790
Capital Outlay	13,498	13,498	-	-	-
Total expenditures	1,756,935	1,756,935	764,734	-	764,734
Net change in fund balances	\$ (619,932)	\$ (619,932)	479,061	-	479,061
Fund balances - beginning			619,932	-	619,932
Fund balances - ending			\$ 1,098,993	\$ -	\$ 1,098,993

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 406,200	\$ 406,200	\$ 404,751	\$ -	\$ 404,751
Intergovernmental:					
State other	496,634	496,634	496,634	-	496,634
Interest	-	-	35,867	-	35,867
Total revenues	902,834	902,834	937,252	-	937,252
EXPENDITURES					
Current:					
Instructional	2,666,074	2,666,074	140,463	-	140,463
Support services:					
Instructional staff	525,212	525,212	72,032	-	72,032
Total expenditures	3,191,286	3,191,286	212,495	-	212,495
Net change in fund balances	\$ (2,288,452)	\$ (2,288,452)	724,757	-	724,757
Fund balances - beginning			2,288,451	-	2,288,451
Fund balances - ending			\$ 3,013,208	\$ -	\$ 3,013,208

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 283,394	\$ 283,394	\$ 280,708	\$ -	\$ 280,708
Intergovernmental:					
State other	544,216	544,216	544,216	-	544,216
Interest	-	-	39,526	-	39,526
Miscellaneous	-	-	371	-	371
Total revenues	827,610	827,610	864,821	-	864,821
EXPENDITURES					
Current:					
Instructional	2,100,593	2,100,593	338,804	-	338,804
Support services:					
Students	-	-	5,531	-	5,531
Instructional staff	1,278,111	1,278,111	154,465	-	154,465
Capital Outlay	17,378	17,378	7,260	-	7,260
Total expenditures	3,396,082	3,396,082	506,060	-	506,060
Net change in fund balances	<u>\$ (2,568,472)</u>	<u>\$ (2,568,472)</u>	358,761	-	358,761
Fund balances - beginning			2,568,473	-	2,568,473
Fund balances - ending			<u>\$ 2,927,234</u>	<u>\$ -</u>	<u>\$ 2,927,234</u>

Nonmajor Debt Service Funds

Budgeted:

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

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUND
 June 30, 2023

	Elementary Debt Service	High School Debt Service	Total
ASSETS			
Cash and cash equivalents	\$ 9,367,276	\$ 7,994,557	\$ 17,361,833
Receivables:			
Property taxes, net	197,523	14,151	211,674
Governments	268,138	53,646	321,784
Total assets	<u>\$ 9,832,937</u>	<u>\$ 8,062,354</u>	<u>\$ 17,895,291</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 65,394	\$ 65,394
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	99,738	6,987	106,725
FUND BALANCES			
Restricted	9,733,199	7,989,973	17,723,172
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,832,937</u>	<u>\$ 8,062,354</u>	<u>\$ 17,895,291</u>

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

For the Year Ended June 30, 2023

	Elementary Debt Service	High School Debt Service	Total
REVENUES			
Property taxes	\$ 10,030,743	\$ 687,904	\$ 10,718,647
Intergovernmental:			
State aid	337,264	58,653	395,917
Federal	536,276	492,611	1,028,887
Interest	177,084	97,198	274,282
Total revenues	11,081,367	1,336,366	12,417,733
EXPENDITURES			
Debt service:			
Principal	7,035,000	-	7,035,000
Interest and other charges	2,903,017	571,570	3,474,587
Total expenditures	9,938,017	571,570	10,509,587
Net change in fund balances	1,143,350	764,796	1,908,146
Fund balances - beginning	8,589,849	7,225,177	15,815,026
Fund balances - ending	\$ 9,733,199	\$ 7,989,973	\$ 17,723,172

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 10,075,247	\$ 10,075,247	\$ 10,030,743	\$ -	\$ 10,030,743
Intergovernmental:					
State aid	-	-	337,264	-	337,264
Federal	-	-	536,276	-	536,276
Interest	-	-	177,084	-	177,084
Total revenues	10,075,247	10,075,247	11,081,367	-	11,081,367
EXPENDITURES					
Debt Service:					
Principal	7,739,371	7,739,371	7,035,000	-	7,035,000
Interest and other charges	2,335,876	2,335,876	2,903,017	-	2,903,017
Total expenditures	10,075,247	10,075,247	9,938,017	-	9,938,017
Net change in fund balances	\$ -	\$ -	1,143,350	-	1,143,350
Fund balances - beginning			8,589,849	-	8,589,849
Fund balances - ending			\$ 9,733,199	\$ -	\$ 9,733,199

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 686,264	\$ 686,264	\$ 687,904	\$ -	\$ 687,904
Intergovernmental:					
State aid	-	-	58,653	-	58,653
Federal	-	-	492,611	-	492,611
Interest	-	-	97,198	-	97,198
Total revenues	<u>686,264</u>	<u>686,264</u>	<u>1,336,366</u>	<u>-</u>	<u>1,336,366</u>
EXPENDITURES					
Current:					
Debt Service:					
Principal	637,892	637,892	-	-	-
Interest and other charges	<u>48,372</u>	<u>48,372</u>	<u>571,570</u>	<u>-</u>	<u>571,570</u>
Total expenditures	<u>686,264</u>	<u>686,264</u>	<u>571,570</u>	<u>-</u>	<u>571,570</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	764,796	-	764,796
Fund balances - beginning			<u>7,225,177</u>	<u>-</u>	<u>7,225,177</u>
Fund balances - ending			<u>\$ 7,989,973</u>	<u>\$ -</u>	<u>\$ 7,989,973</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 - (Elementary and High School) To account for the proceeds of bonds, insurance proceeds for damaged property or the sale or rental of property.

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BILLINGS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 June 30, 2023

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
ASSETS					
Cash and cash equivalents	\$ 2,637,728	\$ 791,452	\$ 3,889,678	\$ 1,042,278	\$ 8,361,136
Receivables:					
Property taxes, net	-	-	11,954	7,267	19,221
Other	62,612	-	-	-	62,612
Total assets	<u>\$ 2,700,340</u>	<u>\$ 791,452</u>	<u>\$ 3,901,632</u>	<u>\$ 1,049,545</u>	<u>\$ 8,442,969</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 101,187	\$ 188,836	\$ 244,405	\$ 37,218	\$ 571,646
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	6,086	3,838	9,924
FUND BALANCES					
Restricted	2,599,153	602,616	3,651,141	1,008,489	7,861,399
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,700,340</u>	<u>\$ 791,452</u>	<u>\$ 3,901,632</u>	<u>\$ 1,049,545</u>	<u>\$ 8,442,969</u>

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended June 30, 2023

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
REVENUES					
Property taxes	\$ -	\$ -	\$ 593,244	\$ 337,796	\$ 931,040
Intergovernmental:					
State other	-	-	709,699	302,160	1,011,859
Charges for services	30,338	37,223	-	-	67,561
Interest	130,545	10,910	39,535	10,874	191,864
Miscellaneous	294,495	-	-	-	294,495
Total revenues	455,378	48,133	1,342,478	650,830	2,496,819
EXPENDITURES					
Current:					
Support services:					
Business services	6,044	2,977	-	-	9,021
Operation and maintenance	1,280,560	122,753	78,113	65,866	1,547,292
Capital outlay	2,219,326	225,820	363,067	320,978	3,129,191
Total expenditures	3,505,930	351,550	441,180	386,844	4,685,504
Net change in fund balances	(3,050,552)	(303,417)	901,298	263,986	(2,188,685)
Fund balances - beginning	5,649,705	906,033	2,749,843	744,503	10,050,084
Fund balances - ending	\$ 2,599,153	\$ 602,616	\$ 3,651,141	\$ 1,008,489	\$ 7,861,399

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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 595,711	\$ 595,711	\$ 593,244	\$ -	\$ 593,244
Intergovernmental:					
State other	709,699	709,699	709,699	-	709,699
Interest	-	-	39,535	-	39,535
Total revenues	<u>1,305,410</u>	<u>1,305,410</u>	<u>1,342,478</u>	<u>-</u>	<u>1,342,478</u>
EXPENDITURES					
Current:					
Operation and maintenance	-	-	78,113	-	78,113
Capital Outlay	<u>4,055,252</u>	<u>4,055,252</u>	<u>363,067</u>	<u>-</u>	<u>363,067</u>
Total expenditures	<u>4,055,252</u>	<u>4,055,252</u>	<u>441,180</u>	<u>-</u>	<u>441,180</u>
Net change in fund balances	<u>\$ (2,749,842)</u>	<u>\$ (2,749,842)</u>	901,298	-	901,298
Fund balances - beginning			<u>2,749,843</u>	<u>-</u>	<u>2,749,843</u>
Fund balances - ending			<u>\$ 3,651,141</u>	<u>\$ -</u>	<u>\$ 3,651,141</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, 2023

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
REVENUES					
Property taxes	\$ 337,090	\$ 337,090	\$ 337,796	\$ -	\$ 337,796
Intergovernmental:					
State other	302,160	302,160	302,160	-	302,160
Interest	-	-	10,874	-	10,874
Total revenues	639,250	639,250	650,830	-	650,830
EXPENDITURES					
Current:					
Operation and maintenance	-	-	65,866	-	65,866
Capital Outlay	1,383,753	1,383,753	320,978	-	320,978
Total expenditures	1,383,753	1,383,753	386,844	-	386,844
Net change in fund balances	\$ (744,503)	\$ (744,503)	263,986	-	263,986
Fund balances - beginning			744,503	-	744,503
Fund balances - ending			\$ 1,008,489	\$ -	\$ 1,008,489

Proprietary Funds

Internal Service Funds:

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

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

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

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

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BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF NET POSITION-ALL INTERNAL SERVICE FUNDS

June 30, 2023

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 337,604	\$ 7,911,817	\$ 350	\$ 8,249,771
Accounts receivables, net	230	1,631,020	-	1,631,250
Total current assets	337,834	9,542,837	350	9,881,021
Non-current assets:				
Capital Assets:				
Leases	53,180	-	-	53,180
Less: accumulated amortization	(24,338)	-	-	(24,338)
Total non-current assets	28,842	-	-	28,842
Total assets	366,676	9,542,837	350	9,909,863
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	-	7,062,772	-	7,062,772
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	6,767	3,646,196	-	3,652,963
Unearned revenue	-	15,188	-	15,188
Compensated absences	1,452	2,408	-	3,860
Leases	12,189	-	-	12,189
Total current liabilities	20,408	3,663,792	-	3,684,200
Noncurrent liabilities:				
Compensated absences	13,070	21,672	-	34,742
Leases	18,383	-	-	18,383
Total other postemployment benefits	-	27,594,250	-	27,594,250
Total noncurrent liabilities	31,453	27,615,922	-	27,647,375
Total liabilities	51,861	31,279,714	-	31,331,575
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	-	3,153,996	-	3,153,996
NET POSITION (DEFICIT)				
Net investment in capital assets	(1,730)	-	-	(1,730)
Unrestricted	316,545	(17,828,101)	350	(17,511,206)
Total net position (deficit)	\$ 314,815	\$ (17,828,101)	\$ 350	\$ (17,512,936)

BILLINGS PUBLIC SCHOOLS

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

ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2023

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 318,725	\$ 22,186,726	\$ -	\$ 22,505,451
OPERATING EXPENSES				
Personal services - salaries	114,080	173,403	-	287,483
Personal services - benefits	32,119	29,689	-	61,808
Purchased property services	57,479	23,719	-	81,198
Other purchased services	24,512	1,180,422	-	1,204,934
Supplies and materials	91,494	3,818	-	95,312
Insurance claims and expenses	-	27,712,025	-	27,712,025
Miscellaneous	-	25	-	25
Amortization	12,169	-	-	12,169
Total operating expenses	331,853	29,123,101	-	29,454,954
Operating income (loss)	(13,128)	(6,936,375)	-	(6,949,503)
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	-	169,058	-	169,058
Interest expense	(2,155)	-	-	(2,155)
Total nonoperating revenues (expenses)	(2,155)	169,058	-	166,903
Change in net position	(15,283)	(6,767,317)	-	(6,782,600)
Net position - beginning	330,098	(11,060,784)	350	(10,730,336)
Net position - ending	\$ 314,815	\$ (17,828,101)	\$ 350	\$ (17,512,936)

BILLINGS PUBLIC SCHOOLS

COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2023

	Warehouse	Self-Insurance Health	Self- Insurance Property	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from health insurance premiums	\$ -	\$ 22,157,004	\$ -	\$ 22,157,004
Cash received from interfund services	319,486	-	-	319,486
Medical claims paid	-	(25,793,332)	-	(25,793,332)
Cash paid to employees health insurance services	-	(199,332)	-	(199,332)
Cash paid to employees for interfund services	(155,404)	-	-	(155,404)
Cash paid to suppliers for goods and services health insurance services	-	(1,033,950)	-	(1,033,950)
Cash paid to suppliers for goods and services interfund services	(173,966)	-	-	(173,966)
Net cash used by operating activities	(9,884)	(4,869,610)	-	(4,879,494)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Principal payments on leases	(11,501)	-	-	(11,501)
Interest paid	(2,155)	-	-	(2,155)
Net cash used by capital financing activities	(13,656)	-	-	(13,656)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	-	169,058	-	169,058
Change in cash and cash equivalents	(23,540)	(4,700,552)	-	(4,724,092)
Cash and cash equivalents - beginning	361,144	12,612,369	350	12,973,863
Cash and cash equivalents - ending	\$ 337,604	\$ 7,911,817	\$ 350	\$ 8,249,771
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	\$ (13,128)	\$ (6,936,375)	\$ -	\$ (6,949,503)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Amortization	12,169	-	-	12,169
Other postemployment benefits	-	1,677,805	-	1,677,805
(Increase) decrease in accounts receivable	761	(1,033,329)	-	(1,032,568)
Decrease in prepaid items	-	97,503	-	97,503
Increase (decrease) in accounts payable	(481)	1,323,162	-	1,322,681
Decrease in unearned revenue	-	(2,232)	-	(2,232)
Increase (decrease) in compensated absences	(9,205)	3,856	-	(5,349)
Net cash used by operating activities	\$ (9,884)	\$ (4,869,610)	\$ -	\$ (4,879,494)

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

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BILLINGS PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN NET POSITION - EXTRACURRICULAR
For the Year Ended June 30, 2023

Location	Balance July 1, 2022	Revenues	Expenditures	Balance June 30, 2023
Native American	\$ 39	\$ 6,803	\$ 1,154	\$ 5,688
Career Center	173,269	138,508	138,377	173,400
Senior High School	612,396	741,894	720,901	633,389
West High School	556,055	864,296	846,251	574,100
Skyview High School	384,974	926,109	854,232	456,851
Middle Schools-Athletics	152,202	141,899	165,550	128,551
Lewis & Clark Middle School	38,747	42,832	41,184	40,395
Lincoln Education Center	1,313	15	124	1,204
Riverside Middle School	30,409	28,317	21,158	37,568
Will James Middle School	70,327	94,088	100,287	64,128
Castlerock Middle School	57,396	103,465	85,821	75,040
Ben Steele Middle School	45,652	200,331	191,893	54,090
Medicine Crow Middle School	26,975	32,901	31,635	28,241
Arrowhead Elementary	5,265	1,013	3,352	2,926
Beartooth Elementary	2,137	5,105	4,617	2,625
Bench Elementary	6,868	7,153	9,218	4,803
Boulder Elementary	66	240	305	1
Broadwater Elementary	753	2,023	2,197	579
Burlington Elementary	6,931	6,194	12,519	606
Central Heights Elementary	441	4,665	4,805	301
McKinley Elementary	1,331	16	-	1,347
Meadowlark Elementary	193	3,154	1,548	1,799
Miles Elementary	2,298	3,106	4,399	1,005
Newman Elementary	267	1,736	1,386	617
Orchard Elementary	4,782	3,341	3,077	5,046
Poly Elementary	706	4,212	4,106	812
Ponderosa Elementary	1,167	1,806	1,775	1,198
Special Olympics	82	1	-	83
Rose Park Elementary	1,328	16	10	1,334
Sandstone Elementary	356	5	-	361
Adult Education	169	7	-	176
Washington Elementary	1,025	79	-	1,104
Alkali Creek Elementary	1,240	1,371	1,271	1,340
Big Sky Elementary	11,301	10,913	12,500	9,714
Exec Director of Activities	763,736	359,197	307,801	815,132
Coordinator of Music	32,010	83,032	77,915	37,127
	<u>\$ 2,994,206</u>	<u>\$ 3,819,843</u>	<u>\$ 3,651,368</u>	<u>\$ 3,162,681</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, 2023

	Per Enrollment Reports	Audit Per District Records	Difference
Fall Enrollment - October 2022			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,185	1,185	-
(b) Kindergarten (enrolled 181-719 hours per year)	17	17	-
(c) Kindergarten (enrolled < 181 hours per year)	1	1	-
(d) Grades 1-5 (enrolled 720+ hours per year)	6,058	6,058	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	-	-	-
(f) Grades 1-5 (enrolled < 181 hours per year)	1	1	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,718	3,718	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	4	4	-
(i) Grades 6-8 (enrolled < 181 hours per year)	2	2	-
(j) Total Elementary (add lines a through i)	10,986	10,986	-
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,557	5,557	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	42	42	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	10	10	-
(n) Total High School (add lines k through m)	5,609	5,609	-
(o) 19 Year-olds included on line k	4	4	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
Spring Enrollment - February 2023			
Elementary School District			
K - 5:			
(a) Kindergarten (enrolled 720+ hours per year)	1,198	1,198	-
(b) Kindergarten (enrolled 181-719 hours per year)	23	23	-
(c) Kindergarten (enrolled < 181 hours per year)	1	1	-
(d) Grades 1-5 (enrolled 720+ hours per year)	6,089	6,089	-
(e) Grades 1-5 (enrolled 181-719 hours per year)	2	2	-
(f) Grades 1-5 (enrolled < 181 hours per year)	-	-	-
6-8:			
(g) Grades 6-8 (enrolled 720+ hours per year)	3,695	3,695	-
(h) Grades 6-8 (enrolled 181-719 hours per year)	11	11	-
(i) Grades 6-8 (enrolled < 181 hours per year)	2	2	-
(j) Total Elementary (add lines a through i)	11,021	11,021	-
High School District:			
(k) Grades 9-12 (enrolled 720+ hours per year)	5,356	5,356	-
(l) Grades 9-12 (enrolled 181-719 hours per year)	40	40	-
(m) Grades 9 - 12 (enrolled < 181 hours per year)	4	4	-
(n) Total High School (add lines k through m)	5,400	5,400	-
(o) 19 Year-olds included on line k	4	4	-
(p) Job Corp	-	-	-
(q) Montana Youth Challenge	-	-	-
(r) Early Graduates	24	24	-

SECTION III - STATISTICAL SECTION

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SECTION III - STATISTICAL SECTION

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

Contents	<u>Page</u>
Financial Trends	101-105
<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	106-112
<i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</i>	
Debt Capacity	113-117
<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	118-120
<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	121-126
<i>The schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</i>	

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

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

Table 1

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 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	\$ 53,419,167
Restricted	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	49,545,600
Unrestricted (deficit)	(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)	(145,728,112)
Total net position	<u>\$ 54,520,308</u>	<u>\$ (45,933,424)</u>	<u>\$ (35,343,727)</u>	<u>\$ (56,540,146)</u>	<u>\$ (63,560,088)</u>	<u>\$ (64,589,642)</u>	<u>\$ (67,047,840)</u>	<u>\$ (61,347,933)</u>	<u>\$ (48,256,962)</u>	<u>\$ (42,763,345)</u>
		1		2	3			4	5	6

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

6 Implemented GASB Statement 96

BILLINGS PUBLIC SCHOOLS

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Instruction	\$ 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	\$ 131,265,683
Support services:										
Students	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	17,996,707
Instructional staff	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	11,534,345
General administration	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	3,175,173
School administration	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	15,176,165
Business services	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	2,853,060
Operation and maintenance	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	18,871,911
Student transportation	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	7,737,728
Food services	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	7,147,535
Community services	14,149	10,100	6,150	-	-	-	-	-	-	-
Extracurricular	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	7,031,404
Interest	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	3,128,936
Total expenses	159,744,398	163,127,767	166,683,190	179,000,795	190,063,593	199,137,773	212,400,588	238,419,561	223,414,893	225,918,647
Program revenues:										
Charges for services:										
Instruction	745,180	773,615	840,445	770,718	906,861	1,373,797	993,227	1,000,762	988,908	876,569
Support services:										
School administration	-	-	-	-	-	-	-	38,252	-	-
Operation and maintenance	64,694	57,034	418,069	160,782	57,945	78,734	79,176	208,730	1,137,767	67,561
Student transportation	34,550	36,618	40,285	36,411	56,946	70,783	62,636	43,327	49,747	50,109
Food services	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	1,948,447
Operating grants and contributions	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	54,143,027
Capital grants and contributions	54,637	97,003	177,026	422,990	320,499	164,404	193,938	-	-	-
Total program revenues	34,528,095	37,714,695	38,090,969	40,102,963	38,294,413	41,884,971	51,083,617	74,367,051	72,008,586	57,085,713
Net expense	(125,216,303)	(125,413,072)	(128,592,221)	(138,897,832)	(151,769,180)	(157,252,802)	(161,316,971)	(164,052,510)	(151,406,307)	(168,832,934)
General revenues:										
Property taxes	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	63,716,823
Unrestricted intergovernmental:										
State aid	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	83,037,954
State other	6,244,913	7,322,579	6,907,224	6,928,173	623,278	153,971	264,776	260,474	232,867	248,019
County	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	19,220,969
Interest	196,214	580,470	582,535	735,757	872,224	1,326,947	1,100,598	201,992	204,062	1,901,663
Contributions and donations	1,127,943	1,242,275	838,217	667,437	528,760	304,256	271,894	396,692	741,633	405,813
Miscellaneous	496,534	828,766	568,855	746,367	1,082,835	1,092,444	844,536	2,920,491	4,367,010	5,506,386
Gain on disposal of capital assets	-	8,139	-	-	305	14,699	-	-	-	-
Total general revenues	126,569,506	137,563,450	139,181,918	145,332,325	147,990,255	156,223,248	158,858,773	167,314,340	164,741,484	174,037,627
Change in net position	\$ 1,353,203	\$ 12,150,378	\$ 10,589,697	\$ 6,434,493	\$ (3,778,925)	\$ (1,029,554)	\$ (2,458,198)	\$ 3,261,830	\$ 13,335,177	\$ 5,204,693

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

Table 3

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ 8,650	\$ 30,000	\$ -	\$ -	\$ 1,188,893	\$ 871,491
Assigned	1,261,432	695,086	274,135	349,511	165,846	30,000	129,287	101,685	271,806	387,756
Unassigned	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	30,312,768
Total general fund	<u>\$ 8,109,696</u>	<u>\$ 11,026,973</u>	<u>\$ 16,490,598</u>	<u>\$ 17,586,153</u>	<u>\$ 15,727,886</u>	<u>\$ 13,224,574</u>	<u>\$ 12,959,657</u>	<u>\$ 25,094,986</u>	<u>\$ 28,835,650</u>	<u>\$ 31,572,015</u>
All other governmental funds										
Nondisposable	\$ -	\$ 1,659	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -
Restricted	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	50,023,388
Committed	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	5,805,196
Assigned	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	10,472,812
Total all other governmental funds	<u>\$ 107,506,367</u>	<u>\$ 67,041,877</u>	<u>\$ 67,626,655</u>	<u>\$ 47,565,783</u>	<u>\$ 41,198,860</u>	<u>\$ 42,706,258</u>	<u>\$ 50,023,781</u>	<u>\$ 59,358,016</u>	<u>\$ 62,841,140</u>	<u>\$ 66,301,396</u>

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

Table 4

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 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	\$ 63,304,459
Intergovernmental:										
County	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	19,933,420
State aid	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	83,037,954
State other	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	26,284,343
Federal	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	27,192,272
Tuition	215,980	210,943	204,913	330,996	336,731	747,032	575,426	449,716	450,258	352,442
Charges for services	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	2,603,344
Interest	168,041	525,184	530,978	644,480	745,116	1,140,929	944,008	176,117	181,419	1,732,605
Miscellaneous	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	6,101,079
Total revenues	161,611,873	174,288,229	178,894,484	183,431,478	187,421,158	197,585,888	207,609,776	243,673,632	235,558,549	230,541,918
Expenditures										
Instruction	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	121,200,459
Support services:										
Students	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	16,935,274
Instructional staff	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	10,874,719
General administration	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	3,297,308
School administration	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	14,733,024
Business services	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	2,662,091
Operations and maintenance	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	17,806,691
Student transportation	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	7,514,067
Food services	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	6,861,771
Community services	14,149	10,100	6,150	-	-	-	-	-	-	-
Extracurricular	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	6,830,677
Capital outlay	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	5,399,685
Debt service										
Principal	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	7,434,459
Interest	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	3,487,827
Total expenditures	169,183,935	211,905,081	211,825,260	203,110,361	195,646,348	198,596,950	210,688,850	227,442,384	230,870,030	225,038,052
Excess (deficiency) of revenues over expenditures	(7,572,062)	(37,616,852)	(32,930,776)	(19,678,883)	(8,225,190)	(1,011,062)	(3,079,074)	16,231,248	4,688,519	5,503,866
Other financing sources (uses)										
Transfers in	-	196,450	-	-	-	-	2,400,000	652,179	-	-
Transfers out	-	(196,450)	-	-	-	-	(2,400,000)	(652,179)	-	-
Software subscriptions	-	-	-	-	-	-	-	-	-	719,605
Leases issued	-	-	-	-	-	-	-	-	64,042	-
Premium on long-term debt issued	8,332,379	-	5,119,685	-	-	-	712,645	-	-	-
Insurance recoveries	-	61,500	859,494	507,789	-	-	1,019,035	2,353,369	2,471,227	-
Long-term debt issued	80,900,000	-	33,000,000	-	-	-	8,400,000	81,305,000	-	-
Payment to refunded bond agent	-	-	-	-	-	-	-	(80,858,130)	-	-
Sale of capital assets	-	8,139	-	205,777	-	15,148	-	-	-	-
Total other financing sources (uses)	89,232,379	69,639	38,979,179	713,566	-	15,148	10,131,680	2,800,239	2,535,269	719,605
Net change in fund balances	\$ 81,660,317	\$ (37,547,213)	\$ 6,048,403	\$ (18,965,317)	\$ (8,225,190)	\$ (995,914)	\$ 7,052,606	\$ 19,031,487	\$ 7,223,788	\$ 6,223,471
Debt service as a percentage of non-capital expenditures	1.22%	4.62%	5.27%	5.80%	5.54%	5.29%	5.02%	5.18%	5.29%	4.97%

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
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
2023	84,966,979	9,319,961	7,325,245	3,056,566	10,432,349	1,873,759	14,916,256	91,613

Fiscal Year	Community Services/Food Services	Extracurricular	Capital Outlay	Debt Service	Total
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
2023	2,360	2,881,733	889,244	113,834	135,869,899

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

Table 6

Fiscal Year	Assessed Value	Estimated Actual Value	Percent of Assessed Value to Est. Actual Value	Mill Levy	Taxes Levied	Collected within the Fiscal Year of the Levy		Tax Collections after Levy Year	Total Collections to Date	
						Amount Collected	Percent of Levy		Amount Collected	Percent of Levy
Elementary District:										
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%	175,121	42,165,999	98.21%
2023	236,494,552	14,459,658,399	1.64%	185.65	43,905,214	43,454,731	98.97%	-	43,454,731	98.97%
High School District:										
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%	129,196	19,323,254	98.57%
2023	296,879,780	18,021,255,728	1.65%	65.89	19,561,409	18,330,050	93.71%	-	18,330,050	93.71%

Source: Montana Department of Revenue
Yellowstone County Treasurer

BILLINGS PUBLIC SCHOOLS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Forest and Agricultural Land	Residential	Commercial	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Value	Total Direct Rate
Elementary District:							
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
2023	3,545,536	10,544,319,091	2,471,568,955	13,019,433,582	1.89%	245,517,385	185.65
High School District:							
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
2023	27,962,827	12,507,497,965	3,855,554,222	16,391,015,014	1.87%	307,244,381	65.89

BILLINGS PUBLIC SCHOOLS

Table 8

PRINCIPAL PROPERTY TAX PAYERS IN THE ELEMENTARY DISTRICT

Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Phillips 66 Company	\$ 24,152,380	1	10.21%	\$ 16,632,046	1	9.45%
Northwestern Energy - T & D	15,741,638	2	6.66%	13,023,735	2	7.40%
Montana Dakota Utilities - Gas Dist	4,470,716	3	1.89%	2,449,730	5	1.39%
MTSUN LLC	2,995,730	4	1.27%	-	-	0.00%
Charter Communications Inc	2,970,959	5	1.26%	-	-	0.00%
Phillips 66 Carrier LLC	1,737,053	6	0.73%	1,221,716	8	0.69%
Jupiter Sulphur LLC	1,636,337	7	0.69%	-	-	0.00%
Yellowstone Pipeline Co	1,104,835	8	0.47%	-	-	0.00%
Western Sugar Company	1,099,230	9	0.46%	-	-	0.00%
Verizon Inc	932,294	10	0.39%	979,969	9	0.56%
Exxon Mobile Corporation	-	-	0.00%	9,029,598	3	5.13%
Bresnan Broadband Holdings	-	-	0.00%	2,869,999	4	1.63%
Century Link	-	-	0.00%	2,336,680	6	1.33%
PPL Montana LLC	-	-	0.00%	1,389,466	7	0.79%
Walmart	-	-	0.00%	875,909	10	0.50%
Total	\$ 56,841,172		24.03%	\$ 50,808,848		28.86%

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	2023			2014		
	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation	Assessed Valuation	Rank	Percentage of Total District Assessed Valuation
Phillips 66 Company	\$ 24,155,707	1	8.14%	\$ 16,606,360	1	7.06%
Northwestern Energy - T & D	17,084,070	2	5.75%	12,569,327	2	5.34%
Montana Dakota Utilities - Gas Dist	4,819,545	3	1.62%	2,369,792	6	1.01%
MTSUN LLC	2,995,730	4	1.01%	-	-	0.00%
Charter Communications Inc	2,970,959	5	1.00%	-	-	0.00%
Phillips 66 Carrier LLC	2,049,914	6	0.69%	1,129,320	9	0.48%
Jupiter Sulphur LLC	1,636,337	7	0.55%	-	-	0.00%
Yellowstone Pipeline Co	1,104,835	8	0.37%	-	-	0.00%
Western Sugar Company	1,099,230	9	0.37%	-	-	0.00%
Verizon Wireless	994,792	10	0.34%	1,090,331	10	0.46%
AT&T Mobility LLC	-	-	0.00%	1,327,276	8	0.56%
Bresnan Broadband Holdings	-	-	0.00%	2,869,999	4	1.22%
Century Link	-	-	0.00%	2,630,895	5	1.12%
PPL Montana LLC - Pollution Control	-	-	0.00%	1,389,466	7	0.59%
Exxon Mobil Corporation	-	-	0.00%	9,029,598	3	3.84%
Total	<u>\$ 34,755,412</u>		<u>11.71%</u>	<u>\$ 34,406,004</u>		<u>14.62%</u>

Source: Montana Department of Revenue

BILLINGS PUBLIC SCHOOLS
REVENUE BY SOURCE - ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2023
(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	\$ 63,304,459	27.46%
Tuition	352,442	0.15%
Interest	1,732,605	0.75%
Charges for service	2,603,344	1.13%
County retirement	19,220,969	8.34%
County transportation	712,451	0.31%
Miscellaneous	6,101,079	2.65%
Total revenue from local and intermediate sources	94,027,349	40.79%
Revenue from state sources:		
Direct state aid	51,854,171	22.49%
State quality educator	4,399,583	1.91%
State at risk	650,866	0.28%
State Indian education for all	404,769	0.18%
State American Indian achievement gap	493,495	0.21%
State special education allowable cost payment	4,785,451	2.08%
State Data for Achievement	387,556	0.17%
State guaranteed tax base aid	31,183,783	13.53%
State transportation	712,451	0.31%
State Medicaid	3,126,951	1.36%
State on-behalf payment	6,622,001	2.87%
State other	4,701,220	2.04%
Total revenue from state sources	109,322,297	47.43%
Revenue from federal sources:		
Federal grants	22,221,194	9.62%
Federal food service	4,971,078	2.16%
Total revenue from federal sources	27,192,272	11.78%
Total revenue	\$ 230,541,918	100.00%

Source: District Financial Records

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

Table 10

Year	Property Taxes	State of Montana	Federal	Tuition	Interest	Miscellaneous	Total
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
2023	36,912,150	100,385,758	-	339,342	405,079	-	138,042,329

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
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	16,732	2,259	5,877	-	8,136
2023	37,656,571	100,385,758	-	138,042,329	16,595	2,269	6,049	-	8,318

Source: District Records

BILLINGS PUBLIC SCHOOLS

Table 12

Ratio of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	General Obligation Bonded Debt	Less: Amounts Available in Debt Service Funds	Net General Obligation Bonded Debt	Percentage of Net G.O. Bonded Debt to Assessed Value	Net G.O. Bonded Debt per Capita	Net G.O. Bonded Debt as a % of Per Capita Income
Elementary District								
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%
2023	122,130	236,494,552	107,504,089	9,733,199	97,770,890	41.34%	800.55	1.34%
High School District								
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%
2023	144,702	296,579,780	11,360,000	7,989,973	3,370,027	1.14%	23.29	0.04%

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 and Subscriptions	Limited Obligation Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income (1)	Population	Debt Per Capita
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
2023	118,864,089	607,230 (3)	-	-	119,471,319	1.38%	144,702	825.64

(1) Personal income is disclosed on table 17

(2) Implementation of GASB Statement No. 87

(3) Implementation of GASB Statement No. 96

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

Table 14

Elementary District:	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Maximum debt limit	\$ 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	\$ 514,845,600
Total net debt applicable to limit	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	106,213,502
Legal debt margin	<u>\$ 91,002,148</u>	<u>\$ 285,997,748</u>	<u>\$ 260,295,598</u>	<u>\$ 284,987,898</u>	<u>\$ 287,901,298</u>	<u>\$ 319,004,678</u>	<u>\$ 318,198,298</u>	<u>\$ 351,141,238</u>	<u>\$ 356,578,048</u>	<u>\$ 408,632,098</u>
Total net debt applicable to limit as a percentage of debt limit	51.34%	24.85%	32.39%	29.71%	28.78%	25.99%	26.70%	25.65%	24.10%	20.63%
High School District:										
Maximum debt limit	\$ 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	\$ 610,859,400
Total net debt applicable to limit	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	11,360,000
Legal debt margin	<u>\$ 187,672,120</u>	<u>\$ 400,036,870</u>	<u>\$ 413,093,320</u>	<u>\$ 449,890,790</u>	<u>\$ 463,136,880</u>	<u>\$ 483,891,770</u>	<u>\$ 500,185,780</u>	<u>\$ 533,792,900</u>	<u>\$ 550,238,000</u>	<u>\$ 599,499,400</u>
Total net debt applicable to limit as a percentage of debt limit	5.71%	2.76%	2.68%	2.46%	2.39%	2.29%	2.22%	2.08%	2.02%	1.86%
Debt Limitation Calculation										
	Elementary		High School							
2022/23 Statewide Average Per ANB	\$ 44,300		\$ 105,960							
X FY23 ANB	<u>11,622</u>		<u>5,765</u>							
Total	<u>514,854,600</u>		<u>610,859,400</u>							
X Debt Limit Rate of 1.0	<u>1.00</u>		<u>1.00</u>							
Equals: Maximum Debt Capacity	514,854,600		610,859,400							
Less: bonded indebtedness	106,213,502		11,360,000							
Less: other indebtedness	<u>-</u>		<u>-</u>							
Estimated Debt Capacity Remaining	<u>\$ 408,641,098</u>		<u>\$ 599,499,400</u>							

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

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

BILLINGS PUBLIC SCHOOLS

Table 15

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

For the Year Ended June 30, 2023

Governmental Unit	Debt	Applicable to Elementary District		Applicable to Portion of High School District Lying Outside Elementary District	
DIRECT BONDED INDEBTEDNESS					
		Percent	Amount	Percent	Amount
Elementary District:					
General Obligation Bonds	\$ 107,504,089	100.00%	\$ 107,504,089	0.00%	\$ -
Elementary District Total	107,504,089		107,504,089		-
High School District:					
General Obligation Bonds	11,360,000	80.48%	9,142,528	19.52%	2,217,472
High School District Total	11,360,000		9,142,528		2,217,472
Total Direct Debt	<u>\$ 118,864,089</u>		<u>\$ 116,646,617</u>		<u>\$ 2,217,472</u>
OVERLAPPING BONDED INDEBTEDNESS					
Yellowstone County:					
Various Issues	\$ 7,647,249	58.27%	\$ 4,456,189	14.88%	\$ 1,137,819
City of Billings:					
Various Issues	11,691,699	49.55%	5,793,704	10.38%	1,214,041
Total Overlapping Debt	19,338,948		10,249,893		2,351,860
Total Direct and Overlapping Debt	<u>\$ 138,203,037</u>		<u>\$ 126,896,510</u>		<u>\$ 4,569,332</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:					
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	7,861,000	3,349,484	11,210,484	80,044,557	14.0%
2023	7,035,000	2,903,016	9,938,016	83,454,957	11.9%
High School:					
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	-	571,370	571,370	55,667,111	1.0%
2022	-	571,370	571,370	52,366,554	1.1%
2023	-	571,570	571,570	52,414,942	1.1%

Source: District Financial Records

BILLINGS PUBLIC SCHOOLS
DEMOGRAPHIC STATISTICS
 Last Ten Fiscal Years

Table 17

Year	Elementary District Population	High School District Population	Per Capita Income	Total Elementary District Personal Income	Total High School District Personal Income	Median Age	School Enrollment	Unemployment Rate
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	16,732	4.2%
2023	122,130	144,702	59,959	7,322,792,670	8,676,187,218	38.5	16,595	2.3%

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

2023		2014	
Private Employers By Class, Alphabetically	Employer Class Size	Private Employers By Class, Alphabetically	Employer Class Size
Billings Clinic Health System	9	Billings Clinic Health System	9
St. Vincent Healthcare	9	St. Vincent Healthcare	9
Wal-Mart	9	Wal-Mart	9
Albertsons Food & Drug	8	Albertsons Food & Drug	8
First Interstate Bank	8	First Interstate Bank	8
St. John's Lutheran Home	8	St. John's Lutheran Home	8
Wells Fargo	8	Wells Fargo	8
Advanced Employment Services	7	Advanced Employment Services	7
CHS Inc. (Cenex)	7	CHS Inc. (Cenex)	7
Costco	7	Costco	7
ExxonMobil	7	ExxonMobil	7
Rocky Mountain College	7	Rocky Mountain College	7
Sysco Food Services	7	Sysco Food Services	7
Target	7	Target	7
Yellowstone Boys and Girls Ranch	7	Yellowstone Boys and Girls Ranch	7
Cabelas Wholesale	6	Phillips 66 Conoco	6
Employee Benefit Management Services (EBMS)	6	Employee Benefit Management Services	6
Food Services of America	6	Food Services of America	6
Phillips 66 Company	6	Cabelas Wholesale	6
UPS	6	UPS	6
Public Employers By Class, Alphabetically		Public Employers By Class, Alphabetically	
Billings Public Schools District #2	9	Billings Public Schools #2	9
City of Billings	9	Montana State University of Billings	8
Montana State University Billings	8	City of Billings	8
Yellowstone County	8	Yellowstone County	7

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
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	16,732	13,353	-7.41%	1,205.5	13.9
2023	225,918,647	16,595	13,614	1.96%	1,195.8	13.9

1 Expenses are from Statement of Activities

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

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

Table 20

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Certified Staff	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	1,044.0
Classified Employees	202.4	196.8	199.4	179.1	190.0	190.6	206.4	195.2	200.0	184.9
Support Services										
Administrators	5.0	6.0	6.0	7.0	7.0	7.0	7.0	7.9	7.9	8.9
Administrative Support	-	-	-	-	-	1.0	1.0	1.0	-	-
Certified Staff	131.2	132.5	132.7	132.7	136.9	140.5	143.7	131.4	151.9	151.8
Classified Employees	64.2	59.9	61.2	71.3	69.0	77.6	78.2	82.4	75.2	74.1
General Administration										
Administrators	6.9	8.9	9.9	9.0	8.4	9.6	9.7	9.7	9.8	10.0
Administrative Support	10.5	14.5	12.5	10.5	10.0	10.5	10.5	11.5	10.5	10.5
Classified Employees	19.2	19.0	21.5	25.7	18.2	20.1	16.7	20.1	18.2	19.5
Building Administration										
Administrators	48.0	48.0	47.0	47.9	52.0	52.0	52.0	52.0	52.0	52.0
Certified Staff	1.0	1.0	1.0	-	-	-	-	-	-	-
Classified Employees	80.9	78.5	79.2	70.8	89.5	87.9	87.4	81.8	80.8	81.0
Operations and Maintenance										
Administrators	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Classified Employees	142.5	142.8	144.7	145.9	142.4	142.1	151.0	136.0	140.2	139.7
Student Transportation										
Administrators	1.0	1.0	1.0	1.0	1.0	1.3	1.3	1.3	1.3	1.3
Administrative Support	-	-	-	-	-	1.0	1.0	1.0	1.0	2.0
Classified Employees	33.1	32.8	33.3	42.6	42.4	33.3	37.4	40.7	40.1	37.4
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	2.0	2.0	2.0	2.0	2.0	2.0
Total	1,763.6	1,750.5	1,763.9	1,756.9	1,821.3	1,855.4	1,882.9	1,838.7	1,847.5	1,822.1
Summary - 2023		Admin	Admin Support	Certified Staff	Classified Employees	Total FTE				
Instruction	-	-	-	1,044.0	184.9	1,228.9				
Support Services	8.9	-	-	151.8	74.1	234.8				
General Administration	10.0	10.5	-	-	19.5	40.0				
Building Administration	52.0	-	-	-	81.0	133.0				
Operations and Maintenance	2.0	2.0	-	-	139.7	141.7				
Student Transportation	1.3	2.0	-	-	37.4	40.7				
Extracurricular Activities	1.0	-	-	-	2.0	3.0				
	75.2	12.5	1,195.8	538.6	1,822.1					

Source: District Records

BILLINGS PUBLIC SCHOOLS
 CERTIFIED STAFF EDUCATION AND EXPERIENCE
 November 1, 2022

Table 21

<u>Educational Attainment</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
Bachelor's Degree	213.1	17.8%
Bachelor's Degree + 15 Credits	59.9	5.0%
Bachelor's Degree + 30 Credits	42.9	3.6%
Bachelor's Degree + 45 Credits	34.5	2.9%
Bachelor's Degree + 60 Credits	30.6	2.6%
Bachelor's Degree + 75 Credits	25.5	2.1%
Bachelor's Degree + 90 Credits	24.6	2.1%
Bachelor's Degree + 105 Credits	132.8	11.1%
Master's Degree	137.2	11.5%
Master's Degree + 15 Credits	90.8	7.6%
Master's Degree + 30 Credits	73.3	6.1%
Master's Degree + 45 Credits	327.8	27.4%
Doctorate's Degree	2.8	0.2%
Total	<u>1,195.8</u>	<u>100%</u>
<u>Years of Experience</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
0-5	407.3	34%
6-10	282.4	24%
11-15	141.6	12%
16-20	150.6	13%
21-25	127.9	11%
26 and Above	86.0	7%
Total	<u>1,195.8</u>	<u>100%</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	433	94.13%
Beartooth	1974	1980	41,600	416	352	84.62%
Bench	1955	1974, 1978	39,930	394	339	86.04%
Big Sky	1986	-	43,505	394	328	83.25%
Bitterroot	1964	1965, 1970	26,800	350	287	82.00%
Boulder	1962	1971, 2007	40,185	416	507	121.88%
Broadwater	1910	1916, 1920, 1956, 2015	56,301	400	320	80.00%
Burlington	1956	1957	32,190	263	277	105.32%
Central Heights	1962	1965, 1979	36,400	329	291	88.45%
Eagle Cliffs	1986	-	44,000	460	416	90.43%
Highland	1947	1956	30,420	285	269	94.39%
McKinley	1906	1918, 1958, 2015	54,391	400	285	71.25%
Meadowlark	1964	1971, 2007	44,200	460	562	122.17%
Miles	1955	1957, 1965	30,081	329	252	76.60%
Newman	1953	1957	28,130	263	215	81.75%
Orchard	1960	1948, 1956, 1987, 2006	58,100	438	300	68.49%
Poly	1952	1955, 1960	34,388	329	305	92.71%
Ponderosa	1965	2007	39,800	394	274	69.54%
Rimrock	1952	1976, 1979	23,043	-	-	0.00%
Rose Park	1958	1962	30,345	307	253	82.41%
Sandstone	1978	-	41,700	460	416	90.43%
Washington	1948	1952, 1962	36,590	263	246	93.54%
<u>6-8 Schools</u>						
Ben Steele	2017	-	119,268	715	747	104.48%
Castle Rock	1979	-	110,417	715	703	98.32%
Lewis & Clark	1956	1962	146,008	743	667	89.77%
Medicine Crow	2016	-	117,632	715	518	72.45%
Riverside	1963	1979	86,609	604	492	81.46%
Will James	1967	1974	91,143	664	597	89.91%
<u>High Schools:</u>						
Career Center	1975	-	133,394	N/A	N/A	N/A
Senior	1940	1953, 1967, 1974	228,314	1,560	1,740	111.54%
Skyview	1987	-	242,336	1,558	1,607	103.15%
West	1959	1962, 1966, 1975, 1976	218,458	1,601	2,262	141.29%
<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									
	2014	2015	2016	2017	2018	2019	2020	2021 (3)	2022 (3)	2023
<u>Elementary Schools:</u>										
<u>K-6 Schools:</u>										
Alkali Creek	24.1%	21.3%	20.2%	23.6%	31.7%	33.6%	33.8%	N/A	N/A	27.2%
Arrowhead	8.7%	7.6%	8.0%	11.5%	10.6%	16.3%	16.0%	N/A	N/A	12.3%
Beartooth	47.9%	46.5%	45.0%	47.8%	47.3%	47.2%	45.5%	N/A	N/A	53.4%
Bench	61.5%	63.1%	65.8%	65.8%	60.8%	66.6%	57.2%	N/A	N/A	100.0% *
Big Sky	31.1%	35.8%	33.2%	39.7%	45.2%	48.9%	46.2%	N/A	N/A	46.0%
Bitterroot	36.1%	38.4%	34.8%	40.5%	46.1%	46.0%	47.7%	N/A	N/A	46.2%
Boulder	20.3%	18.7%	21.7%	17.0%	13.1%	14.4%	12.8%	N/A	N/A	15.6%
Broadwater	64.5%	69.3%	63.1%	59.4%	53.4%	58.3%	56.0%	N/A	N/A	100.0% *
Burlington	38.8%	41.2%	40.4%	42.7%	47.1%	52.0%	41.4%	N/A	N/A	45.0%
Central Heights	36.4%	39.7%	39.4%	35.3%	45.7%	51.9%	41.4%	N/A	N/A	48.1%
Eagle Cliffs	23.1%	25.8%	26.5%	24.0%	25.4%	27.0%	26.1%	N/A	N/A	21.7%
Highland	36.4%	31.9%	37.5%	36.5%	40.4%	43.0%	38.9%	N/A	N/A	38.9%
McKinley	64.5%	73.8%	63.9%	68.7%	100.0%	100.0%	100.0%	N/A	N/A	100.0% *
Meadowlark	33.1%	30.6%	30.9%	29.5%	24.1%	24.1%	20.7%	N/A	N/A	25.0%
Miles	55.8%	65.8%	62.0%	58.2%	60.3%	56.4%	51.2%	N/A	N/A	56.1%
Newman	72.4%	73.9%	71.2%	70.9%	100.0%	100.0%	100.0%	N/A	N/A	100.0% *
Orchard	85.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	100.0% *
Poly	20.7%	24.1%	23.3%	22.3%	22.5%	24.9%	24.0%	N/A	N/A	30.2%
Ponderosa	74.7%	68.6%	72.8%	72.1%	100.0%	100.0%	100.0%	N/A	N/A	100.0% *
Rose Park	42.5%	42.1%	43.7%	39.5%	46.3%	54.8%	46.3%	N/A	N/A	42.5%
Sandstone	44.4%	38.7%	44.4%	42.2%	45.5%	47.2%	38.8%	N/A	N/A	45.3%
Washington	77.7%	77.8%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A	N/A	100.0% *
<u>7-8 Schools:</u>										
Ben Steele (2)	0.0%	0.0%	0.0%	0.0%	15.2%	19.3%	16.2%	N/A	N/A	19.9%
Castle Rock	31.6%	32.6%	35.0%	27.8%	27.3%	34.3%	28.8%	N/A	N/A	29.7%
Lewis & Clark	41.8%	44.6%	41.6%	38.6%	41.3%	49.9%	43.4%	N/A	N/A	50.9%
Medicine Crow (1)	0.0%	0.0%	0.0%	40.6%	43.6%	52.2%	49.8%	N/A	N/A	57.1%
Riverside	60.1%	66.6%	64.4%	58.6%	61.9%	77.5%	100.0%	N/A	N/A	100.0% *
Will James	17.8%	14.2%	18.1%	16.9%	34.1%	38.6%	34.8%	N/A	N/A	39.6%
<u>High Schools:</u>										
Senior	29.8%	31.7%	31.3%	32.8%	32.4%	41.5%	34.7%	N/A	N/A	42.1%
Skyview	24.2%	24.0%	22.4%	25.2%	25.6%	32.7%	26.1%	N/A	N/A	34.0%
West	22.1%	21.0%	19.0%	20.1%	17.6%	23.4%	18.2%	N/A	N/A	22.3%

(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

Table 24

ATTENDANCE DATA

Last Ten Fiscal Years

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
2014	16,268	0.30	16,787	0.30	100.30
2015	16,318	0.31	16,913	0.75	100.75
2016	16,356	0.23	17,101	1.11	101.11
2017	16,637	1.72	17,271	0.99	100.99
2018	16,645	0.05	17,392	0.70	100.70
2019	16,966	1.93	17,227	(0.95)	99.05
2020	17,030	0.38	17,457	1.34	101.34
2021	16,532	(2.92)	17,668	2.56	102.56
2022	16,732	1.21	17,406	(0.29)	99.71
2023	16,595	0.38	17,387	(1.59)	98.41

Source: District Records

I. Commercial Property	
A. Policy #:	1102328
B. Carrier:	Affiliated FM Insurance Company
C. Policy Period:	7/1/2022-7/1/2023
D. Coverage:	Buildings/Contents
E. Limits:	\$500,000,000
II. Commercial General Liability	
A. Policy #:	PK1036822
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/22-7/1/23
D. Coverage:	General Liability, Sexual Molestation, Employee Benefits
E. Limits:	\$5,000,000 per occurrence; \$7,000,000 aggregate
III. Commercial Auto	
A. Policy #:	PK1036822
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/22-7/1/23
D. Coverage:	Automobile Liability and Physical Damage
E. Limits:	\$5,000,000
IV. Boiler and Machinery Policy	
A. Policy #:	Included in AFM Property Policy
B. Carrier:	
C. Policy Period:	
D. Limits:	
V. Environmental Liability	
A. Policy #:	ISPILLSCBI8O002
B. Carrier:	Ironshore Specialty Insurance Company
C. Policy Period:	7/1/22-7/1/23
D. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
VI. Crime	
A. Policy #:	PK1036822
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/22-7/1/23
D. Limits:	\$500,000
VII. Educators Legal Liability	
A. Policy #:	PK1036822
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/22-7/1/23
D. Limits:	\$5,000,000
VIII. Privacy Protection Policy	
A. Policy #:	H22NGP21543801
B. Carrier:	Houston Casualty Company
C. Policy Period:	7/1/22-7/1/23
D. Limits:	\$1,000,000
IX. Builders Risk Reporting Policy	
A. Policy #:	IMP44884351000
B. Carrier:	Great American Insurance Company
C. Policy Period:	6/1/22-6/1/23
D. Limits:	\$450,000
X. Workers' Compensation	
A. Policy #:	WC-23-31147
B. Carrier:	Montana Schools Group Interlocal Authority (MSGIA)
C. Policy Period:	7/1/22-6/30/23
D. Limits:	
Coverage A:	Statutory
Coverage B:	\$1,000,000 bodily injury by accident, each accident. \$1,000,000 bodily injury by disease, each employee. \$1,000,000 bodily injury by disease, policy limit.

SINGLE AUDIT SECTION

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

To the Board of Directors
Billings Public Schools
Billings, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2023, 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 25, 2024.

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.

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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*.

Purpose of this Report

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

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Billings, Montana
January 25, 2024

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

The Board of Directors
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, 2023. 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, 2023.

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.

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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 Billings Public Schools' 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.

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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.

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2023, and the related notes to the financial statements, which collectively comprise Billings Public Schools' basic financial statements. We issued our report thereon dated January 25, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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Billings, Montana
January 25, 2024

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BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

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, 2022	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2023
U.S. Department of Education:							
Direct programs:							
Indian Education Grants to LEA's	84.060	S060A212267	\$ 405,671	\$ (19,902)	\$ 19,902	\$ -	\$ -
Indian Education Grants to LEA's	84.060	S060A222267	480,743	-	355,006	(466,773)	(111,767)
<i>CFDA Subtotal</i>				<u>(19,902)</u>	<u>374,908</u>	<u>(466,773)</u>	<u>(111,767)</u>
Total Direct Programs				<u>(19,902)</u>	<u>374,908</u>	<u>(466,773)</u>	<u>(111,767)</u>
Passed Through State Office of Public Instruction:							
Adult Education-Basic Grants to States	84.002	5609665622	239,115	(11,808)	11,808	-	-
Adult Education-Basic Grants to States	84.002	5609665623	220,560	-	220,560	(220,560)	-
<i>CFDA Subtotal</i>				<u>(11,808)</u>	<u>232,368</u>	<u>(220,560)</u>	<u>-</u>
Title I Grants to LEA's	84.010	5609653122	150,340	(5,488)	54,762	(49,274)	-
Title I Grants to LEA's	84.010	5609653222	5,319,705	(983,861)	1,238,030	(254,169)	-
Title I Grants to LEA's	84.010	5609653123	158,675	-	65,661	(96,543)	(30,882)
Title I Grants to LEA's	84.010	5609653123	5,663,856	-	4,297,166	(4,487,832)	(190,666)
<i>CFDA Subtotal</i>				<u>(989,349)</u>	<u>5,655,619</u>	<u>(4,887,818)</u>	<u>(221,548)</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664222	43,856	(5,997)	8,476	(2,479)	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	5609664223	100,413	-	25,365	(25,583)	(218)
<i>CFDA Subtotal</i>				<u>(5,997)</u>	<u>33,841</u>	<u>(28,062)</u>	<u>(218)</u>
Career and Technical Education-Basic Grants to States	84.048	5609668122	423,108	(23,402)	23,402	-	-
Career and Technical Education-Basic Grants to States	84.048	5609668123	377,436	-	301,399	(367,168)	(65,769)
<i>CFDA Subtotal</i>				<u>(23,402)</u>	<u>324,801</u>	<u>(367,168)</u>	<u>(65,769)</u>
Special Education Cluster:							
Special Education Grants to States	84.027	5609657722	4,126,705	(3)	3	-	-
Special Education Grants to States - American Rescue Plan/Covid-19	84.027	5609657022	914,396	-	874,326	(903,287)	(28,961)
Special Education Grants to States	84.027	5609657723	4,329,301	-	3,849,327	(4,307,539)	(458,212)
<i>CFDA Subtotal</i>				<u>(3)</u>	<u>4,723,656</u>	<u>(5,210,826)</u>	<u>(487,173)</u>
Special Education Preschool Grants	84.173	5609657922	128,838	(18,774)	18,774	-	-
Special Education Preschool Grants - American Rescue Plan/Covid-19	84.173X	5609657122	58,583	-	58,583	(58,583)	-
Special Education Preschool Grants	84.173	5609657923	135,589	-	71,026	(125,303)	(54,277)
<i>CFDA Subtotal</i>				<u>(18,774)</u>	<u>148,383</u>	<u>(183,886)</u>	<u>(54,277)</u>
Special Education Cluster Subtotal				<u>(18,777)</u>	<u>4,872,039</u>	<u>(5,394,712)</u>	<u>(541,450)</u>
Education for Homeless Children and Youth	84.196	5609655722	39,094	(3,974)	6,547	(2,573)	-
Education for Homeless Children and Youth	84.196	5609655723	54,350	-	27,785	(38,471)	(10,686)
<i>CFDA Subtotal</i>				<u>(3,974)</u>	<u>34,332</u>	<u>(41,044)</u>	<u>(10,686)</u>
English Language Acquisition State Grants	84.365	5609654122	55,561	(5,265)	7,469	(2,204)	-
English Language Acquisition State Grants	84.365	5609654123	39,563	-	15,426	(15,718)	(292)
<i>CFDA Subtotal</i>				<u>(5,265)</u>	<u>22,895</u>	<u>(17,922)</u>	<u>(292)</u>
Supporting Effective Instruction State Grants	84.367	5609651422	1,768,462	(284,914)	303,938	(19,024)	-
Supporting Effective Instruction State Grants	84.367	5609651423	1,784,920	-	793,595	(1,153,222)	(359,627)
<i>CFDA Subtotal</i>				<u>(284,914)</u>	<u>1,097,533</u>	<u>(1,172,246)</u>	<u>(359,627)</u>

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

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, 2022	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2023
Covid-19 Education Stabilization Fund	84.425	5906959120	344,181	(9,286)	344,181	(334,895)	-
Covid-19 Education Stabilization Fund	84.425	5609659120	3,205,766	(3,205,766)	3,205,766	-	-
Covid-19 Education Stabilization Fund	84.425	5609659221	12,814,285	(12,814,283)	12,814,285	(2)	-
Covid-19 Education Stabilization Fund	84.425	5609659321	18,125	-	-	(18,121)	(18,121)
Covid-19 Education Stabilization Fund	84.425	5609659721	56,174	(1,487)	10,261	(13,026)	(4,252)
Covid-19 Education Stabilization Fund	84.425	5609659721	258,224	(13,186)	25,363	(42,995)	(30,818)
Covid-19 Education Stabilization Fund	84.425	5609659321	69,560	(17,390)	22,382	(4,992)	-
Covid-19 Education Stabilization Fund	84.425	5609659321	5,765,557	-	-	(1,994,075)	(1,994,075)
Covid-19 Education Stabilization Fund	84.425	5609659322	23,062,233	(18,017,018)	14,565,633	(3,857,581)	(7,308,966)
<i>CFDA Subtotal</i>				<u>(34,078,416)</u>	<u>30,987,871</u>	<u>(6,265,687)</u>	<u>(9,356,232)</u>
Passed Through State Department of Public Health and Human Services:							
Special Education-Grants for Infants and Families - American Rescue Plan	84.181	222580000160	120,000	-	80,641	(119,986)	(39,345)
<i>CFDA Subtotal</i>				<u>-</u>	<u>80,641</u>	<u>(119,986)</u>	<u>(39,345)</u>
Rehabilitative Services Vocational Rehabilitation Grants to States	84.126	20011750032	211,650	891,665	166,445	(110,122)	947,988
<i>CFDA Subtotal</i>				<u>891,665</u>	<u>166,445</u>	<u>(110,122)</u>	<u>947,988</u>
Total Pass Through Programs				<u>(34,530,237)</u>	<u>43,508,385</u>	<u>(18,625,327)</u>	<u>(9,647,179)</u>
Total U.S. Department of Education				<u>\$ (34,550,139)</u>	<u>\$ 43,883,293</u>	<u>\$ (19,092,100)</u>	<u>\$ (9,758,946)</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	5609653822	690,507	\$ (92,223)	\$ 300,375	\$ (208,152)	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5609653823	673,694	-	420,450	(481,101)	(60,651)
<i>CFDA Subtotal</i>				<u>(92,223)</u>	<u>720,825</u>	<u>(689,253)</u>	<u>(60,651)</u>
Total U.S. Department of Health and Human Services				<u>\$ (92,223)</u>	<u>\$ 720,825</u>	<u>\$ (689,253)</u>	<u>\$ (60,651)</u>
<u>U.S. Department of Agriculture:</u>							
Passed Through State Office of Public Instruction:							
Child Nutrition Cluster:							
Non-Cash Assistance (Commodities):							
National School Lunch Program	10.555	N/A	527,438	\$ -	\$ 527,439	\$ (527,439)	\$ -
Non-Cash Assistance Subtotal				<u>-</u>	<u>527,439</u>	<u>(527,439)</u>	<u>-</u>
Cash Assistance:							
School Breakfast Program	10.553	N/A	1,254,167	(172,312)	1,016,859	(852,684)	(8,137)
National School Lunch Program	10.555	N/A	6,654,155	1,344,732	4,235,804	(3,273,884)	2,306,652
National School Lunch Program - Supply shortage/Covid-19	10.555	N/A	6,654,155	-	294,792	(294,792)	-
Summer Food Service Program for Children-FY 2022	10.559	N/A	247,296	(60,579)	132,968	(72,389)	-
Summer Food Service Program for Children-FY 2023	10.559	N/A	247,296	-	-	(60,587)	(60,587)
Cash Assistance Subtotal				<u>1,111,841</u>	<u>5,680,423</u>	<u>(4,554,336)</u>	<u>2,237,928</u>
<i>Child Nutrition Cluster Subtotal</i>				<u>1,111,841</u>	<u>6,207,862</u>	<u>(5,081,775)</u>	<u>2,237,928</u>
Total U.S. Department of Agriculture				<u>\$ 1,111,841</u>	<u>\$ 6,207,862</u>	<u>\$ (5,081,775)</u>	<u>\$ 2,237,928</u>
<u>U.S. Department of Justice:</u>							
Direct programs:							
Public Safety Partnership and Community Policing Grants	16.710	2020SVWX0152	108,794	\$ (4,374)	\$ 15,322	\$ (21,902)	\$ (10,954)
<i>CFDA Subtotal</i>				<u>(4,374)</u>	<u>15,322</u>	<u>(21,902)</u>	<u>(10,954)</u>
Total U.S. Department of Justice				<u>\$ (4,374)</u>	<u>\$ 15,322</u>	<u>\$ (21,902)</u>	<u>\$ (10,954)</u>

BILLINGS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

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, 2022	Cash Receipts	Expenditures	(Due from), Due to, Unearned or Fund Balance June 30, 2023
<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>				<u>(180,000)</u>	<u>180,000</u>	<u>-</u>	<u>-</u>
Total U.S. Environmental Protection Agency				<u>\$ (180,000)</u>	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Federal Communications Commission:</u>							
Passed Through the Universal Service Administrative Company:							
Covid-19 Emergency Connectivity Fund Program	32.009	ECF202209411	820,940	\$ -	-	\$ (819,746)	\$ (819,746)
<i>CFDA Subtotal</i>				<u>-</u>	<u>-</u>	<u>(819,746)</u>	<u>(819,746)</u>
Total Federal Communications Commission				<u>\$ -</u>	<u>\$ -</u>	<u>\$ (819,746)</u>	<u>\$ (819,746)</u>
<u>U.S. Department of Housing and Urban Development:</u>							
Passed Through the City of Billings:							
Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-30-0001	313,000	\$ -	\$ 22,594	\$ (213,541)	\$ (190,947)
<i>CFDA Subtotal</i>				<u>-</u>	<u>22,594</u>	<u>(213,541)</u>	<u>(190,947)</u>
Total U.S. Department of Housing and Urban Development				<u>\$ -</u>	<u>\$ 22,594</u>	<u>\$ (213,541)</u>	<u>\$ (190,947)</u>
<u>National Endowment for the Arts:</u>							
Passed Through the Montana Arts Council:							
Promotion of the Arts Partnership Agreements	45.025	1886906-61-21	2,500	\$ -	\$ 2,500	\$ (2,500)	\$ -
<i>CFDA Subtotal</i>				<u>-</u>	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
Total National Endowment for the Arts				<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ (2,500)</u>	<u>\$ -</u>
Total Federal Awards				<u>\$ (33,714,895)</u>	<u>\$ 51,032,396</u>	<u>\$ (25,920,817)</u>	<u>\$ (8,603,316)</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, 2023. 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.

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	\$ 51,032,396
Revenue accrual adjustments	(24,869,011)
Federal revenues not subject to Uniform Guidance	<u>1,028,887</u>
Federal revenues	<u>\$ 27,192,272</u>

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Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Supporting Effective Instruction State Grants	84.367
Covid-19 Education Stabilization Fund	84.425
Covid-19 Emergency Connectivity Fund Program	32.009
Dollar threshold used to distinguish between type A and type B programs:	\$777,625
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State of Montana Compliance Findings

None reported.

END OF REPORT

