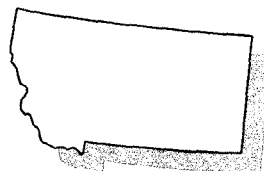


**School District Nos. 17 J/R & 17 C/R
Roosevelt County
Culbertson, Montana**

AUDITED FINANCIAL STATEMENTS

Year ended June 30, 2021



ROSS R. STALCUP

CERTIFIED PUBLIC ACCOUNTANT, PC

**School District Nos. 17 J/R & 17 C/R
Roosevelt County
Culbertson, Montana**

AUDITED FINANCIAL STATEMENTS

Year ended June 30, 2021

**School District Nos. 17 J/R & 17 C/R
Roosevelt County
Culbertson, Montana**

**AUDITED FINANCIAL STATEMENTS
Year ended June 30, 2021**

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**School District Nos. 17 J/R & 17 C/R
Roosevelt County
Culbertson, Montana**

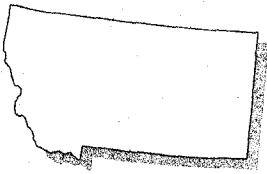
ORGANIZATION
June 30, 2021

BOARD OF TRUSTEES

Paul Finnicum	Chairman
Mark Colvin	Vice-Chairman
Luke Anderson	Trustee
Eric Bergum	Trustee
Ian Walker	Trustee

OFFICIALS

Larry Crowder	Superintendent
Lora Finnicum	District Clerk



ROSS R. STALCUP

CERTIFIED PUBLIC ACCOUNTANT, P.C.

INDEPENDENT AUDITORS REPORT

Board of Trustees
School District Nos. 17 J/R & 17 C/R
Culbertson, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District Nos. 17 J/R & 17 C/R, Culbertson, Montana, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise School District Nos. 17 J/R & 17 C/R's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District Nos. 17 J/R & 17 C/R, Culbertson, Montana, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary comparison information, and Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District Nos. 17 J/R & 17 C/R's basic financial statements. The accompanying supplementary information the Combining Balance Sheet - General Fund, Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund (pages 54-55), the Supplemental Schedule of School District Enrollment (page 56) and the Extracurricular Fund Revenues, Expenditures and Changes in Net Position (page 57) are presented by the District for purposes of additional analysis and are not a required part of the basic financial statements.

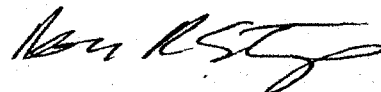
The Supplementary Schedule of School District Enrollment and the Supplementary Extracurricular Fund Revenues, Expenditures and Changes in Net Position are required by the State of Montana and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Combining Balance Sheet - General Fund, Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund, the Supplementary Schedule of School District Enrollment, and the Supplementary Extracurricular Fund Revenues, Expenditures and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2021 on our consideration of School District Nos. 17 J/R & 17 C/R's 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 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 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 School District Nos. 17 J/R & 17 C/R's internal control over financial reporting and compliance.

May 6, 2021



Ross R. Stalcup
Certified Public Accountant

**CULBERTSON SCHOOL DISTRICT NO. 17 C/R/J
ROOSEVELT COUNTY
CULBERTSON, MONTANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

~ Unaudited ~

June 30, 2021

This Management's Discussion and Analysis provides an overview of the District's financial position and activities for the fiscal year ended June 30, 2021 as required under the U.S. Generally Accepted Accounting Principles.

FINANCIAL HIGHLIGHTS

Culbertson School is progressively making strides toward financial stability, despite having had revenue deficiencies over the past several years, particularly in oil and gas revenues. Overall revenues have decreased slightly by 0.9 percent from \$4,708,325 to \$4,665,554. Overall net expenditures (less program revenues) have increased by 4.8 percent from \$4,441,612 to \$4,656,816, due mainly to increased pension expenses.

The taxable value of the District increased 3.7 percent from \$9,911,841 to \$10,283,236 in the elementary and increased 4.0 percent from \$8,201,596 to \$8,530,605 in the high school, due to changes in property valuations in the county. The total district mill levies for 2020-21 decreased from 151.76 to 141.41, a 6.8 percent decline, due to increased fund balances and reserves.

Net positions previously known as net assets have experienced a 6.3 percent drop due mainly to increased net pension liabilities. These liabilities are for auditing purposes only to account for unfunded obligations to employee retirement for future benefits. Overall fund balances have moderately grown due to increased efforts in targeted spending. Amid the nation-wide coronavirus pandemic, assistance from federal and state sources have provided financial opportunities for success.

USING THIS FINANCIAL REPORT

This financial report consists of financial statements for the District with more detailed information for the District's major funds. Fund financial statements present a short-term view of the District's activities (including only current

MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)

assets expected to be collected in the very near future and liabilities expected to be paid in the very near future).

THE DISTRICT AS A WHOLE

An important question to be asked is, "Is the District better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting (and report depreciation on capital assets), which is similar to the basis of accounting used by most private-sector companies.

The change in net positions (the difference between total assets and total liabilities) over time is one indicator of whether the District's financial health is improving or deteriorating. However, other non-financial factors should be considered in assessing the District's overall health, such as changes in legislative mandates, changes in enrollment, changes in the State's funding of educational costs, changes in the economy, changes in the District's tax base, etc. Changes in the District's net positions were as follows:

	2021	2020	Change	%
Current Assets	\$ 690,899	\$ 767,423	\$ (76,524)	-10.0%
Capital Assets-net	\$ 11,520,532	\$ 11,390,294	\$ 130,238	1.1%
Total Liabilities	\$ (6,261,388)	\$ (5,146,082)	\$ (1,115,306)	21.7%
Pension Resources-net	\$ 923,391	\$ 322,963	\$ 600,428	185.9%
Net Positions	\$ 6,873,434	\$ 7,334,598	\$ (461,164)	-6.3%
Net Positions Include:				
Invested Capital	\$ 9,841,102	\$ 10,055,922	\$ (214,820)	-2.1%
Unrestricted and Restricted Assets	\$ (2,967,668)	\$ (2,721,324)	\$ (246,344)	9.1%
Total Net Positions	\$ 6,873,434	\$ 7,334,598	\$ (461,164)	-6.3%

Current assets, i.e., cash and investments, decreased by 10.0 percent due to capital project expenditures. Net capital assets experienced a 1.1 percent growth due to capital projects and asset depreciation.