

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**BOZEMAN SCHOOL DISTRICT NUMBER 7**

**For the year ended June 30, 2024**

**Gallatin County, P.O. Box 520, Bozeman, Montana 59771-0520**

**Annual Comprehensive Financial Report**

**of**

**BOZEMAN SCHOOL DISTRICT NO. 7**

For the fiscal year ended June 30, 202

**Prepared by the Business Office**

Mike Waterman, Executive Director Business and Operations

Lacy Clark, Director Business Services

Julia Wayman, CPA, Accounting Supervisor

404 West Main, P.O. Box 520

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# **INTRODUCTORY SECTION**





**Bozeman Public Schools**

404 West Main  
P.O. Box 520  
Bozeman, MT 59771-0520  
Voice: (406) 522-6001  
Fax: (406) 522-6065

**Casey Bertram**  
**Superintendent**

November 15, 2024

Letter of Transmittal

Greg Neil, Chair  
Members of the Board of Trustees  
Citizens of the Bozeman School District No. 7  
404 W. Main  
Bozeman, Montana 59715

Dear Board Members and Citizens:

Montana Law requires that Bozeman School District No. 7 annually publish audited financial statements within twelve months of the close of each fiscal year. This Annual Comprehensive Financial Report meets that requirement for the fiscal year ended June 30, 2024.

Responsibility for the accuracy of the presentation, including all disclosures and contents, rests with the Superintendent and the Executive Director Business and Operations. A framework of internal controls has been established to assist in the accuracy and reliability of the enclosed financial information. Due to the cost effectiveness of internal controls, they are designed to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

For the year ended June 30, 2024, Eide Bailly LLP has issued an unmodified (referred to as "clean") opinion on the Bozeman School District No. 7's financial statements. Their independent audit report is located at the beginning of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD & A). 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.

## **PROFILE OF THE DISTRICT**

Geographically, the Bozeman Public School system covers an area greater than the City of Bozeman. The school system includes two legal districts - Elementary District No. 7 and High School District No. 7. The elementary district covers approximately 275 square miles and has an estimated population of 74,780. The high school district covers approximately 780 square miles, and encompasses eight elementary districts (kindergarten through 8th grade (K-8) - Bozeman, Anderson, Cottonwood, Gallatin Gateway,

LaMotte, Malmborg, Monforton, and Sedan-Wilsall). The estimated population of the high school district is 83,312. The school system is a public entity under the authority of the State of Montana.

The school district is governed by a Board of Trustees - seven of which are citizens who are elected by the voters of the Bozeman Elementary District. One Trustee-at-large is elected by the citizens of the other elementary districts to serve with the Bozeman elementary trustees as a high school board. Board policies are administered by the district superintendent.

The two separate legal entities make up one independent reporting entity clearly within the criteria established in Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards. All funds of the District are included in this report. The District serves approximately 7,386 students and provides a full range of educational services appropriate to grade levels Pre-K through 12, as well as Adult Education. These include regular and enriched academic education, special education for students with disabilities and occupational education. These basic programs are supplemented by a wide variety of offerings in fine arts and athletics. The Bozeman Schools Foundation, Bozeman Hawk and Gallatin Raptor Booster Clubs, Bozeman Schools Friends of Music and the various parent organizations are separate legal entities that also support the District. While the support is very welcome, the impact of these individual entities is considered immaterial to the overall financial status of the District and do not meet the criteria to require inclusion as a component unit, as such, are not included in these financial statements.

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 20th immediately preceding the school year. The following governmental funds are state-mandated to have an annual budget appropriated: General, Transportation, Bus Depreciation, Tuition, Retirement, Technology Acquisition, Adult Education, Debt Service, Building Reserve, and Flexibility. These budgeted funds are the primary building blocks of the District's overall financial planning. No other District governmental funds have budgets appropriated by the board of trustees.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Local Economy**

The District is located on the eastern slope of the Rocky Mountains in Southwestern Montana. The major city within the District is Bozeman, which also serves as the county seat of Gallatin County.

Montana State University - Bozeman (M.S.U.) is an anchor in the community and represents a major economic activity in the District. M.S.U. Bozeman Campus, with a fiscal year 2023-2024 annual budget of \$272,370,134, employs approximately 3,557 employees (2,863 full time and 694 part-time). With a student enrollment of 16,978 (Fall 2023), M.S.U. is not only one of the largest factors in the area economy but also one of the more stable factors.

Bozeman is a "gateway community" for world class recreation including the Bridger Bowl and Big Sky ski areas, pristine rivers and streams, and Yellowstone and Glacier National Parks. Bozeman Yellowstone International Airport is a major tourism driver with over 2.2 million passengers in 2022. Many of the 1.6 million visitors entering Yellowstone National Park at West Yellowstone pass through Bozeman, making this region an international destination.

Gallatin County has a diverse economy driven by several key segments including retail, hotel, restaurant, construction, health care, professional and technical services, and manufacturing. A key industry cluster and potential area of future growth in Bozeman is photonics with over 1,000 workers spanning multiple industries. Bozeman experienced only minor impacts from the COVID-19 pandemic and the job growth recovery continues to be strong.

Greater Bozeman area has seen unprecedented appreciation in home prices. Bozeman has experienced steady and rapid appreciation since 2016 averaging 12.4 percent per year on the median sales price. The surrounding communities and entire county have also experienced similar trends with prices essentially doubling over the past six years. The increase in prices has serious implications for affordability, workforce attraction and retention, and quality of life.

### **Major Initiatives**

The District uses a long range strategic plan (LRSP) to guide and focus efforts. The LRSP process was launched in the fall of 2007 to bring more rigor to the process of setting goals; to ensure the wants, preferences, and needs of the community are well understood; and to strategically focus District resources. The board of trustees, District staff, and leadership team view the process of strategic planning as an ongoing process. The LRSP is not a "strategic planning project" that was completed, but rather is a living document that continually evolves as the needs of the District change. The LRSP has undergone significant revisions via a community consensus process about every 5-6 years. The District completed a community consensus revision process during the 2023-2024 school year.

The LRSP helps to form the culture of the District and is a valuable tool for moving the District forward. One of many intended outcomes of the LRSP is to provide a tool to assure available resources are appropriately allocated to accomplish attainable strategic outcomes. This Annual Comprehensive Financial Report (ACFR) helps demonstrate how valuable resources are received and spent. Detailed information on the District's educational buildings including age and functional capacity can be found within Table 22 of the Statistical Section.

The Board of Trustees approved four goals as part of the 2023-2024 revision process to help focus implementation efforts of the LSRP:

**Grade Level Reading Goal:** by 2029, 90% of all of the District's 3rd grade students will demonstrate grade-level reading skills by achieving a proficient score on the Acadience reading assessment at the end of the school year

**Graduation Goal:** by 2029, 95% of District students in each graduation cohort will earn a high school diploma in four years or fewer

**PLC Goal:** by spring of 2028, all District schools PK-12 will have fully implemented PLC's in place that will support the closing of the achievement gap, thus qualifying the District as a Solution Tree Model PLC District

**Early Literacy Goal:** 85% of all children entering kindergarten will have requisite literacy skills as measured by Acadience



## **Relevant Financial Policies**

The District works to maintain a structurally balanced General Fund. 'Structurally balanced' means that the current annual obligations of the General Fund are paid with current available General Fund revenues. The General Fund is not currently structurally balanced, but one-time funds are available to cover potential deficits.

The structural imbalance was deemed a *Mega Issue* in Spring 2022 and a budget committee was created to tackle budget reductions amounting to \$4.1 millions per year. The budget committee met from June 2022 through December 2022 and budget reductions were recommended to the Board of Trustees in January 2023. The Board ultimately approved the committee's recommendations.

The budget deficit identified as a *Mega Issue* was caused from two separate circumstances. The first, an unforeseen elementary enrollment decrease related to the COVID-19 pandemic, and the second, the opening of the District's second high school in 2020.

## **Long-Term Financial Planning**

In the fall of 2020, the District opened its second high school (Gallatin). Significant staffing increases were expected and granted when Gallatin opened, and voters approved a transition levy to temporarily support that staffing increase. After the initial increase, the plan was that no new staff would be needed while the high school enrollment "grew into" the capacity at each building. However, due to course offerings and increased enrollment it became apparent that both high schools needed additional staff to run their master schedules—a fundamental change to the original plan. The staffing increase was approved out of necessity to meet the needs of the current scheduling system but it is not sustainable.

Additionally, recruitment and retention have suddenly become significant issues for the District. Bozeman is an attractive place to live, and the housing market has skyrocketed since the pandemic. As a result, the District has seen the number of applications for all positions dwindle significantly. In addition, many out of town applicants pull their application once they review the housing costs in the area. To address the changing conditions, the District not only had to address the budget deficit, but has also had to find innovative ways to recruit and retain employees. Union negotiations took place in the spring of 2023, and the District had to take a holistic look at employee compensation—including salaries and benefits—and invest strategically in it to help recruit and retain high quality employees.

The District continues to benefit from Building Reserve and Technology levies that voters generously approved. All are long-term in nature. The Building Reserve has both 6-year and permanent levies in place to help the District tackle current & expected facilities maintenance as well as specific safety costs. The Technology levies have both 10-year and permanent durations that have allowed the District keep up with the ever changing technology needs, replacing and modernizing as needed.

## **OTHER INFORMATION**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Bozeman School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The District is *proud to announce that this is the thirty-fifth year that it has received this prestigious award.* We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **Acknowledgements**

We would like to express our appreciation to the Board of Trustees for their concern in providing fiscal accountability to the patrons of our school district and thereby contributing their support to the development of one of the best educational financial operations within the State. The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Business Services staff. To those personnel who assisted and contributed to its preparation, thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Waterman", with a long horizontal flourish extending to the right.

Mike Waterman  
Executive Director Business Operations

A handwritten signature in black ink, appearing to read "Casey Bertram", with a long horizontal flourish extending to the right.

Casey Bertram  
Superintendent



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Bozeman School District No. 7  
Montana**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

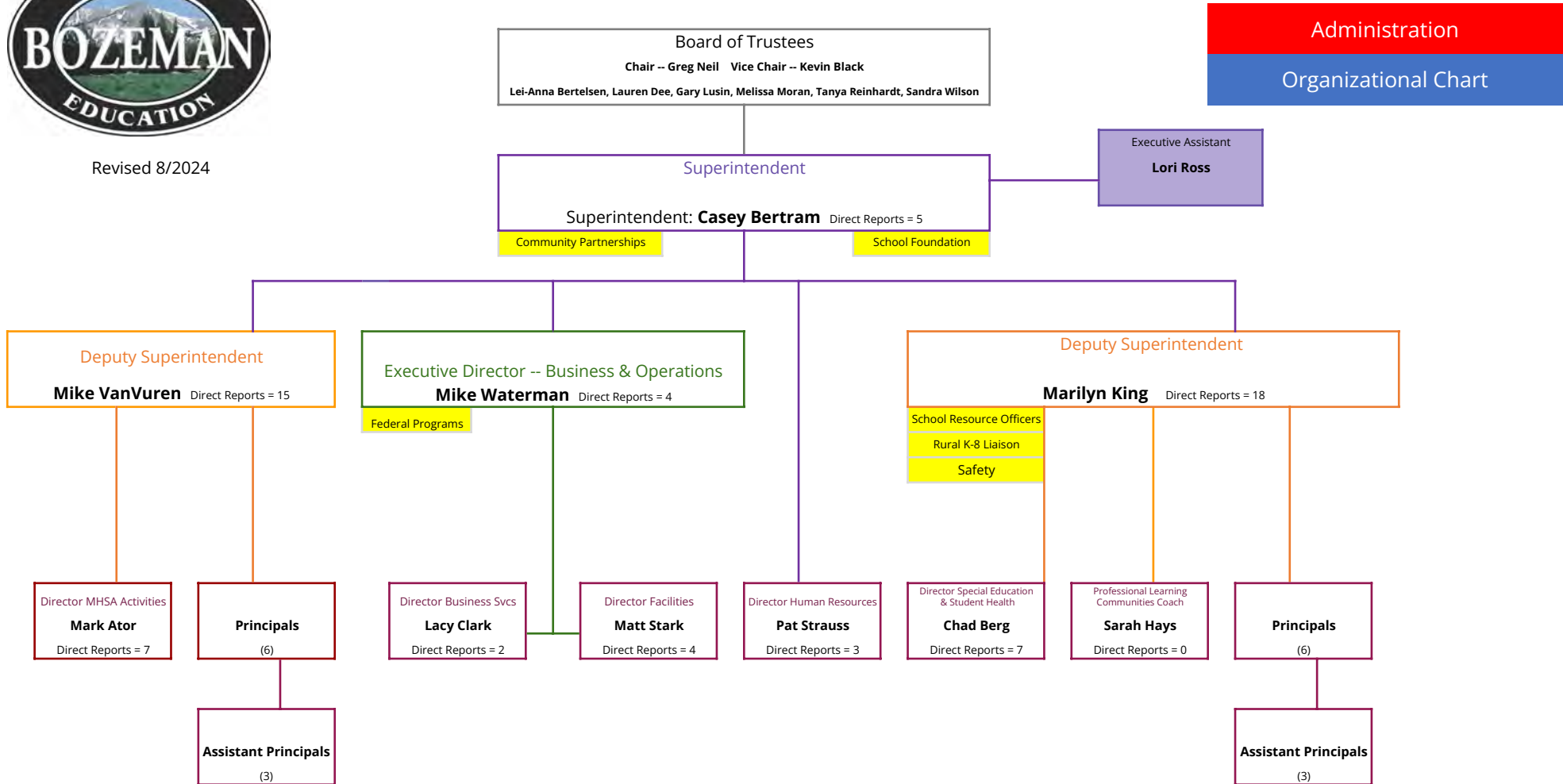
June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO



Revised 8/2024



Elected Officials as of June 30, 2024  
Board of Trustees

	<u>Term Expires April</u>
Greg Neil . . . . . Board Chair	2026
Kevin Black . . . . . Vice Chair	2026
Lei-Anna Bertelsen . . . . . Trustee	2027
Lauren Dee . . . . . Trustee	2025
Gary Lusin . . . . . Trustee	2027
Melissa Moran . . . . . Trustee	2027
Tanya Reinhardt . . . . . Trustee	2025
Sandra Wilson . . . . . Trustee	2027

Appointed Positions as of June 30, 2024

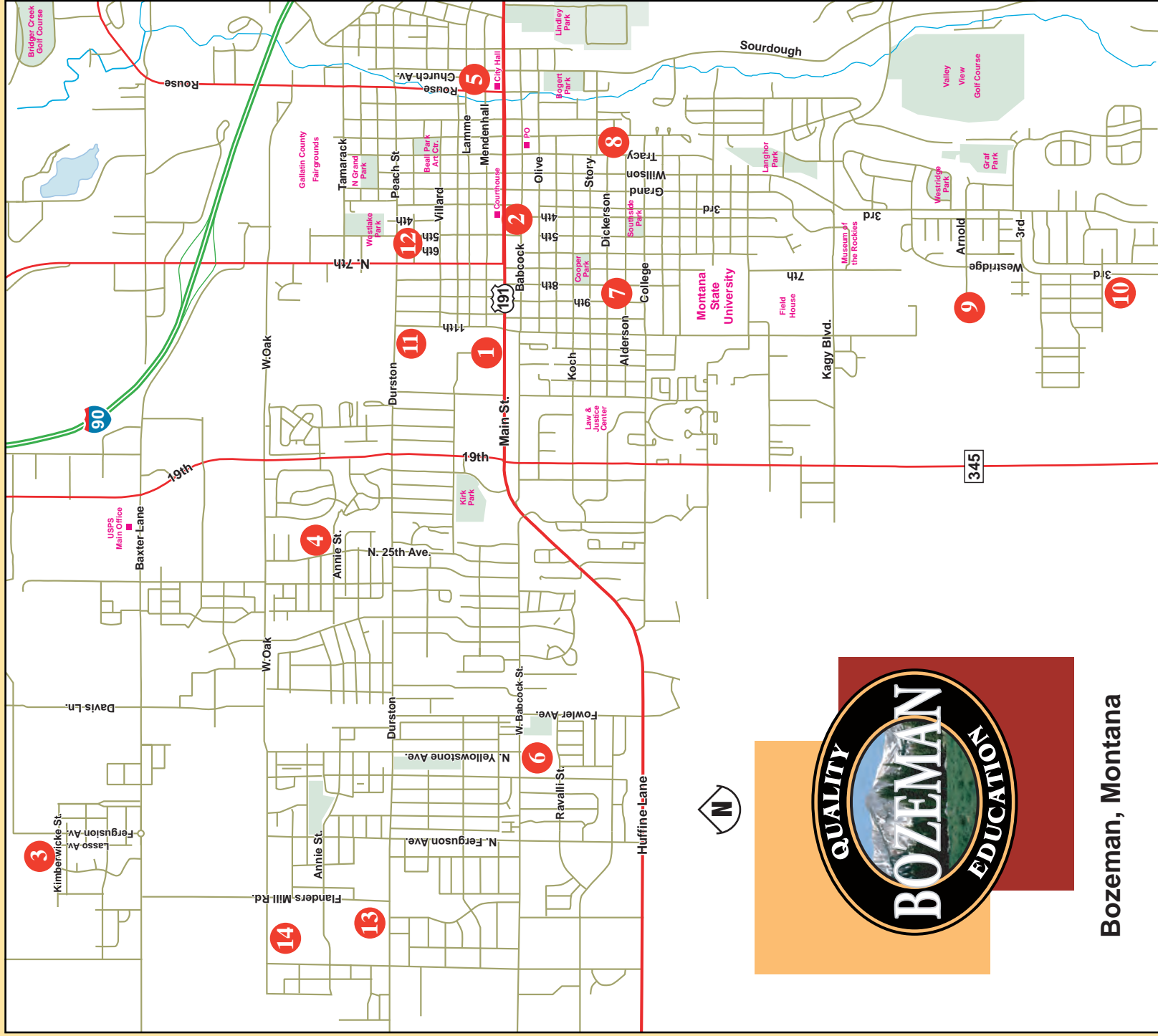
Casey Bertram . . . . .	Superintendent of Schools
Marilyn King, Ed. D. . . . .	Deputy Superintendent
Mike VanVuren . . . . .	Deputy Superintendent
Mike Waterman . . . . .	Executive Director Business & Operations

Appointed Positions as of report issuance

Casey Bertram . . . . .	Superintendent of Schools
Marilyn King, Ed. D. . . . .	Deputy Superintendent
Mike VanVuren . . . . .	Deputy Superintendent
Mike Waterman . . . . .	Executive Director Business & Operations

Board Meetings Held During Fiscal Year 2023-24

Regular	12
Special	36



<b>1</b>	<b>Bozeman High School</b> 205 North 11th 522-6200	<b>4</b>	<b>Emily Dickinson Elementary</b> 2435 Annie Street 522-6650	<b>8</b>	<b>Longfellow Elementary</b> 516 South Tracy 522-6150	<b>12</b>	<b>Whittier Elementary</b> 511 North 5th 522-6750
<b>1</b>	<b>Bridger Charter Academy</b> 205 North 11th 522-6100	<b>5</b>	<b>Hawthorne Elementary</b> 405 East Mendenhall Street 522-6700	<b>9</b>	<b>Morning Star Elementary</b> 830 Arnold Street 522-6500	<b>13</b>	<b>Meadowlark Elementary</b> 4415 Durston Road 582-6860
<b>2</b>	<b>Central Administration Offices</b> 404 West Main Street 522-6000	<b>6</b>	<b>Hyalite Elementary School</b> 3600 West Babcock 582-6800	<b>10</b>	<b>Sacajawea Middle School</b> 3525 South 3rd 522-6400	<b>14</b>	<b>Gallatin High School</b> 4455 Annie Street
<b>3</b>	<b>Chief Joseph Middle School</b> 4255 Kimberwicke 522-6300	<b>7</b>	<b>Irving Elementary</b> 811 West Alderson Street 522-6600	<b>11</b>	<b>Support Services</b> 501 North 11th 522-6380		

## **FINANCIAL SECTION**



## Independent Auditor's Report

To the Board of Trustees  
Bozeman School District No. 7

### 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 the Bozeman School District No. 7 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's 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 the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Elementary Retirement, and High School Retirement funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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.

What inspires you, inspires us. | [eidebailly.com](https://eidebailly.com)

401 N. 31st St., Ste. 1120 | P.O. Box 7112 | Billings, MT 59103-7112 | TF 800.824.9797 | T 406.896.2400 | F 406.252.8600 | EOE



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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's 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 the District's 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 the District's 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.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions -TRS, and the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions – PERS as listed in the table of contents 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements, supplemental information mandated by Montana Office of Public Instruction, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining financial statements, supplemental information mandated by Montana Office of Public Instruction, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise

appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024 on our consideration of the District'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 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Billings, Montana  
November 15, 2024

## **Management's Discussion and Analysis**

**BOZEMAN SCHOOL DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

This discussion and analysis of the Bozeman School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 27.

**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Bozeman School District No. 7 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds (General, Retirement, Elementary Grants, High School Debt Service, and High School Building Reserve) with all other nonmajor funds presented in total in one column.

**Overview of the financial statements**

*Statement of Net Position (page 28) and the Statement of Activities (page 29)*

The Statement of Net Position and the Statement of Activities help answer the question "How did we do financially during 2024?". These government-wide statements include *all assets, deferred inflows of resources, deferred outflows of resources, and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the *financial condition* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District's *governmental activities* are presented. These *activities* include most of the District's programs and services including instruction, support services, general and building administration, operations and maintenance, student transportation, food services and extracurricular activities.

## *Fund Financial Statements*

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds** - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of its funds and the balances left at year-end available for spending in future periods. 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 provide a detailed short-term view of the District's general government operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Elementary and High School Retirement, Elementary Grants, High School Debt Service, and High School Building Reserve, which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* and *schedules* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds** - The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. When the School 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 two internal service funds to account for services provided to all the other funds of the District: purchasing and self-insurance. 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 two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining*

statements on pages 142-144 of this report. The *basic* proprietary fund financial statements can be found on pages 39-41 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 43.

## **THE SCHOOL DISTRICT AS A WHOLE**

Net position may serve over time as a useful indicator of a government's financial condition. The District's net position increased by approximately \$6.5 million this year as compared to an almost \$1.0 million increase experienced last year. This current year \$6.5 million increase was largely attributed to planned conservation of building reserve resources and K-12 Interlocal Agreement proceeds for future projects and District needs. On subsequent pages, *Table 1* presents a comparative summary of the District's net position for the fiscal years ended June 30, 2024 and 2023. *Table 2* illustrates a comparative summary of the change in net position between the fiscal years.

By far, the largest portion of the District's positive net position reflects its net investment in capital assets (e.g., land, land improvements, buildings and improvements, machinery and equipment and construction in progress), plus capital-related deferred outflows, less any related debt outstanding used to acquire those assets and capital-related deferred inflows (unspent bond proceeds are not accounted for in this line). The District uses these capital assets to provide services to its students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot reasonably be used to liquidate these liabilities.

Approximately \$26.0 million of the District's net position was subject to external restrictions on how it may be used. *Unrestricted* net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - had an ending deficit balance of (\$50,534,151) which was a 2.8% increase over the prior year. The origin of this large negative component of the net position resides in the past implementation of GASB Statement 68 "Accounting and Financial Reporting for Pensions", GASB Statement 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" and of GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

**Table 1**  
**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Net Position**

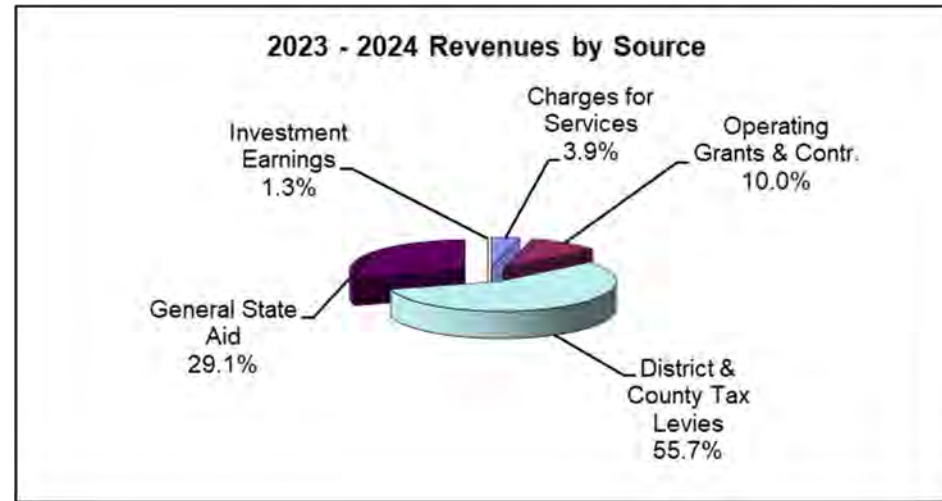
	<b>Governmental Activities</b>		
	2024	2023	Change
Current assets	\$ 51,288,464	\$ 46,786,979	\$ 4,501,485
Capital assets	240,572,990	248,530,809	(7,957,819)
Total assets	291,861,454	295,317,788	(3,456,334)
Deferred outflows of resources	10,375,288	15,080,672	(4,705,384)
Total assets and deferred outflows of resources	302,236,742	310,398,460	(8,161,718)
Current liabilities	16,551,312	15,749,917	801,395
Noncurrent bonds payable	139,540,912	153,024,114	(13,483,202)
Other noncurrent liabilities	8,223,402	8,123,718	99,684
Net pension liability	68,122,346	67,876,902	245,444
Total liabilities	232,437,972	244,774,651	(12,336,679)
Deferred inflows of resources	5,201,168	7,559,712	(2,358,544)
Total liabilities and deferred inflows of resources	237,639,140	252,334,363	(14,695,223)
Net position:			
Net investment in capital assets	89,141,706	84,269,380	4,872,326
Restricted	25,990,047	22,972,203	3,017,844
Unrestricted	(50,534,151)	(49,177,486)	(1,356,665)
<b>Total net position</b>	<b>\$ 64,597,602</b>	<b>\$ 58,064,097</b>	<b>\$ 6,533,505</b>



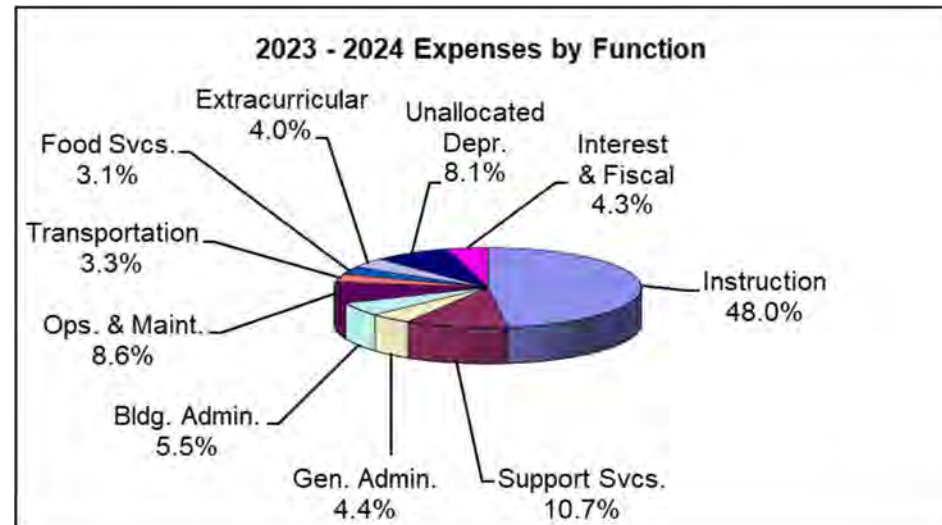
**Table 2**  
**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Changes in Net Position**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 4,736,781	\$ 4,418,969	\$ 317,812
Operating grants and contributions	11,963,362	12,211,206	(247,844)
Capital grants and contributions	8,000	-	8,000
General revenues			
District property taxes	54,190,215	48,232,733	5,957,482
Investment earnings	1,562,130	527,449	1,034,681
Tax increment financing proceeds	2,413,188	2,023,252	389,936
Gain on sale of asset	10,188	8,612	1,576
Unrestricted county distribution - retirement	10,075,174	8,671,860	1,403,314
Unrestricted state equalization	23,697,320	22,560,977	1,136,343
Unrestricted state guaranteed tax base subsidy	5,593,727	6,885,958	(1,292,231)
Unrestricted quality educator	2,196,784	1,881,459	315,325
Unrestricted on-behalf pension	3,219,637	2,990,445	229,192
Unrestricted other state revenue	116,304	106,879	9,425
Total revenues	<u>119,782,810</u>	<u>110,519,799</u>	<u>9,263,011</u>
<b>Program Expenses</b>			
Instruction	54,318,813	53,081,226	1,237,587
Support services	12,147,345	11,700,519	446,826
General administration	5,003,002	5,044,840	(41,838)
Building administration	6,251,485	6,789,186	(537,701)
Operations and maintenance	9,653,548	9,067,343	586,205
Student transportation	3,751,700	2,956,311	795,389
Food services	3,550,210	2,986,375	563,835
Extracurricular activities	4,532,714	4,102,367	430,347
Unallocated depreciation	9,197,749	8,477,297	720,452
Interest and fiscal charges	4,842,739	5,305,406	(462,667)
Total expenses	<u>113,249,305</u>	<u>109,510,870</u>	<u>3,738,435</u>
Change in net position	<u>6,533,505</u>	<u>1,008,929</u>	<u>5,524,576</u>
Net position, beginning of year	<u>58,064,097</u>	<u>57,055,168</u>	<u>1,008,929</u>
<b>Net position, end of year</b>	<b><u>\$ 64,597,602</u></b>	<b><u>\$ 58,064,097</u></b>	<b><u>\$ 6,533,505</u></b>

The 2024 fiscal year District revenues on *Table 2* experienced a sizable increase of \$9,263,011 (8.4%). This increase was largely attributable to an increase in property taxes, higher county funding, and an increase in interest income. Tax revenues for the year increased primarily due to new tax levies passed for fiscal year 2024 to benefit school safety and the high school general fund, and an increase in local taxes due to a reduction in the state guaranteed tax base subsidy. The \$1.0 million increase in investment income was driven by higher average interest rates earned in fiscal 2024. The following chart details revenue by source.



Total expenses on *Table 2* increased by \$3,738,435 (3.4%) and were largely attributable to inflation, increased costs of recruiting and retaining District staffing, and enrollment driven expense increases. The District realized rising salaries and benefits largely due to raises of 4% for certified staff and 5% for classified employees. The District experienced a 1.4% increase in enrollment which resulted in increased costs across functions. The following chart illustrates the breakout of expenses by function.



## 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 for all funds. As the District completed the year, its governmental funds (as presented in the balance sheet on page 32) reported a combined fund balance of \$45,353,617, a 10.0% increase of approximately \$4.1 million.

The elementary and high school retirement funds ended the year with a combined increase in fund balance of \$872,915 (39.3%). Retirement costs have been steadily increasing in conjunction with rising salaries. In previous years, a portion of these retirement costs were buffered using ESSER funds. Now that ESSER funds have been exhausted, the District increased current year tax levies to keep up with the climbing retirement costs.

The elementary grants fund finished the year with a \$177,470 (10.5%) decrease in fund balance. This was primarily due to Medicaid related expenditures exceeding revenues.

The major high school debt service fund experienced a minimal \$51,934 (6.6%) decrease in fund balance, largely due to lower than anticipated tax collections.

The high school building reserve major fund reported an increase of \$1,763,909 (19.7%) which was mostly attributable to a newly passed safety levy and the planned accumulation of resources for future District projects.

### **General fund budgetary highlights**

The last major fund, the General Fund, is the main operating fund of the Bozeman School District. The ending budgeted general fund balance reserves maintained a level equal to 10.0% of the 2024-2025 expenditure budget. The 10.0% is 100% of the state allowed 10% maximum, and is adequate to meet cash flow needs, and exceeds the District's self-imposed minimum reserve of 5%. Actual general fund revenues in the current year exceeded budgeted general fund revenues by a modest \$358,890 (0.6%). This was primarily due to higher than anticipated local tax increment finance (TIF) district receipts and investment revenues, offset by lower tax collections than budgeted.

General Fund expenditures and transfers out utilized 100% of the general fund budget. The instruction functional line encountered an unfavorable 3.6% budget variance due to the district's structural imbalance. The district assigns the structural imbalance to instructional salaries – the largest single line item in our budget. This is completed to identify and track the imbalance from year to year. Due to this budgeting method, the difference in this area is expected.

The support services functional line encountered a positive 17.4% budget variance related to salary and benefits coming in under budget due to staff turnover and challenges with filling paraprofessional positions. The operations and maintenance functional line item experienced a favorable 21.6% budget variance due to lower salaries than budgeted due to difficulties filling custodial positions, unspent utility contingency budget, and annual repairs and maintenance expenditures coming in below budget. There were no other significant functional variances in the budgeted general fund in the current fiscal year.

Student enrollment is critical in the calculation of general fund budget limits. Historically the overall District PreK-12 enrollment has increased every year since 2005, until the COVID-19 pandemic occurred. During 2021 the District experienced a contraction of its PreK-12 enrollment (see Table 25) directly affected by fear and parents' concerns of the unknowns spawned by the COVID-19 pandemic. Although the District provided in person, hybrid and remote only instruction options, many parents opted to withdraw their students from public schools to test the viability of homeschooling or alternate remote learning for their children. The District had predicted this reduction in enrollment would be a short-term trend as more of the unknowns of the pandemic became more known quantities that parents could relate and respond to. More recently, enrollment has been impacted by the rising cost of housing that has been a deterrent to young families while an older demographic, or a second home demographic has moved in to replace them. Our enrollment counts in fiscal years 2022, 2023, and 2024 show that elementary enrollment has partially recovered and, in the high school grades, climbed above the pre-pandemic enrollment levels.

The student population growth for grades 6-8 and 9-12 are once again tracking the historical trend of enrollment projections. This enrollment gain will continue to increase the demand for resources but will also have a positive impact on the maximum budget allowed to service the educational needs of the students. However, the enrollment for grades K-5 has not increased back to pre-pandemic levels. District projections indicate that the K-5 population will likely remain steady for the years to come. With time, the District anticipates that the lower K-5 enrollment numbers will affect enrollment at the high schools. Enrollment is projected to increase for grades 9-12 in fiscal year 2025, but then level off.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

As of June 30, 2024, the District had invested roughly \$332.8 million in capital assets, including school land, buildings, construction in progress, machinery and equipment, and right to use assets. This amount represents an approximate increase prior to depreciation and amortization of \$1.9 million over 2023. Total depreciation and amortization expense for the year was \$10,019,159. The following schedule presents capital asset balances net of depreciation and amortization for the fiscal year ended June 30, 2024. Additional information on the District's capital assets can be found in Note III C within this report.

	Amount
Land	\$ 13,098,828
Land improvements	25,404,587
Buildings and improvements	198,417,433
Machinery and equipment	2,601,037
Construction in progress	446,617
Right to use assets	604,488
Total	<u>\$240,572,990</u>

### *Debt Administration*

At year-end, the District had \$228,974,113 in general obligation bonds and other long-term liabilities outstanding, of which \$13,087,453 is due within one year. A summary of the District's outstanding long-term liabilities for the year ended June 30, 2024, is presented below:

	Amount
General obligation bonds	\$ 151,745,912
Compensated absences	4,752,065
Voluntary termination benefits	7,000
Net pension liability	68,122,346
Other postemployment benefits	4,103,239
Lease liability	125,358
Subscription liability	118,193
Total	<u>\$ 228,974,113</u>

The Elementary and High School Districts have each maintained their respective **Aa2** Moody's rating for general obligation debt. State statutes currently limit the amount of the general obligation debt a District may issue. As of June 30, 2024, the current elementary legal debt margin is \$357,169,589 and the high school legal debt margin is \$433,828,230 (as shown on Table 15).

Additional information on the District's long-term debt can be found in Note III F of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Many factors were considered by the District's administration and board of trustees during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's student population, collective bargaining agreements, recruitment and retention of staffing, inflation rates, and gauging the lingering effect of the coronavirus. Budgeted expenditures in the General Fund increased by 5.4% to \$62,287,942 in fiscal year 2024-2025. Increased payroll and employee benefit costs for an expanding workforce educating a growing student body are the primary reason for the increase. This modest increase in the General Fund budget is not enough to keep up with the demands on the District. Further, the General Funds are projected to be in a structural imbalance where the planned General Fund costs exceed the available spending authority. The structural imbalance was deemed a Mega Issue in 2022 and a budget committee was created to tackle budget reductions amounting to \$4.1 million per year, which were later approved by the Board of Trustees. The results of the budget committee set into motion a second Mega Issue: restructuring the master schedules at the middle and high schools.

Inflation for fiscal year 2024 (June to June) was 3.0%, which marks the smallest annual increase since the period ending March 2021 and a decline from June 2022 when annual inflation peaked at a 40-year high of 9.1%. The local cost of living within the Bozeman School District has outpaced that of the national economy. These factors are two of many considered when evaluating the cost of living during collective bargaining negotiations and the recent reevaluation of pay scales.

## **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 Mike Waterman, Executive Director Business and Operations, at the Bozeman School District, 404 West Main Street, Bozeman, Montana 59715 (or by phone at 406-522-6097).

## **Basic Financial Statements**

## **Government-Wide Financial Statements**



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities		Governmental Activities
<b><u>ASSETS</u></b>		<b><u>LIABILITIES</u></b>	
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 40,084,006	Accounts payable and other accrued liabilities	\$ 1,375,286
Investments	909,396	Accrued interest payable	458,900
Property taxes receivable (net of allowances for uncollectibles)	1,267,126	Retainage payable	6,209
Due from other governments	8,492,988	Unearned revenue	1,623,464
Accounts receivable	257,640	Bonds payable - due within one year	12,205,000
Inventory, at cost	57,176	Compensated absences - due within one year	681,358
Prepaid items	184,076	Voluntary termination benefits - due within one year	3,750
Flexible accounts deposit	36,056	Lease liability - due within one year	125,358
Total current assets	<u>51,288,464</u>	Subscription liability - due within one year	71,987
		Total current liabilities	<u>16,551,312</u>
Noncurrent assets:		Noncurrent liabilities:	
Land	13,098,828	Bonds payable	139,540,912
Land improvements	38,501,459	Compensated absences	4,070,707
Buildings and improvements	270,499,874	Voluntary termination benefits	3,250
Machinery and equipment	8,901,396	Net pension liability	68,122,346
Construction in progress	446,617	Other postemployment health benefits	4,103,239
Less accumulated depreciation	(91,479,672)	Subscription liability	46,206
Right to use leased assets	376,429	Total noncurrent liabilities	<u>215,886,660</u>
Right to use subscription assets	972,329	<b>Total liabilities</b>	<u>232,437,972</u>
Less accumulated amortization	(744,270)		
Total noncurrent assets	<u>240,572,990</u>	<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
<b>Total assets</b>	<u>291,861,454</u>	Other postemployment health benefits assumption changes	1,198,601
		Pension deferrals	4,002,567
		<b>Total deferred inflows of resources</b>	<u>5,201,168</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		<b><u>NET POSITION</u></b>	
Other postemployment health benefits deferred contributions	500,204	Net investment in capital assets	89,141,706
Contribution to pension plans in current fiscal year	9,316,905	Restricted for:	
Excess reacquisition costs due to bond refunding	558,179	Building	1,889,218
<b>Total deferred outflows of resources</b>	<u>10,375,288</u>	Building reserve	14,363,042
		Debt service	1,543,114
		Bus depreciation	654,753
		Retirement	3,096,597
		Restricted endowment:	
		Nonexpendable portion	287,147
		Expendable portion	624,159
		Technology acquisition	86,683
		Transportation	1,859,275
		Tuition	956,739
		Grant purposes	319,676
		Adult education	309,644
		Unrestricted	(50,534,151)
		<b>Total net position</b>	<u>64,597,602</u>
		<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 302,236,742</u>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental activities:</b>					
Instruction	\$ 54,318,813	\$ 1,012,218	\$ 5,456,526	\$ 8,000	\$ (47,842,069)
Support services	12,147,345	282,738	2,219,061	-	(9,645,546)
General administration	5,003,002	50,290	221,735	-	(4,730,977)
Building administration	6,251,485	147,095	209,554	-	(5,894,836)
Operations and maintenance	9,653,548	538,643	131,639	-	(8,983,266)
Student transportation	3,751,700	-	603,763	-	(3,147,937)
Food services	3,550,210	2,001,347	1,037,758	-	(511,105)
Extracurricular activities	4,532,714	704,450	2,083,326	-	(1,744,938)
Unallocated depreciation *	9,197,749	-	-	-	(9,197,749)
Interest and fiscal charges	4,842,739	-	-	-	(4,842,739)
<b>Total governmental activities</b>	<b>\$ 113,249,305</b>	<b>\$ 4,736,781</b>	<b>\$ 11,963,362</b>	<b>\$ 8,000</b>	<b>\$ (96,541,162)</b>
General revenues:					
District property taxes					54,190,215
Investment earnings					1,562,130
Tax Increment Financing proceeds					2,413,188
Unrestricted:					
County distribution - retirement					10,075,174
State equalization					23,697,320
State guaranteed tax base subsidy					5,593,727
State quality educator					2,196,784
State on-behalf pension					3,219,637
Other state revenue					116,304
Compensation of capital assets					10,188
<b>Total general revenues</b>					<b>103,074,667</b>
<b>Change in net position</b>					<b>6,533,505</b>
<b>Net position, beginning of year</b>					<b>58,064,097</b>
<b>Net position, end of year</b>					<b>\$ 64,597,602</b>

\* This amount excludes the depreciation and amortization that is included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.



## **Fund Financial Statements**

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General	Elementary Retirement	Elementary Grants	High School Retirement	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>								
Cash and cash equivalents	\$ 11,917,055	\$ -	\$ -	\$ -	\$ -	\$ 10,717,884	\$ 12,981,074	\$ 35,616,013
Investments	-	-	-	-	-	-	909,396	909,396
Property taxes receivable	587,566	-	-	-	280,436	78,196	338,281	1,284,479
Due from other funds	1,609,913	-	-	-	-	-	-	1,609,913
Due from other governments	698,357	2,437,289	1,671,799	1,743,259	870,360	2,289	1,069,635	8,492,988
Accounts receivable	11,325	6	183,475	324	-	-	62,510	257,640
Inventory, at cost	-	-	-	-	-	-	54,833	54,833
Prepaid items	149,465	-	3,396	-	-	-	382,176	535,037
<b>Total assets</b>	<b>\$ 14,973,681</b>	<b>\$ 2,437,295</b>	<b>\$ 1,858,670</b>	<b>\$ 1,743,583</b>	<b>\$ 1,150,796</b>	<b>\$ 10,798,369</b>	<b>\$ 15,797,905</b>	<b>\$ 48,760,299</b>
<b><u>LIABILITIES</u></b>								
Accounts payable and other accrued liabilities	\$ 74,314	\$ -	\$ 27,138	\$ -	\$ -	\$ 9,846	\$ 223,242	\$ 334,540
Retainages payable	-	-	-	-	-	2,141	4,068	6,209
Due to other funds	-	620,741	312,775	463,540	133,582	-	79,275	1,609,913
Unearned revenue	521	-	966	-	-	-	170,054	171,541
<b>Total liabilities</b>	<b>74,835</b>	<b>620,741</b>	<b>340,879</b>	<b>463,540</b>	<b>133,582</b>	<b>11,987</b>	<b>476,639</b>	<b>2,122,203</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>								
Unavailable revenue - property taxes	587,566	-	-	-	280,436	78,196	338,281	1,284,479
<b>Total deferred inflows of resources</b>	<b>587,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,436</b>	<b>78,196</b>	<b>338,281</b>	<b>1,284,479</b>
<b><u>FUND BALANCES</u></b>								
Nonspendable	149,465	-	3,396	-	-	-	724,156	877,017
Restricted	-	1,816,554	231,374	1,280,043	736,778	10,708,186	10,863,220	25,636,155
Committed	7,507,742	-	1,283,021	-	-	-	3,466,423	12,257,186
Assigned	456,180	-	-	-	-	-	-	456,180
Unassigned	6,197,893	-	-	-	-	-	(70,814)	6,127,079
<b>Total fund balances</b>	<b>14,311,280</b>	<b>1,816,554</b>	<b>1,517,791</b>	<b>1,280,043</b>	<b>736,778</b>	<b>10,708,186</b>	<b>14,982,985</b>	<b>45,353,617</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 14,973,681</b>	<b>\$ 2,437,295</b>	<b>\$ 1,858,670</b>	<b>\$ 1,743,583</b>	<b>\$ 1,150,796</b>	<b>\$ 10,798,369</b>	<b>\$ 15,797,905</b>	<b>\$ 48,760,299</b>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

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

<b>Fund balances - total governmental funds</b>	<b>\$ 45,353,617</b>
Capital assets (excluding internal service funds) used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$332,667,107 and the accumulated depreciation and amortization is \$92,095,696.	240,571,411
Deferred inflows of resources (unavailable property taxes) are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.	1,284,479
Pension and OPEB related deferred inflows and outflows (excluding internal service funds) are not accounted for in the governmental funds. Excess reacquisition costs related to bond refunding are accounted for as deferred inflows of resources on the government-wide statements. The following number reports the net result of the current and long-term effect of these resources.	5,855,330
Property taxes receivable is reported "net of the allowances for uncollectibles" on the statement of net position.	(17,353)
Prepaid expenditures related to SBITAs are reported as intangible subscription assets on the statement of net position	(350,961)
Accrued interest payable on bonds is reported on the statement of net position.	(458,900)
Long-term liabilities (excluding internal service funds), including bonds payable, compensated absences, voluntary termination benefits, and net pension liability are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	\$151,745,912
Compensated absences	4,752,065
Voluntary termination benefits	7,000
Net pension liability	67,969,060
Lease liability	125,358
Subscription liability	118,193
	(224,717,588)
Internal service funds are used by the District to charge the costs of health insurance, printing, postage and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(2,922,433)
<b>Net position - governmental activities</b>	<b>\$ 64,597,602</b>

**The notes to the financial statements are an integral part of this statement.**

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General	Elementary Retirement	Elementary Grants	High School Retirement	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
District property taxes	\$ 24,779,988	\$ -	\$ -	\$ -	\$ 11,237,114	\$ 3,272,681	\$ 14,813,461	\$ 54,103,244
Tuition and fees	75,209	-	480	-	-	-	1,927,434	2,003,123
Investment earnings	485,067	7,296	63	2,393	51,226	442,634	446,584	1,435,263
Other district revenue	688,685	-	1,080,214	-	870,000	-	4,167,089	6,805,988
Gallatin County	-	5,877,174	-	4,198,000	-	-	310,557	10,385,731
State of Montana	34,100,139	1,961,413	1,086,372	1,095,913	2,041	45,697	691,756	38,983,331
Federal	-	-	3,484,133	-	-	-	1,189,915	4,674,048
<b>Total revenues</b>	<u>60,129,088</u>	<u>7,845,883</u>	<u>5,651,262</u>	<u>5,296,306</u>	<u>12,160,381</u>	<u>3,761,012</u>	<u>23,546,796</u>	<u>118,390,728</u>
<b>Expenditures:</b>								
Current -								
Instruction	38,120,652	5,074,236	3,454,060	2,879,911	-	-	2,070,786	51,599,645
Support services	5,303,559	1,114,696	1,652,999	467,906	-	1,083,275	2,117,281	11,739,716
General administration	3,157,891	282,567	152,287	260,759	-	16,701	777,806	4,648,011
Building administration	4,275,820	626,807	23,007	357,371	-	31,383	580,551	5,894,939
Operations and maintenance	6,222,557	381,830	402,189	243,808	98,490	633,056	1,373,230	9,355,160
Student transportation	83	27,829	232	8,878	-	-	3,698,200	3,735,222
Food services	10,833	34,384	3,409	237,125	-	-	2,901,942	3,187,693
Extracurricular activities	1,799,679	48,306	140,549	222,861	-	-	2,263,830	4,475,225
Capital outlay	180,452	-	-	-	-	232,688	1,519,720	1,932,860
Debt service -								
Principal retirement - bonds	-	-	-	-	7,630,000	-	4,070,000	11,700,000
Interest and fiscal charges	-	-	-	-	4,483,825	-	1,457,514	5,941,339
Lease and subscription principal payments	44,178	-	-	-	-	-	164,312	208,490
<b>Total expenditures</b>	<u>59,115,704</u>	<u>7,590,655</u>	<u>5,828,732</u>	<u>4,678,619</u>	<u>12,212,315</u>	<u>1,997,103</u>	<u>22,995,172</u>	<u>114,418,300</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,013,384</u>	<u>255,228</u>	<u>(177,470)</u>	<u>617,687</u>	<u>(51,934)</u>	<u>1,763,909</u>	<u>551,624</u>	<u>3,972,428</u>
<b>Other financing sources (uses):</b>								
Proceeds from sale of assets	-	-	-	-	-	-	10,188	10,188
Software subscription	131,946	-	-	-	-	-	-	131,946
Transfer out	(5,500)	-	-	-	-	-	-	(5,500)
<b>Total other financing sources (uses)</b>	<u>126,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,188</u>	<u>136,634</u>
<b>Net changes in fund balances</b>	<u>1,139,830</u>	<u>255,228</u>	<u>(177,470)</u>	<u>617,687</u>	<u>(51,934)</u>	<u>1,763,909</u>	<u>561,812</u>	<u>4,109,062</u>
<b>Fund balances, beginning of year, as previously presented</b>	<u>13,171,450</u>	<u>1,561,326</u>	<u>-</u>	<u>662,356</u>	<u>788,712</u>	<u>8,944,277</u>	<u>16,116,434</u>	<u>41,244,555</u>
Change within financial reporting entity (nonmajor to major fund)	-	-	1,695,261	-	-	-	(1,695,261)	-
<b>Fund balances, beginning of year, as adjusted</b>	<u>13,171,450</u>	<u>1,561,326</u>	<u>1,695,261</u>	<u>662,356</u>	<u>788,712</u>	<u>8,944,277</u>	<u>14,421,173</u>	<u>41,244,555</u>
<b>Fund balances, end of year</b>	<u>\$ 14,311,280</u>	<u>\$ 1,816,554</u>	<u>\$ 1,517,791</u>	<u>\$ 1,280,043</u>	<u>\$ 736,778</u>	<u>\$ 10,708,186</u>	<u>\$ 14,982,985</u>	<u>\$ 45,353,617</u>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7  
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, 2024**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 4,109,062</b>
Governmental funds accrue property tax revenue which is deemed collectible within 60 days; however, for the statement of activities the total amount estimated to be collected is accrued.	(1,452)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$9,594,190), amortization (\$423,916) exceeded capital outlays (\$1,932,860) in the current period. Additionally, the receipt of donated capital assets (\$8,000) is not reported in the governmental funds, but is reported in the statement of activities.	(8,077,246)
Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements.	88,423
The net pension liability and related pension deferred inflows and outflows of the district are reported on the full accrual method and solely in the government-wide financial statements.	(2,368,953)
The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized as a component of interest and fiscal charges in the statement of activities. If debt is refunded at a cost more than the carrying amount of the old debt, this excess acquisition cost is also amortized as a component of interest and fiscal charges in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.	12,811,971
Leases and subscription contracts provide current financial resources to governmental funds, while the payment of the principal of long-term agreements consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	260,838
The current period net increase in compensated absences and voluntary termination benefits payable did not require the use of current financial resources.	10,811
Internal service funds are used by the District to charge the costs of health insurance, printing, postage and other services to individual funds. The net loss of the internal service funds is reported with governmental activities.	(299,949)
<b>Change in net position of governmental activities</b>	<b>\$ 6,533,505</b>

**The notes to the financial statements are an integral part of this statement.**



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
District property taxes	\$ 25,295,168	\$ 25,295,168	\$ 24,779,988	\$ (515,180)
Tuition and fees	-	-	75,209	75,209
Investment earnings	76,681	76,681	139,774	63,093
Other district revenue	-	-	680,932	680,932
State of Montana	33,731,703	34,045,303	34,100,139	54,836
<b>Total revenues</b>	<u>59,103,552</u>	<u>59,417,152</u>	<u>59,776,042</u>	<u>358,890</u>
<b>Expenditures:</b>				
Current -				
Instruction	35,400,986	35,714,586	37,013,712	(1,299,126)
Support services	6,182,435	6,182,435	5,106,123	1,076,312
General administration	2,827,409	2,827,409	2,920,780	(93,371)
Building administration	4,127,641	4,127,641	4,116,878	10,763
Operations and maintenance	7,281,697	7,281,697	5,710,618	1,571,079
Student transportation	-	-	83	(83)
Food services	-	-	939	(939)
Extracurricular activities	1,719,249	1,719,249	1,715,202	4,047
Capital outlay	-	-	19,115	(19,115)
<b>Total expenditures</b>	<u>57,539,417</u>	<u>57,853,017</u>	<u>56,603,450</u>	<u>1,249,567</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,564,135)</u>	<u>(1,564,135)</u>	<u>(2,868,535)</u>	<u>(1,304,400)</u>
<b>Total other financing sources (uses)</b>	<u>(1,564,135)</u>	<u>(1,564,135)</u>	<u>(2,868,535)</u>	<u>(1,304,400)</u>
<b>Net change in fund balances</b>	-	-	304,057	304,057
<b>Fund balances, beginning of year</b>	<u>5,924,738</u>	<u>5,924,738</u>	<u>5,924,738</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 5,924,738</u>	<u>\$ 5,924,738</u>	<u>\$ 6,228,795</u>	<u>\$ 304,057</u>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**ELEMENTARY RETIREMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 1,500	\$ 7,296	\$ 5,796
Gallatin County	5,877,174	5,877,174	-
<b>Total revenues</b>	<u>5,878,674</u>	<u>5,884,470</u>	<u>5,796</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,098,820	3,685,336	413,484
Support services	917,600	862,195	55,405
General administration	269,080	228,366	40,714
Building administration	478,020	472,359	5,661
Operations and maintenance	308,140	327,119	(18,979)
Student transportation	28,520	23,750	4,770
Food Services	71,920	16,061	55,859
Extracurricular activities	27,900	14,056	13,844
<b>Total expenditures</b>	<u>6,200,000</u>	<u>5,629,242</u>	<u>570,758</u>
<b>Net change in fund balances</b>	(321,326)	255,228	576,554
<b>Fund balances, beginning of year</b>	<u>1,561,326</u>	<u>1,561,326</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,240,000</u>	<u>\$ 1,816,554</u>	<u>\$ 576,554</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**HIGH SCHOOL RETIREMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ 2,000	\$ 2,393	\$ 393
Gallatin County	4,198,000	4,198,000	-
<b>Total revenues</b>	<u>4,200,000</u>	<u>4,200,393</u>	<u>393</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,457,840	2,155,382	302,458
Support services	481,740	329,900	151,840
General administration	282,240	214,022	68,218
Building administration	373,800	267,196	106,604
Operations and maintenance	325,080	189,316	135,764
Student transportation	7,560	6,020	1,540
Food Services	51,240	217,485	(166,245)
Extracurricular activities	220,500	203,385	17,115
<b>Total expenditures</b>	<u>4,200,000</u>	<u>3,582,706</u>	<u>617,294</u>
<b>Net change in fund balances</b>	-	617,687	617,687
<b>Fund balances, beginning of year</b>	<u>662,356</u>	<u>662,356</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 662,356</u>	<u>\$ 1,280,043</u>	<u>\$ 617,687</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 4,467,993
Inventory, at cost	2,343
Flexible accounts deposit	36,056
Total current assets	<u>4,506,392</u>
Noncurrent assets:	
Capital assets:	
Machinery and equipment	129,825
Less accumulated depreciation	<u>(128,246)</u>
Net capital assets	<u>1,579</u>
<b>Total assets</b>	<u><u>4,507,971</u></u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Other postemployment health benefits deferred contributions	500,204
Contribution to pension plans in current fiscal year	<u>22,654</u>
<b>Total deferred outflows of resources</b>	<u>522,858</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 5,030,829</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 1,040,746
Unearned revenue	<u>1,451,923</u>
Total current liabilities	<u>2,492,669</u>
Noncurrent liabilities:	
Net pension liability	153,286
Other postemployment health benefits	<u>4,103,239</u>
Total noncurrent liabilities	<u>4,256,525</u>
<b>Total liabilities</b>	<u><u>6,749,194</u></u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Other postemployment health benefits assumption changes	1,198,601
Pension deferrals	<u>5,467</u>
<b>Total deferred inflows of resources</b>	<u>1,204,068</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	1,579
Unrestricted	<u>(2,924,012)</u>
<b>Total net position</b>	<u>(2,922,433)</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u><u>\$ 5,030,829</u></u>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Charges for services	\$ 9,578,077
Charges for wellness services	61,668
Stop-loss insurance revenue	404,438
Other district revenue	3,939
<b>Total operating revenues</b>	<u>10,048,122</u>
<b>Operating expenses:</b>	
Administrative expenses	411,805
Communications	15,801
Contracted Medicare supplement	557,928
Depreciation	1,053
Health, dental and vision claims	8,505,292
Minor equipment	3,369
Minor technology equipment	10,402
Other expenses	2,301
Other postemployment health benefits	317,955
Repairs and maintenance	159,951
Salaries and benefits	224,239
Software maintenance	48,340
Wellness	216,501
<b>Total operating expenses</b>	<u>10,474,937</u>
<b>Operating loss</b>	<u>(426,815)</u>
<b>Nonoperating revenues:</b>	
Investment earnings	126,866
<b>Total nonoperating revenues</b>	<u>126,866</u>
<b>Change in net position</b>	(299,949)
<b>Net position, beginning of year</b>	<u>(2,622,484)</u>
<b>Net position, end of year</b>	<u><u>\$ (2,922,433)</u></u>

The notes to the financial statements are an integral part of this statement.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b>Cash flows from operating activities:</b>	
Receipts from users	\$ 9,709,278
Receipts from stop-loss insurance claims	404,438
Receipts from donors	3,939
Payments for insurance claims	(8,505,292)
Payments to employees	(224,239)
Payments to suppliers	(1,377,637)
<b>Net cash flows used for operating activities</b>	<u>10,487</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>126,866</u>
<b>Net cash flows from investing activities</b>	<u>126,866</u>
<b>Net change in cash and cash equivalents</b>	137,353
<b>Cash and cash equivalents - beginning of the year</b>	<u>4,330,640</u>
<b>Cash and cash equivalents - end of the year</b>	<u><u>\$ 4,467,993</u></u>
<b>Reconciliation of operating loss to net cash flows used for operating activities:</b>	
Operating loss	<u>\$ (426,815)</u>
<b>Adjustments to reconcile operating loss to net cash flows used for operating activities:</b>	
Depreciation	1,053
(Increase) decrease in inventories	(1,715)
(Increase) decrease in accounts receivable	10
Increase (decrease) in accounts payable	109,520
Increase (decrease) in unearned insurance premiums	69,523
Increase (decrease) in pension related deferred inflows, deferred outflows and net pension liability	75,451
Increase (decrease) in other postemployment benefits	183,460
Total adjustments	<u>437,302</u>
<b>Net cash flows used for operating activities</b>	<u><u>\$ 10,487</u></u>

The notes to the financial statements are an integral part of this statement.



## **Notes to Financial Statements**



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Bozeman School District No. 7 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District adopted the provisions of the following GASB statements:

For the year ended June 30, 2024, the District adopted 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. This Statement is effective for fiscal years beginning after June 15, 2023.

The implementation of this standard requires that a change within the financial reporting entity should be reported by adjusting beginning balances of the current period as if the change occurred as of the beginning of the period. For the year ended June 30, 2024, the Elementary Grants fund was reclassified from nonmajor to major as a result of the quantitative criteria in GASB Statement No 34. Changes within the financial reporting entity resulted in an adjustment to beginning net position and fund net position as follows:

	Reporting Units Affected by Adjustments to Beginning Balances	
	Funds	
	Elementary Grants Fund	Nonmajor Governmental
Fund balances 6/30/23, as previously reported	\$ -	\$ 16,116,434
Change from nonmajor to major fund	1,695,261	(1,695,261)
Fund balances 6/30/23, as adjusted	\$ 1,695,261	\$ 14,421,173

### **A. Reporting Entity**

School District No. 7 was established under Montana law to provide educational services below the College and University level to residents of the District. Generally accepted accounting principles require that these financial statements present School District No. 7 (the primary government) and all component units, if any. In the fiscal year ended June 30, 2013, the District implemented GASB Statement No. 61 *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. One significant modification was the provision that a financial benefit or burden must exist between the District and potential component unit organization for it to be included in the reporting entity as a component unit. In applying this statement, it has been determined that School District No. 7 has no component units.

The District actually consists of two separate legal entities - Elementary and High School districts. Accounting records of both districts must be maintained separately per State law because of differences in funding and tax base. However, both are managed by one central Board of Trustees, elected in a district-wide election, and by a central administration appointed by and responsible to the Board. Although School District No. 7 legally consists of two separate statutory entities, it is managed and operated as a single system. These financial statements present, as a single reporting entity, all activities over which the Board of Trustees exercise responsibility.

### **B. Government-wide and fund financial statements**

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements** - The statement of net position and statement of activities report information on all of the activities of the primary government utilizing a full accrual basis of accounting. Generally, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities (and ultimately presents changes in net position). Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipient of the goods or services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements** - Separate financial statements are provided for governmental funds and proprietary funds. Fund financial statements are designed to present financial information of the School District at a more detailed level (and to demonstrate legal compliance). The focus of governmental fund financial statements is on major funds. In the District's case, the general, elementary and high school retirement, elementary grants, high school debt service, and high school building reserve funds are considered major and are

presented in separate columns. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary fund statements.

**C. 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 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 grantor or provider have been met.

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 *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, are recorded only when payment is due.

Property taxes, State and County aid and investment income 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. All other revenue items are considered measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *general fund* accounts for all revenues and expenditures related to instruction, administration, and other activities, except those required to be accounted for in another fund.

The *elementary and high school retirement funds* 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.

The *elementary grants fund* accounts for Federal, State and Local grants and indirect cost monies received by the District

The *high school building reserve fund* accounts for resources segregated for the acquisition, construction or repair of major capital facilities.

The *high school debt service fund* accounts for the annual payment of principal, interest, and expenditures on long-term obligation debt.

Additionally, the government also reports the following fund types:

*Internal service funds* account for the financing of goods or services provided by one department to other departments of the District, or to other governments, on a cost reimbursement basis. In the District's case, the internal service funds are used to charge the costs of health insurance, printing, postage and other services to other individual funds.

It is the District's practice to eliminate the net income (loss) generated by interfund activity. This was implemented to comply with the GAAP requirement to consolidate internal activities in the government-wide statement of activities. Direct expenses of departments paying for the interfund activity (i.e. health insurance, printing, postage, etc.) are not eliminated, but are presented as expenses in the appropriate functional category. Indirect expenses of the interfund activity, which are usually the ultimate reason of departments being indirectly over or undercharged, are eliminated through the reduction or increase of statement of activities expenses. If an Internal Service Fund receives revenue from a nongovernmental entity, it is recognized as a charges for services program revenue amongst the functions that generated it.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District's *Purchasing* and *Self-Insurance* internal service funds are charges to customers for sales or services. Operating expenses for the internal service funds include the costs of sales and services, administrative expenses, pension, other postemployment benefits, wellness activities, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted net positions are available to expend, it is the District's policy to use its restricted net position first, followed by unrestricted net position as they are needed.

#### **D. Cash and investments**

The District's cash consists primarily of amounts held by First Interstate Bank, First Security Bank, the County Treasurer, pooled in the Gallatin County external investment pool, and invested in the Short Term Investment Pool (STIP). In addition, a portion of the District's investments are held in interest bearing bank insured deposit accounts.

Montana State statutes authorize the District to invest in interest-bearing savings accounts, certificates of deposits, and time deposits insured up to \$250,000 by the Federal Deposit Insurance Corporation or fully collateralized, U.S. government and U.S. agency obligations and repurchase agreements where there is a master repurchase agreement and collateral held by a third party.

The District and the County Treasurer invests a portion of its cash pursuant to State Law (MCA 20-9-213 [4]). Allowable investments include direct obligations of the United States Government and some United States Agencies (not to exceed five years), savings or time deposits in a state or national bank, building and loan association, savings and loan association, or credit union insured by the FDIC or NCUA located in the State, or in a repurchase agreement. It is also allowable to invest monies under STIP established in Title 17, Chapter 6, MCA. STIP has invested in derivatives, but the nature of those transactions, the reason for

entering into them and the District's exposure to credit is not available to the District for disclosure. As of June 30, 2024, the District had a significant portion of its funds invested in STIP.

The District invests certain special revenue funds pursuant to State Law, Title 22 Chapter 30. Generally, that law requires the District to consider the intent of the donor and the charitable purpose of the gift. In addition, the funds shall be managed and invested in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

The School District considers all highly liquid investments with a maturity of three months or less from date of purchase to be cash equivalents. With this in mind, the entire amount of the STIP investment and the Gallatin County investment pool are considered cash equivalents. All cash equivalents are reported at fair value. The direct obligations of the United States Agencies (when present) are also held at fair value.

#### **E. Receivables and payables**

Trade receivables are primarily comprised of outstanding receivables for user charges and reimbursements anticipated from the internal service fund's excess risk insurance provider. Periodically, less than a hundred dollars has been written off for some fiscal years and therefore no allowance for uncollectibles is created for these receivables.

Property is assessed by the County division of the State Department of Revenue. Valuations are determined under State law and submitted to the County Treasurer for the preparation of tax notices. Property taxes are assessed against the owner of record as of January 1<sup>st</sup> with the taxes generally being levied in August and billed as of November 1<sup>st</sup>. Property taxes receivable are recorded as of the date levied. Uncollected taxes receivable at year-end are deferred only in the fund financial statements.

Property taxes are due in two payments, generally November 30<sup>th</sup> and May 31<sup>st</sup>. Unpaid taxes become delinquent on December 1<sup>st</sup> and June 1<sup>st</sup>. After three years of delinquency, the County may proceed to take title to the property. Delinquent taxes may be collected up to ten years. The County Treasurer may issue a writ of execution to the County Sheriff to seize the property and sell it to pay the taxes. Unpaid taxes at the end of ten years may be written off by the County Commissioners. Using the County's 10-year delinquency rate of 0.03% on real estate property taxes levied and 0.2% on personal property taxes levied, a \$17,353 allowance for uncollectibles has been calculated and the property taxes receivable are presented net of this amount.

All payables are reported in the government-wide financial statements with the proprietary funds payables also being presented on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and other voluntary termination benefits are reported as a liability in the fund financial statements only to the extent that there are unpaid reimbursable balances for terminated employees at year end.

## **F. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventoriable items purchased through the governmental funds and internal service funds are recorded as expenditures when consumed rather than when purchased (known as the consumption method).

## **G. Prepaid items**

Payments made to vendors for services that will benefit future periods 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).

## **H. Capital assets**

Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, and construction in progress, are reported in the government-wide financial statements. All lands purchased or received through a donation are capitalized, regardless of price. Machinery and equipment capital assets are defined by District policy as assets with an initial, individual cost of \$5,000 or more with a useful life of more than one year. District policy also dictates that buildings, improvement on buildings, land improvements, and construction in progress are deemed to be capital assets when the individual project has a cost of \$25,000 or more (or anticipated cost for construction in progress). Donated capital assets, donated works of art and similar items are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the half-year straight-line method over the following estimated useful lives:

Land improvements	20 years
Building and improvements	20-50 years
Machinery and equipment	5-20 years

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the 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 3 to 5 years.

### **I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and governmental funds balance sheets 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(s) so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has some pension and other postemployment health benefits (OPEB) related deferred outflows of resources in the current fiscal year as well as deferred outflows due to an excess reacquisition loss on debt refunding.

In addition to liabilities, the statement of net position and governmental funds balance sheets 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the District's governmental fund balance sheet, there was one item that qualified as a deferred inflow of resources. This item was entirely comprised of outstanding property taxes as of June 30, 2024. These amounts are reported as revenue in the government-wide financial statements in the period in which they were levied and thus no deferred inflows of resources were reported for this unavailable property tax activity. The government-wide and proprietary Statements of Net Position did report some deferred inflows of resources for pension and OPEB related activities. Please refer to the Other Information section of the notes for a more in-depth discussion of the pension and OPEB activity that the District participates in.

### **J. Compensated absences**

**Accumulated Vacation and Sick Leave** - Nonteaching District employees earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Vacation leave may be accumulated to a total not to exceed two times the maximum number of days earned annually. Sick leave is earned at a rate of 11 to 15 days per year. Upon retirement or termination, all employees are paid for 100% of unused vacation leave and 25% of unused sick leave (certified staff are limited to a maximum 187 days of sick leave payout at the employee's current salary).

The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements. In governmental funds, sick leave and vacation leave are recorded as expenditures in the year paid, as it is the District's policy to satisfy any unpaid amounts at year-end from future resources, not expendable available resources. The District, in accordance with State law (MCA 20-9-512),

transfers money, within the adopted budget, from the general fund to maintain the compensated absence liability fund. The purpose of this fund is to pay any accumulated sick and vacation leave that a nonteaching or administrative employee is entitled to upon termination of employment. The sick and vacation leave termination pay for teachers is paid out of the general fund. Generally Accepted Accounting Principles (GAAP) dictate that a fund solely funded from another fund cannot be a standalone special revenue fund. All of its activity must be reported in the fund that is truly paying for the expenditures. Therefore, on the modified accrual basis, the compensated absence liability fund activities have been consolidated into the general fund (its full funding source).

**K. Voluntary termination benefits**

**Administrator Severance Medical Insurance Payments** - If an Administrator has at least thirteen years of administrative service with the District or at least twenty years of total service with the District, and the Administrator's employment with the District ends in a no fault termination, the Administrator shall be entitled to payments from the District for medical insurance. Administrators who ended employment prior to July 1, 2023 receive payments of \$250 per month, while Administrators ending employment after July 1, 2023 receive payments of \$375 per month. These payments shall cease on the first of the following to occur: a. The Administrator becoming eligible to participate in another employer sponsored medical insurance plan with benefits which are of comparable value to the District's group medical insurance plan, or Medicare. b. Ten years expiring from the date of the first such payment to the Administrator. For the fiscal year ended June 30, 2024, this voluntary termination benefit cost the District \$6,750 and had 3 past employees participating.

**L. Net pension liability – TRS and PERS**

The District must report its proportionate share of the collective net pension liability, pension expense, deferred inflows, and deferred outflows of resources associated with pension plans that its employees are eligible to participate in. On-behalf payments for fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments for the District include pension plan contributions. The State's pension contribution is recorded as intergovernmental revenue with an offsetting expenditure in the related funds. These contributions have been recorded at the fund level using fiscal year 2024 contribution amounts and an adjustment has been made for amounts as of the measurement date for government-wide statements, as the difference is considered to be material. See Note IV.B for a more in-depth discussion of this liability and related elements.

**M. Other postemployment benefits**

The District allows retirees that have just finished employment with the District to remain on the District health insurance plan (with several Medicare and non-Medicare eligible options available). Another postemployment benefit arises from the difference in the District health insurance cost the retirees are incurring and what they would otherwise be paying on the open market for a similar plan. This benefit is reflected in the financials as a long term liability following the guidance of GASB Statement No. 75. See Note IV C for more details of this liability.



## **N. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Premiums and discounts are deferred over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period (when present). The face amount of the debts (when issued) are reported as other financing sources. Premiums (if present) received on the debt issuances would be reported as other financing sources while discounts (if present) on debt issuances would be reported as other financing uses. Both the government-wide and fund financial statements recognize bond issuance costs as current expenses in the year incurred.

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

Subscription liabilities represent the 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 the District.

## **O. Fund balance**

In the fiscal year ended June 30, 2011, the District implemented the provisions of GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of Statement 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is found to observe constraints imposed upon the use of resources reported in governmental funds. The clarifications of the governmental fund type definitions should reduce uncertainty about which resources can or should be reported in the respective fund types. As a result, the classifications of fund balance now used for governmental funds are reported in two general classifications, nonspendable and spendable.

The nonspendable category represents the portion of fund balance that is not in spendable form such as inventories, prepaid items and the endowment. Spendable fund balance is further categorized as *restricted*, *committed*, *assigned*, and *unassigned*.

The *restricted* fund balance category contains balances that can only be spent for the specific purposes stipulated by external parties or through enabling legislation. External parties include grantors, debt covenants, votes, and laws and regulations of other governments.

The *committed* fund balance category includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest level of decision-making authority, the School Board. This same formal board action is needed not only to establish the commitment, but also to modify or rescind it at a future date. In the District, a board resolution being passed by the School Board meets the aforementioned formal board action in the committing or rescinding of committed fund balances.

Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The District has adopted policy 7515 which dictates how fund balances may be assigned and by whom. Assignments of fund balance may be enacted by the School Board in addition to the officials they have delegated the power to assign fund balances (the Superintendent and the Deputy Superintendent of Operations). In governmental funds other than the general fund, assigned fund balance also represents the remaining amount that is not restricted or committed. Currently included in assigned fund balance for the general fund are the consolidated fund balances of the elementary and high school compensated absences liability (which had to be absorbed into the general fund due to sole funding by the general fund to those compensated absence funds). These amounts were assigned in the current fiscal year by the Director of Business Services/District Clerk via the delegated powers to that position by the School Board.

*Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification may only be used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

As of June 30, 2024, fund balances are comprised of the following:

	General	Elementary Retirement	Elementary Grants	High School Retirement	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,833	\$ 54,833
Prepaid Items	149,465	-	3,396	-	-	-	382,176	535,037
Endowment	-	-	-	-	-	-	287,147	287,147
Restricted:								
Federal, State, & Local Grants	-	-	231,374	-	-	-	88,302	319,676
Building construction, repair & renovation	-	-	-	-	-	10,708,186	5,490,303	16,198,489
Debt Service	-	-	-	-	736,778	-	830,173	1,566,951
Student Transport.	-	-	-	-	-	-	1,833,423	1,833,423
Replacing Buses	-	-	-	-	-	-	654,753	654,753
Student Tuition	-	-	-	-	-	-	956,579	956,579
Retirement taxes	-	1,816,554	-	1,280,043	-	-	-	3,096,597
Tech acquisition	-	-	-	-	-	-	83,785	83,785
Adult Education	-	-	-	-	-	-	301,743	301,743
Endowment	-	-	-	-	-	-	624,159	624,159
Committed:			-					
Food services	-	-	-	-	-	-	1,634,641	1,634,641
Special services	-	-	292,831	-	-	-	-	292,831
Business services	-	-	735,888	-	-	-	582,634	1,318,522
Extracurricular activities	-	-	-	-	-	-	983,495	983,495
Drivers education	-	-	-	-	-	-	152,116	152,116
Interlocal agreements	7,507,742	-	-	-	-	-	-	7,507,742
Misc. district ops	-	-	254,302	-	-	-	113,537	367,839
Assigned:			-					
Comp. absences	450,097	-	-	-	-	-	-	450,097
Other	6,083	-	-	-	-	-	-	6,083
Unassigned	6,197,893	-	-	-	-	-	(70,814)	6,127,079
Total fund balances	\$14,311,280	\$ 1,816,554	\$ 1,517,791	\$ 1,280,043	\$ 736,778	\$10,708,186	\$14,982,985	\$ 45,353,617

When both restricted and unrestricted (spendable) resources are available, District policy dictates that spending will occur in the following order for the identified types:

General Fund: Restricted, Committed, Assigned, Unassigned  
Special Revenue Funds: Restricted, Committed, Assigned  
Debt Service Funds: Restricted, Committed, Assigned  
Capital Projects Funds: Restricted, Committed, Assigned

**P. Minimum General Fund - Fund Balance**

The Bozeman School District policy dictates that the District will strive to maintain a minimum unassigned fund balance in the general fund as of June 30<sup>th</sup> equal to 5% of the subsequent fiscal year's expenditure budget.

**Q. Net Position**

In funds other than governmental, net position represents the result of assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets plus capital-related deferred outflows, net of accumulated depreciation and also reduced by the outstanding balances of any borrowing used in the acquisition, construction, or improvement of those assets and any capital-related deferred inflows of resources. This line item is not reduced by the portion of debt that is related to unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's calculation of net investment in capital assets is as follows:

	Governmental Activities
Net capital assets	\$240,572,990
Less: capital related debt	(151,745,912)
Less: capital related lease and subscription liabilities	(243,551)
Plus: capital related deferred outflows of resources	558,179
Net investment in capital assets	<u>\$ 89,141,706</u>

## II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary information

State law requires that the District adopt budgets for certain funds, generally those supported by property taxes. These mandated budgeted funds are as follows:

General

Special Revenue:

- Elementary and High School Transportation Funds
- Elementary and High School Bus Depreciation Funds
- Elementary and High School Tuition Funds
- Elementary and High School Retirement Funds
- Elementary and High School Technology Acquisition Funds
- Elementary and High School Flexibility Funds
- High School Adult Education Fund

Debt Service:

- Elementary and High School Debt Service Funds

Capital Projects:

- Elementary and High School Building Reserve Funds

The General Fund budget is based on the State Funding Program, which is designed to equalize taxing effort throughout the State and bases the budget on enrollment. Budgets for other funds are based primarily on expected revenues and expenditures.

Budgetary policy follows:

- 1) By the first Monday in August, the Department of Revenue transmits a statement of assessed valuation and taxable valuation of all property to the County Superintendent of Schools.
- 2) On or before August 20th, the Board of Trustees must meet to legally adopt the final budget.
- 3) Upon adoption of the final budget, expenditures and operating transfers are limited to the total fund budget. (There is one exception, see Note IIC.) Unexpended and unencumbered appropriations lapse at year end. Under State law and District Policy, management may amend the budget without seeking Board approval as long as the total individual fund budget is not exceeded.

- 4) Individual fund budgets may only be increased with Board approval, in a manner prescribed by State Law (MCA 20-9-161 through 20-9-166.)

While the Bozeman School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law allows accounting for certain year end appropriations as encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presented for the District's major governmental fund(General) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. There is one major difference between the budget basis and GAAP basis in presenting the general fund. This difference is that on a budget basis, compensated absence liability funds are tracked separately but for GAAP purposes, their activity is consolidated back into the general fund which originally supplied it with its full source of revenue.

**B. Budgetary/GAAP reconciliation**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the major General fund.

Net Change in Fund Balance	
Major General Fund	
GAAP Basis	\$ 1,139,830
Consolidating compensated absence fund activity	(6,080)
Consolidating K-12 interlocal fund activity	(829,693)
Budget Basis	<u>\$ 304,057</u>

**C. Excess of expenditures over appropriations**

State law permits expenditures to exceed appropriations only for debt incurred after the final Debt Service budget has been adopted and if money is available (MCA 20-9-134). The District's expenditures did not exceed appropriations in any of the budgeted funds.

### III. DETAILED NOTES ON ALL FUNDS

#### A. Cash and investments

The District directs the investment of money pursuant to the provisions of the Montana Code.

Cash and cash equivalents consist of:

Petty cash	\$	9,612
First Interstate Bank		19,511,845
First Security Bank		13,518,917
County Treasurer's Investment Pool		1,393,320
Short-term investment in STIP		5,648,402
Cash in D.A. Davidson bank insured deposits		1,910
Total	\$	<u>40,084,006</u>

Investments consist of:

			Credit Risk	
	Investment Mkt Value	Maturities	Standard & Poor's Corporate Bond Rating	Fair Value Measurement
Mutual Funds	\$ 909,396	N/A	N/A	Level 1

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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.

A small amount of petty cash is separately held by some of the District's funds and is all reported as cash and cash equivalents.

The District participates in a cooperative investment program with Gallatin County and the other districts in the County. Under this system the District's cash is pooled with all other County funds and the interest earned is prorated to the various funds based on equity in the pool. Each fund type's portion of this pool is reported on the statement of net position as cash and cash equivalents.

The special revenue Nonexpendable High School Endowment fund had cash within its D.A. Davidson investment account. The mutual funds listed above were also purchased with this same Endowment fund and are an allowable investment option for endowment funds.

The Gallatin County Investment Pool cash and cash equivalents are valued at cost. The pool is not SEC registered. Montana law designates allowable investment options. Montana law also allows the local governing body to require security for the portion of deposits not guaranteed or insured. Deposit insurance is administered by the FDIC. Since the District invests in a cooperative pool, pledged securities for the various individual deposits and repurchase agreements are managed by the County Treasurer. Montana code allows the County Treasurer to take collateral up to 50% of deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; and 100% if the ratio is less than 6%.

Risk in the event of loss is unclear in state law, but appears to be the liability of the County government as it relates to the County Investment Pool. Because of the custodial involvement of the County government, and the commingling of cash in County deposits in the name of the County Treasurer, full risk classifications according to GASB 40 are available in the Gallatin County's annual report. There is no known maturity and credit rating of the Gallatin County Investment Pool. In regards to the other investments, credit and interest rate risks are detailed earlier in this note. The District investment policy is written to follow Montana School Investment law (MCA 7-7- 202). This law states that Districts may invest in direct obligations of the U.S. Government or accounts collateralized by the direct obligation of the U.S. Government. If savings or time deposits are used, they must be insured by FDIC or NCUA. The District is complying with this law and accepts the inherent credit and interest rate risks.

## **B. Receivables**

Receivables as of June 30, 2024, for the District's individual major funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Elementary Retirement	Elementary Grants	High School Retirement	High School Debt Service	High School Building Reserve	Nonmajor and Other Funds	Total
Receivables:								
Accounts	\$ 11,325	\$ 6	\$ 183,475	\$ 324	\$ -	\$ -	\$ 62,510	\$ 257,640
Property taxes	587,566	-	-	-	280,436	78,196	338,281	1,284,479
Gross receivables	598,891	6	183,475	324	280,436	78,196	400,791	1,542,119
Less: allowance for uncollectibles								
(government-wide only)	(7,938)				(3,789)	(1,056)	(4,570)	(17,353)
Net total receivables	\$590,953				\$ 276,647	\$ 77,140	\$ 396,221	\$1,524,766



Governmental funds report deferred inflows of resources (unavailable) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also delay revenue recognition in connection with resources that have been received, but not yet earned (unearned). At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General fund)	\$ 587,566	\$ -
Delinquent property taxes receivable (High school debt service fund)	280,436	-
Delinquent property taxes receivable (High school building reserve fund)	78,196	-
Delinquent property taxes receivable (Nonmajor governmental funds)	338,281	-
Interlocal agreement fund (General fund)	-	521
Elementary grants fund (major gov'tl fund)	-	966
Food Services and high school grants funds (nonmajor gov'tl funds)	-	170,054
	<u>\$ 1,284,479</u>	<u>\$ 171,541</u>

The Self-Insurance internal service fund had unearned revenue of \$1,451,923 as of June 30, 2024, that is almost entirely comprised of health insurance premiums deducted from June payroll checks to cover premiums due in the months of July and August.

**C. Capital assets**

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,098,828	\$ -	\$ -	\$ 13,098,828
Construction in progress	154,743	665,724	(373,850)	446,617
Total capital assets, not being depreciated	13,253,571	665,724	(373,850)	13,545,445
Capital assets, being depreciated:				
Land improvements	38,501,459	-	-	38,501,459
Buildings and improvements	270,062,316	437,558	-	270,499,874
Machinery and equipment	7,960,050	1,037,668	(96,322)	8,901,396
Total capital assets being depreciated	316,523,825	1,475,226	(96,322)	317,902,729
Less accumulated depreciation for:				
Land improvements	(11,244,495)	(1,852,377)	-	(13,096,872)
Buildings and improvements	(64,737,065)	(7,345,376)	-	(72,082,441)
Machinery and equipment	(5,999,190)	(397,491)	96,322	(6,300,359)
Total accumulated depreciation	(81,980,750)	(9,595,244)	96,322	(91,479,672)
Total capital assets, being depreciated, net	234,543,075	(8,120,018)	-	226,423,057
Right to use assets, being amortized:				
Leased equipment	376,429	-	-	376,429
Subscription IT assets	678,089	294,240	-	972,329
Total right to use assets being amortized	1,054,518	294,240	-	1,348,758
Less accumulated amortization for:				
Leased equipment	(125,476)	(125,476)	-	(250,952)
Subscription IT assets	(194,879)	(298,439)	-	(493,318)
Total accumulated amortization	(320,355)	(423,915)	-	(744,270)
Total right to use assets, being amortized, net	734,163	(129,675)	-	604,488
Governmental activities capital assets and right-to-use assets, net	\$ 248,530,809	\$ (7,583,969)	\$ (373,850)	\$ 240,572,990

Depreciation and amortization expense for the year ended June 30, 2024 was charged to functions of the primary government as follows:

Governmental Activities:	
Instruction	\$ 447,623
Support services	67,758
General administration	105,839
Operations and maintenance	90,221
Student transportation	8,577
Food services	85,095
Extracurricular activities	15,243
Unallocated depreciation (buildings and land improvements)	9,197,750
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	1,053
Total depreciation and amortization expense - governmental activities	<u>\$ 10,019,159</u>

**Construction commitments** - The District has active construction projects as of June 30, 2024. At year-end the District's commitments with contractors were as follows:

	Spent-to-Date	Remaining Commitment
Architect contracts for Hawthorne outdoor classroom	\$ 29,925	\$ 10,275
Construction contract for Irving playground	80,168	67,613
Construction contract for Bozeman High School track replacement	42,812	667,331
Architect & construction contracts for Morning Star classroom renovation	91,156	198,944
Architect contracts for Willson day school and gym improvements	41,515	16,585
Architect contract for Willson exterior improvements	2,100	7,100
Architect contract for Bozeman High School south entry improvement	39,875	445
<b>Total</b>	<u>\$ 327,551</u>	<u>\$ 968,293</u>

The elementary building reserve fund is paying for the Hawthorne outdoor classroom, Irving playground, and Morning Star classroom renovation. The high school building reserve is paying for the Bozeman High School track replacement and south entry improvements. The elementary and high school building reserve funds are paying for the Willson day school, gym, and exterior improvements. These funds will continue to pay for the projects until conclusion.

The District, as a lessee, entered an agreement to lease 1,250 Chromebooks for 36 months, beginning July 2022. Under the terms of the lease, the District pays an annual fee of \$132,222. During the year ended June 30, 2024 the District has recognized a right to use asset of \$376,429, less accumulated amortization of \$125,476 and a lease liability of \$125,358 related to this agreement. During the fiscal year, the District recorded \$125,476 in amortization expense for the right to use the Chromebooks. The District used a discount rate of 5.4755% based on the terms of the lease. The future lease payments under the lease agreement to be paid by the elementary and high school technology acquisition funds are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	125,358	6,864	132,222

The District has entered into several SBITA contracts for software. As of June 30, 2024 the District has recognized a right to use subscription asset of \$972,329, less accumulated amortization of \$493,318, and a subscription liability of \$118,193. During the fiscal year, the District recorded \$298,439 in amortization expense for the right to use the software. The District used a discount rate of 5.4755% based on an estimated incremental borrowing rate. The future payments under the subscription agreements to be paid by the elementary technology acquisition fund are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	71,987	6,472	78,458
2026	46,206	2,530	48,736

#### **D. Interfund activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the statement of activities whereas in the fund financial statements, they are reported as transfers within other financing sources/uses category. In the current fiscal year, there were transfers totaling \$2,623,535 out of the Elementary and High School General subfunds into the K-12 Interlocal Agreements General subfund that represents the transfer of building and curriculum budgets to the interlocal fund and funds to assist with future operational needs of the District.

Flows of cash from one fund to another with a requirement for repayment are reported as due from and due to other funds. Amounts between governmental funds are eliminated in the statement of net position whereas in the fund financial statements they are reported as receivables and payables.

At June 30, 2024 the District reported the following:

<u>Due to</u>	<u>Due from</u>	
	K-12 Interlocal Agreements General Subfund	
Elementary Retirement Fund	\$	620,741
Elementary Grants Fund		312,775
Elementary Technology Fund		46,947
Elementary Debt Service Fund		32,328
High School Retirement Fund		463,540
High School Debt Service Fund		133,582
Total	\$	<u>1,609,913</u>

These amounts were to assist with year-end operations and are temporary in nature. They are eliminated immediately in the next fiscal year.

#### **E. Interlocal agreements**

The District entered into a multidistrict agreement during the current fiscal year with the Belgrade, Billings, Butte, Great Falls, Helena, Kalispell/Flathead, and Missoula County Public School Districts. The purpose of the agreement is to explore the creation of a public school health insurance trust under the provisions of House Bill 332 that was enacted by the 2023 Montana Legislature. The participating districts intend to perform initial due diligence on the concept, collaborate on a proposal for the trust's structure, and obtain sufficient information to decide if they ultimately wish to participate if a trust is formed. The District is designated as a cooperating agency under the agreement and during the year ended June 30, 2024 transferred \$5,500 to the Billings School District who is acting as the prime agency.

#### **F. Long-term debt**

##### **General obligation bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. General obligation bonds have only been issued for governmental activities. The original amount of outstanding general obligation bonds issued in prior years was \$199,060,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government.

These bonds generally are issued as 20-year serial bonds with varying amounts of increasingly larger amounts of principal maturing each year.

General obligation bonds currently outstanding are comprised of the following individual issues:

	Issue Amount	Term	Interest Rate	Outstanding Principal June 30, 2024	Due Within One Year
2012 Elementary	10,000,000	20	1.00 - 3.00%	\$ 4,570,000	\$ 515,000
2014 Elementary	9,500,000	11	1.00 - 4.00%	2,760,000	1,360,000
2015 Elementary	8,935,000	13	2.00 - 5.00%	4,715,000	1,105,000
2016 Elementary	21,500,000	20	2.00 - 5.00%	14,310,000	1,075,000
2022 Elementary	9,075,000	8	4.00%	7,850,000	170,000
Subtotal				<u>34,205,000</u>	<u>4,225,000</u>
2014 High School	9,150,000	11	1.00 - 4.00%	4,155,000	2,040,000
2017 High School	5,900,000	9	2.00 - 3.00%	1,340,000	660,000
2017 High School	100,000,000	20	3.00 - 5.00%	76,885,000	4,495,000
2019 High School	25,000,000	16	2.00 - 5.00%	22,150,000	785,000
Subtotal				<u>104,530,000</u>	<u>7,980,000</u>
Total general obligation bonds				<u>138,735,000</u>	<u>\$12,205,000</u>
Bond premiums				<u>13,010,912</u>	
Total bonds payable				<u>\$151,745,912</u>	

Annual debt service requirements to maturity on general obligation bonds at June 30, 2024 to be paid out of the elementary and high school debt service funds, are summarized as follows:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 12,205,000	\$ 5,428,300	\$ 17,633,300
2026	12,730,000	4,902,325	17,632,325
2027	11,465,000	4,367,925	15,832,925
2028	11,980,000	3,845,850	15,825,850
2029	12,475,000	3,355,700	15,830,700
2030-2034	51,580,000	10,356,800	61,936,800
2035-2037	26,300,000	1,688,100	27,988,100
Total	<u>\$ 138,735,000</u>	<u>\$ 33,945,000</u>	<u>\$ 172,680,000</u>

### **Bond refundings**

On August 20, 2014, the District issued \$18,650,000 of general obligation bonds (\$9,500,000 elementary, \$9,150,000 high school) with the proceeds being placed in an irrevocable escrow account that were to service all future debt service payments of \$18,290,000 of 2006 and 2007 general obligation bonds (\$9,170,000 elementary, \$9,120,000 high school). As a result, these advance refunded bonds were considered to be defeased and the liability was removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,518,296. This amount is included in deferred outflows of resources and is being amortized over the remaining life of the newly issued debt (which mirrored the original debt amortization timeline). This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$1,543,433 and resulted in an economic gain of \$1,346,223.

On March 5, 2015, the District issued \$17,685,000 of general obligation bonds (\$8,935,000 elementary, \$8,750,000 high school) with the proceeds placed in an irrevocable escrow account that will service all future debt service payments of \$18,070,000 of 2006, 2007, and 2008 general obligation bonds (\$9,070,000 elementary, \$9,000,000 high school). These advance refunded bonds were considered to be defeased and the related liability was been removed from the statement of net position. The reacquisition price of these March 5, 2015 issued bonds exceeded the net carrying amount of the old debt by \$1,418,059. This amount is included in deferred outflows and is being amortized over the life of the newly issued debt (which also has the same amortization timeline of the old debt). As a result of this advance refunding, total debt service payments of these refunded portions of debt will be reduced by \$1,132,842 over a period of 7 to 13 years and resulted in an economic gain of \$1,032,856.

On April 20, 2017, the District issued \$10,510,000 of general obligation bonds (\$4,610,000 elementary, \$5,900,000 high school) with the proceeds placed in an irrevocable escrow account that will service all future debt service payments of \$10,640,000 of 2008 general obligation bonds (\$4,650,000 elementary, \$5,990,000 high school). These refunded bonds were considered to be defeased and the related liability was removed from the statement of net position. The reacquisition price of these issued bonds exceeded the net carrying amount of the old debt by \$334,298. This amount is included in deferred outflows and is being amortized over the life of the newly issued debt (which also has the same amortization timeline of the old

debt). As a result of this refunding, the total debt service payments of these refunded portions of debt will be reduced by \$990,740 over a period of 4 to 9 years which will garner the District an economic gain of \$833,842. Of the aforementioned \$10,510,000 refunding bonds issued, the \$4,610,000 attributed to the elementary was extinguished in the prior fiscal year.

On May 26, 2022, the District issued \$9,075,000 of general obligation elementary bonds with the proceeds placed in an irrevocable escrow account that paid all remaining principal on the series 2013 general obligation bonds in the amount of \$9,555,000 and interest due to the call date. The 2013 general obligation elementary bonds were originally issued in the principal amount of \$16,375,000. These refunded bonds were considered to be defeased and the related liability was removed from the statement of net position. The reacquisition price of these issued bonds exceeded the net carrying amount of the 2013 bonds by \$30,235. This amount is included in deferred outflows of resources and is being amortized over the remaining life of the newly issued debt of 8 years. This refunding was undertaken to level the debt service payment schedule, reduce total debt service payments over the next 8 years by \$464,925 and resulted in an economic gain of \$358,032 on a present value basis.

#### **Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligations bonds	\$150,435,000	\$ -	\$ (11,700,000)	\$ 138,735,000	\$12,205,000
Amortized amounts:					
Bond premiums	14,289,114	-	(1,278,202)	13,010,912	-
Total bonds payable	164,724,114	-	(12,978,202)	151,745,912	12,205,000
Compensated absences	4,751,876	674,381	(674,192)	4,752,065	681,358
Voluntary termination benefits	18,000	-	(11,000)	7,000	3,750
Net pension liability	67,876,902	245,444	-	68,122,346	-
Lease liability	244,208	-	(118,850)	125,358	125,358
Subscription liability	59,270	131,946	(73,023)	118,193	71,987
Other postemployment benefits	3,859,676	430,110	(186,547)	4,103,239	-
Total governmental activity					
Long-term liabilities	\$ 241,534,046	\$ 1,481,881	\$ (14,041,814)	\$ 228,974,113	\$ 13,087,453

The compensated absences liability has been paid from all governmental funds except for the elementary and high school bus depreciation, tuition, student club extracurricular, flexibility, debt service and nonexpendable high school endowment funds. The voluntary termination benefits liability has been paid from the general and retirement funds. The net pension liability has been paid from the retirement and miscellaneous grants funds. The District has not funded the other postemployment benefits liability.



The legal debt limits may not exceed the greater of 1) 100% of the latest available value of property which is subject to taxation within the district or 2) the facility guaranteed mill value per ANB multiplied by the average number belonging student count enrolled in a particular district multiplied by 100% (MCA 20-9-406). In the current fiscal year, the Elementary and High School District each used the first formula above to calculate their respective legal debt service limitations.

For the year ending June 30, 2024, legal debt limitations were as follows:

	Taxing District	
	Elementary	High School
Legal Debt Service Limitation	\$ 357,169,589	\$ 433,828,230

The 2006 and 2007 Elementary G.O. Bond proceeds were used to purchase the new Chief Joseph Middle School site and for the construction of the middle school at this site. The 2006, 2007, and 2008 High School G.O. Bonds were used to purchase additional high school land and to renovate the existing Bozeman High School. The 2008 Elementary General Obligation Bonds were used for the construction of the District's Hyalite Elementary School. Elementary General Obligation bonds issued in 2012 and 2013 were used to acquire an Elementary School site, construct Meadowlark Elementary School, renovate and expand the District Support Services site and building and perform renovations at Longfellow Elementary School. The 2014 and 2015 Elementary G.O. Bond proceeds were used to partially refund the 2006, 2007, and 2008 Elementary G.O. Bonds to take advantage of favorable interest rates. The 2014 and 2015 High School G.O. Bonds were issued to partially refund the 2006 and 2007 High School General Obligation Bonds and also take advantage of favorable interest rates. Sacajawea Middle School and Hawthorne Elementary were expanded and renovated with the issued 2016 Elementary G.O. Bonds. The 2017 High School G.O. Bonds were issued to partially refund the 2008 High School General Obligation Bonds and also take advantage of favorable interest rates. Additional 2017 High School G.O. Bond were issued to construct a second high school for the District and to renovate the existing high school. The 2019 High School G.O. Bonds was the final issue previously authorized to also construct the new Gallatin High School and renovate the existing Bozeman High School. The 2022 Elementary G.O. Bond proceeds were used to fully refund the 2013 Elementary G.O. Bonds to take advantage of favorable interest rates.

### **G. Restricted fund balance**

The State of Montana has enabling legislation which mandates the creation of certain funds and establishes the criteria for property taxes levied to meet the specific purposes of these funds. The District classifies the fund balances of these funds as well and some federal, state and local grants as restricted fund balances.

These individual funds and their restricted fund balances at June 30, 2024, are as follows:

Fund Name	Fund Type	Amount
Elementary building reserve	Capital Projects	\$ 3,601,085
High School building reserve	Capital Projects	10,708,186
Elementary building	Capital Projects	1,889,028
High School building	Capital Projects	190
Elementary debt service	Debt Service	830,173
High School debt service	Debt Service	736,778
Elementary bus depreciation	Special Revenue	327,240
High School bus depreciation	Special Revenue	327,513
Elementary retirement	Special Revenue	1,816,554
High School retirement	Special Revenue	1,280,043
High School technology acquisition	Special Revenue	83,785
Elementary transportation	Special Revenue	1,008,358
High School transportation	Special Revenue	825,065
Elementary tuition	Special Revenue	338,398
High School tuition	Special Revenue	618,181
Elementary grants	Special Revenue	231,374
High School grants	Special Revenue	88,302
Adult education	Special Revenue	301,743
Nonexpendable high school endowment	Special Revenue	624,159
Total restricted fund balances		<u>\$ 25,636,155</u>

## **H. Endowment**

The District holds an endowment restricted for worthy student scholarship endeavors. The District presently does not have a formal investment and spending policy on the spendable portion of the restricted endowment. However, Management's directives are to spend the spendable portion of the restricted endowment on worthy student scholarship endeavors. The District also follows the State of Montana law regarding endowment funds.

The State of Montana adopted the Uniform Prudent Management of Institutional Funds Act (MUPMIFA) requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

Accordingly, the District classifies as restricted - nonexpendable (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as restricted - nonexpendable is classified as restricted - expendable on the Statement of Net Position until those amounts are appropriated for expenditure by the District in a manner consistent with the standard of prudence prescribed by MUPMIFA.

## IV. OTHER INFORMATION

### A. Risk management

The District faces a considerable number of risks of loss, including a) damage to and loss of property and contents, b) employee torts, c) professional liability, i.e. errors and omissions, d) environmental damage, e) workers' compensation, i.e. employee injuries, f) medical insurance costs of employees, and g) cyber liability. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss except for relatively small deductible amounts, are purchased for property and content damage, employee torts and professional liabilities. The District participates in a state-wide public risk pool and Workers Compensation *Risk Retention Program* for workers' compensation coverage. Employee medical insurance is provided through a privately-administered, self-funded plan.

Coverage limits on the commercial policies have stayed relatively constant for the last several years, except for property and content coverage where the guaranteed values have been increased to approximate replacement costs of the assets. The maximum deductible amount on the various commercial policies is \$1,000 to \$5,000 depending on the part of the policy.

Presently, the workers compensation coverage program that the District participates in is managed by the Montana Schools Group Insurance Authority. It is a public entity risk pool currently operating as a common risk management and insurance program for the member school districts. The District pays a quarterly premium for its employee injury insurance coverage which is allocated to the funds based on total paid salaries and wages. 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.

Since July 1, 1990, the District has provided medical insurance coverage for its employees via a contributory self-funded plan. This plan is currently administered by Blue Cross Blue Shield of Montana. It provides medical, dental, and vision benefits and is operated as an Internal Service Fund. Rates for the employees and employer's funds are determined in consultation with a third party consultant and are set at 125% of estimated claims for the coming year. The District purchased commercial 'stop-loss' policies through American National Insurance Company which insures the District for annual claims in excess of 100% of the prior year total amount and for individual aggregated claimant claims in excess of \$250,000 during the plan year. An estimated medical, dental, and vision claims liability at year end was determined by averaging the last five years' final claims paid in the following year.

An analysis of claims activities is presented below:

Fiscal Year	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2022	\$ 598,415	\$8,095,956	\$8,051,128	\$ 643,243
2023	643,243	8,866,131	8,798,939	710,435
2024	710,435	8,687,324	8,505,292	892,467

As of June 30, 2024, the District contracted with Blue Cross Blue Shield of Montana (via the BCBS Advantage Plan) to provide medical insurance for retirees (and eligible spouses) who are of Medicare eligible ages. The retiree pays the entire insurance premium.

## **B. Retirement plans**

The District participates in two state-wide, cost-sharing multiple-employer defined benefit retirement plans, which cover all employees, except certain substitute teachers and part-time, non-teaching employees. The Teachers' Retirement System (TRS) covers certified teaching employees, including principals and other administrators. The Public Employee Retirement System (PERS) covers non-teaching employees and some administrators. The plans are established under state law with the TRS plan being administered by the Teachers' Retirement System and the PERS administered by the Montana Public Employees Retirement Administration. The plans provide retirement, disability, and death benefits to plan members and beneficiaries. The authority to establish, amend and provide cost of living adjustments for the plan is assigned to the state legislature. The next two subsections will individually discuss in more detail the accounting of the TRS and PERS retirement plans and their reporting is affected by GASB Statements 68 and 71 and use a measurement date of June 30, 2023, and a reporting date of June 30, 2024. The following table presents the District's (Employer) proportion of TRS and PERS pension amounts.

	The employer's proportionate share associated with TRS	The employer's proportionate share associated with PERS	The employer's Total Pension Amounts
Net Pension Liability	\$58,675,629	\$ 9,446,717	\$68,122,346
Deferred Outflows of Resources	7,920,789	1,396,116	9,316,905
Deferred Inflows of Resources	3,665,625	336,942	4,002,567
Pension Expense	9,460,209	1,484,749	10,944,958

**Teachers' Retirement System (TRS)****Net Pension Liability**

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2023 and June 30, 2024 (reporting dates).

	<b><u>Net Pension Liability as of 6/30/2024</u></b>	<b><u>Net Pension Liability as of 6/30/2023</u></b>	<b><u>Percent of Collective NPL as of 6/30/2024</u></b>	<b><u>Percent of Collective NPL as of 6/30/2023</u></b>	<b><u>Change in Percent of Collective NPL</u></b>
BOZEMAN SCHOOL DISTRICT NO. 7					
Proportionate Share	\$58,675,629	\$58,755,044	3.0285%	2.9873%	0.0412%
State of Montana					
Proportionate Share					
associated with employer	31,725,571	32,457,839	1.6375%	1.6503%	-0.0128%
Total	<u>\$90,401,200</u>	<u>\$91,212,883</u>	<u>4.6660%</u>	<u>4.6376%</u>	<u>0.0284%</u>

At June 30, 2023, the employer recorded a liability of \$58,675,629 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2024, the employer's proportion was 3.0285 percent.

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

There have been no changes in actuarial assumptions since the previous measurement date.

***Changes in benefit terms:***

There have been no changes in benefit terms since the previous measurement date.

***Changes in proportionate share:***

There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

**Pension Expense**

	<b>Pension Expense as of 6/30/2024</b>
Bozeman School District No. 7 Proportionate Share	\$ 6,513,469
State of Montana Proportionate Share associated with the Employer	2,946,740
Total	<u>\$ 9,460,209</u>

At June 30, 2024, the employer recognized a Pension Expense of \$9,460,209 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$2,946,740 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

**Deferred Inflows and Outflows**

At June 30, 2024, the employer reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 1,110,031	\$ -
Changes in actuarial assumptions	851,129	3,665,625
Differences between projected and actual investment earnings	126,855	-
Changes in proportion & differences between actual and expected contributions	1,242,919	-
*Contributions paid to TRS subsequent to the measurement date - FY 2024 Contributions	4,589,856	-
Total	<u>\$ 7,920,790</u>	<u>\$ 3,665,625</u>

\* Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

<b>Year Ended June 30</b>	<b>Deferred Outflows of Resources (a)</b>	<b>Deferred Inflows of Resources (b)</b>	<b>Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) - (b)</b>
2025	\$ -	\$ 444,028	\$ (444,028)
2026	-	3,023,158	(3,023,158)
2027	3,262,872	-	3,262,872
2028		130,377	(130,377)



### **Plan Description**

Teachers' Retirement System (TRS or the System) 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, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at [trs.mt.gov](http://trs.mt.gov).

### **Summary of Benefits**

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. 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), and
- Tier Two provides for an enhanced benefit calculation -  $1.85\% \times \text{AFC} \times \text{years of creditable service}$  - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than  $1.6667 \times \text{AFC} \times \text{years of creditable service}$ )

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.

### **Overview of Contributions**

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

The tables below show the legislated contribution rates for TRS members, employers and the State.

#### **School District and Other Employers**

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

### State and University Employers

	<b>Members</b>	<b>Employers</b>	<b>General Fund</b>	<b>Total employee &amp; employer</b>
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	9.47%	0.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	9.85%	0.11%	17.11%
July 1, 2013 to June 30, 2014	8.15%	10.85%	0.11%	19.11%
July 1, 2014 to June 30, 2015	8.15%	10.95%	0.11%	19.21%
July 1, 2015 to June 30, 2016	8.15%	11.05%	0.11%	19.31%
July 1, 2016 to June 30, 2017	8.15%	11.15%	0.11%	19.41%
July 1, 2017 to June 30, 2018	8.15%	11.25%	0.11%	19.51%
July 1, 2018 to June 30, 2019	8.15%	11.35%	0.11%	19.61%
July 1, 2019 to June 30, 2020	8.15%	11.45%	0.11%	19.71%
July 1, 2020 to June 30, 2021	8.15%	11.55%	0.11%	19.81%
July 1, 2021 to June 30, 2022	8.15%	11.65%	0.11%	19.91%
July 1, 2022 to June 30, 2023	8.15%	11.75%	0.11%	20.01%
July 1, 2023 to June 30, 2024	8.15%	11.85%	0.11%	20.11%

#### **TRS Stand-Alone Statements**

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

#### **Actuarial Assumptions**

The Total Pension Liability as of June 30, 2023, measurement date, is based on the results of an actuarial valuation date of July 1, 2023. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the last actuarial experience study, dated May 3, 2022. Among those assumptions were the following:

- Total Wage Increases\* 3.50%-9.00% for Non-University Members  
and 4.25% for University Members
- Investment Return 7.30%
- Price Inflation 2.75%

- Postretirement Benefit Increases
  - Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
  - Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members
  - PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021
- Mortality among service retired members
  - PUBT-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females. Projected generationally using MP-2021
- Mortality among beneficiaries
  - PUBT-2010 Contingent Survivor table projected to 2021. Projected generationally using MP-2021
- Mortality among disabled members
  - PUBT-2010 Disabled Retiree mortality table projected to 2021

\*Total Wage Increases include 3.50% general wage increase assumption

#### **Discount Rate**

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 the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. 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.

**Target Allocations**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.06%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Cash	3.00%	-0.33%
	100.00%	

The long-term expected rate of return on pension plan investments of 7.30% is reviewed as part of regular experience studies prepared for the System about every five years. The current 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.

**Sensitivity Analysis**

	<b>1.0% Decrease</b>	<b>Current</b>	<b>1.0% Increase</b>
	<b>(6.30%)</b>	<b>Discount Rate</b>	<b>(8.30%)</b>
		<b>(7.30%)</b>	
Bozeman School District No. 7's portion of Net Pension Liability	\$82,889,962	\$ 58,675,629	\$ 38,428,692

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the 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.

**Summary of Significant Accounting Policies**

The Teachers' Retirement System prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same accrual basis as they are reported by TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

### **Public Employees' Retirement System (PERS)**

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans.

This report provides information for employers who are using a June 30, 2023 measurement date for the 2024 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2024.

### **Net Pension Liability**

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2023, was determined from an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

### **Special Funding**

The state of Montana, as the non-employer contributing entity, paid to the Plan additional contributions that qualify as *special funding*. Those employers who received *special funding* are participating employers.

### **Not Special Funding**

Per Montana law, state agencies and universities paid their own additional contributions. These employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions.

The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2024, and 2023, the reporting dates, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of \$9,446,717 and the employer's proportionate share was 0.387104 percent.

	Net Pension Liability as of 6/30/2024	Net Pension Liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
Bozeman School District No. 7 Proportionate Share	\$ 9,446,717	\$ 9,121,858	0.387104%	0.383612%	0.003492%
State of Montana Proportionate Share associated with employer	2,908,910	3,025,571	0.119200%	0.127238%	-0.008038%
Total	<u>\$12,355,627</u>	<u>\$12,147,429</u>	<u>0.506304%</u>	<u>0.510850%</u>	<u>-0.004546%</u>

***Changes in actuarial assumptions and methods:***

There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

***Changes in benefit terms:***

There have been no changes in benefit terms since the previous measurement date.

***Changes in proportionate share:***

There were no changes to the Plan between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

**Pension Expense**

At June 30, 2024, the employer recognized a pension expense of \$1,211,850 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of \$272,899 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer.

As of measurement date	Pension Expense as of 6/30/2024
Bozeman School District No. 7 Proportionate Share	\$ 1,211,850
State of Montana Proportionate Share associated with the Employer	272,899
Total	<u>\$ 1,484,749</u>



### **Recognition of Deferred Inflows and Outflows**

At June 30, 2024, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$ 376,247	\$ -
Projected Investment Earnings vs. Actual Investment Earnings	23,968	-
Changes in Assumptions	-	336,942
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	310,830	-
Employer contributions subsequent to the measurement date.	685,070	-
Total	<u>\$ 1,396,115</u>	<u>\$ 336,942</u>

\$685,070 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2024	\$ 26,207
2025	(153,366)
2026	558,599
2027	(57,337)

### **Plan Description**

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 & 3, MCA. This plan provides retirement benefits to covered employees of the State and

local governments and certain employees of the Montana University System and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS Defined Contribution Retirement Plan (DCRP) by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

### **Summary of Benefits**

#### **Eligibility for benefit**

##### **Service retirement:**

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

##### **Early retirement, actuarially reduced:**

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

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

- 1) Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
  - a. A refund of member's contributions plus return interest (currently 2.02%, effective July 1, 2018).
  - b. No service credit for second employment;
  - c. Start the same benefit amount the month following termination; and
  - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- 2) Retired before January 1, 2016 and accumulate at least 2 years of additional service credit;
  - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
  - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- 3) Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:

- a. The same retirement as prior to the return to service;
- b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

**Member's highest average compensation (HAC)**

- Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months
- Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months

**Compensation Cap**

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

**Monthly benefit formula**

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

**Guaranteed Annual Benefit Adjustment (GABA)**

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, **inclusive** of other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - a) 1.5% for each year PERS is funded at or above 90%;
  - b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - c) 0% whenever the amortization period for PERS is 40 years or more

**Overview of Contributions**

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

			<u>State &amp; Universities</u>	<u>Local Government</u>		<u>School Districts</u>	
<u>Fiscal Year</u>	<u>Member</u>		<u>Employer</u>	<u>Employer</u>	<u>State</u>	<u>Employer</u>	<u>State</u>
	<u>Hired &lt;07/01/11</u>	<u>Hired &gt;07/01/11</u>					
2024	7.9000%	7.9000%	9.170%	9.070%	0.100%	8.800%	0.370%
2023	7.9000%	7.9000%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.9000%	7.9000%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.9000%	7.9000%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.9000%	7.9000%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.9000%	7.9000%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.9000%	7.9000%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.9000%	7.9000%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.9000%	7.9000%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.9000%	7.9000%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.9000%	7.9000%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.9000%	7.9000%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.9000%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.9000%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.9000%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
  - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
  - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
  - c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

### 3. Non Employer Contributions:

#### a. Special Funding

- i. The State contributes 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
- iii. The State contributed a Statutory Appropriation from the General Fund of \$34,979,900.

### **Stand-Alone Statements**

The financial statements of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at <http://mpera.mt.gov/about/annualreports1/annualreports>.

### **Actuarial Assumptions**

The TPL used to calculate the NPL as of June 30, 2024, was determined on the results of an actuarial valuation date of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.30%
- General Wage Growth\* 3.50%  
\*includes Inflation at 2.75%
- Merit Increases 0% to 4.80%
- Postretirement Benefit Increases:
  - Guaranteed Annual Benefit Adjustment (GABA)**  
Each January after the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage(provided below), inclusive of other adjustments to the member's benefit.
    - o 3% for members hired prior to July 1, 2007
    - o 1.5% for members hired between July 1, 2007 and June 30, 2013
    - o 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 0.1% for each 2% PERS is funded below 90%
      - (c) 0% whenever the amortization period for PERS is 40 years or more
- Mortality among active participants
  - o PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021
- Mortality among disabled retirees
  - o PUBT-2010 Retiree mortality projected to 2021 with ages set forward one year for both males and females
- Mortality among contingent survivors
  - o PUBT-2010 Contingent Survivor table projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021
- Mortality among healthy retirees
  - o PUBT-2010 Disabled Retiree mortality table projected to 2021 set forward one year and

adjusted 104% for males and 103% for females. Projected generationally using MP-2021

### **Discount Rate**

The discount rate used to measure the TPL 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 established the contractually required rates under Montana Code Annotated. The State contributed 0.10% of salaries for local governments and 0.37% for school districts. In addition, the State contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

### **Target Allocations**

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 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	Target Asset Allocation	Long-Term Expected Real
		Rate of Return Arithmetic Basis
Cash	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
	100.00%	

### **Sensitivity Analysis**

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.30%)	Current Discount Rate (7.30%)	1.0% Increase (8.30%)
Bozeman School District No. 7 proportion of Net Pension Liability	\$ 13,645,748	\$ 9,446,717	\$ 5,924,105

### **Summary of Significant Accounting Policies**

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the NPL; Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable.

Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

#### **PERS Disclosure for the defined contribution plan**

Bozeman School District 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 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, 2023, 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 348 employers that have participants in the PERS-DCRP totaled \$1,409,309.

#### **Section 457 deferred compensation plan**

The District offers its employees a deferred compensation plan in accordance with Internal Revenue Service Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is administered by OMNI, an independent third party. The District makes no employer contributions to the plan and the plan is not included in the accompanying financial statements, as these amounts represent neither assets nor liabilities to the District.



### **C. Other Postemployment Benefits (OPEB)**

#### **Other Postemployment Benefits (OPEB)**

As required by Governmental Accounting Standards Board (GASB) Statement No. 75 Other Postemployment Benefits, the District has calculated and included a postemployment benefit liability for the fiscal year ended June 30, 2024.

#### **Plan Description and Benefits Provided**

Bozeman School District maintains a single-employer self-insured medical plan. The plan currently provides defined healthcare insurance benefits for eligible employees, retirees, spouses and dependents, and includes medical, dental, and vision benefits. The plan is reported as an internal service fund on the District's financial statements and is administered by Blue Cross and Blue Shield of Montana. Benefit provisions are set annually by the Board of Trustees. Terminated employees may remain on the District's health insurance plan for up to 18 months if they pay the monthly premiums, as required under the federal COBRA law. A retiree is considered eligible for coverage under this plan only if the retiree was covered under this plan as a participant on his or her last day of active service for the employer prior to retirement. Retirees may remain on the District's health plan, provided they pay the monthly premiums. A retiree's dependent(s), upon the death of the retiree, is also eligible if the retiree was eligible for coverage and covered under this plan. Normal retirement eligibility is age 65 or age 60 and 5 years of service, or 30 years of service. Early retirement eligibility is age 50 and 5 years of service or 25 years of service. The plan also has options for pre Medicare insurance benefits. Medicare eligible retirees may purchase health insurance through New West Medicare (via the District) and they are solely responsible for paying 100% of these premiums. There is no separate, audited GAAP-basis postemployment benefit plan report available for the self-insured medical defined benefit plan.

#### **Funding Policy**

The District's other post-employment benefit (OPEB) consists of the above described post-employment healthcare benefits. The District has not established an irrevocable OPEB trust and continues to finance its OPEB liability on a pay-as-you-go basis. The District has utilized the Self-Insurance internal service fund to liquidate these obligations. The District's annual OPEB cost consists of an implied rate subsidy since retirees and current employees are in the same plan as well as a cost for future benefits of current employees. The District's policy at this time is to not fund the OPEB obligation. Since the inception of reporting the OPEB obligation, the District's historical policy has been, and continues to be, to not fund the OPEB obligation.

**Employees Covered by Benefit Terms**

At September 2022, the census valuation date, the following employees were covered by the benefit terms:

Category	Count
Active employees	887
Inactive employees entitled to but not yet receiving benefit payment	-
Inactive employees or beneficiaries currently receiving benefit payments	23
Total	910

**Contributions**

Benefit contributions are paid by the District as they come due.

**Total OPEB Liability (TOL)**

The District's total OPEB liability of \$4,103,239 was measured as of June 30, 2023, and was determined by an actuarial valuation as of September 1, 2022.

Changes in the TOL for the year ended June 30, 2023, are as follows:

Service cost	\$ 285,942
Interest	144,168
Change in discount rate	(40,397)
Benefit payments	(146,150)
Net change in total OPEB liability	243,563
Total OPEB liability, beginning of year	3,859,676
Total OPEB liability, end of year	<u>\$ 4,103,239</u>

There is sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) follows:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability	\$ 4,484,367	\$ 4,103,239	\$ 3,752,396

There is also sensitivity of the TOL to changes in the healthcare cost trend rates. The total OPEB liability of the District as well as what the District's total OPEB liability would be if it were recalculated using healthcare cost trend rates that are one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current healthcare cost trend rate follows:

	1% Decrease 6.40% decreasing to 2.90%	Trend Rate 7.40% decreasing to 3.90%	1% Increase 8.40% decreasing to 4.90%
Total OPEB liability	<u>\$ 3,607,392</u>	<u>\$ 4,103,239</u>	<u>\$ 4,692,172</u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$317,955. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 365,709	\$ 762,012
Differences between expected and actual experience	-	436,589
Deferred contributions	134,495	-
Total	<u>\$ 500,204</u>	<u>\$ 1,198,601</u>

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date of \$134,495 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year ending June 30:	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ (112,155)
2026	(99,113)
2027	(88,447)
2028	(81,849)
2029	(93,094)
Thereafter	(358,234)

### **Actuarial Methods and Assumptions**

The District's actuarial valuation is completed on a biennial frequency, provided no significant events have occurred warranting new measurement. The District completed the valuation with a measurement date of June 30, 2023 for fiscal year end June 30, 2024 financial reporting. This valuation was derived based on the 2022 actual costs and participants. As of September 1, 2022, the most recent valuation date, the District's total OPEB liability was determined using the following significant actuarial methods and assumptions:

#### Valuation Methods:

- o Funding Method: Entry Age Normal Cost, level percent of pay
- o Asset Valuation Method: Not applicable (\$0; no OPEB trust has been established)
- o Participants Value: Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
- o Development of Age-related Medical Premiums: Actual premium rates for retirees and their spouses were adjusted to an age related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs - From Birth to Death", sponsored by the Society of Actuaries. Representative claims costs derived for retirees not currently covered or not expected to be eligible for Medicare appear below:

Expected Monthly Claims by Medical Plan for Selected Ages								
Medical Plan	Male				Female			
	48	53	58	63	48	53	58	63
Basic Plan	\$ 637	\$ 841	\$ 1,072	\$ 1,329	\$ 824	\$ 971	\$ 1,098	\$ 1,290
Medium HDHP	461	609	776	962	597	703	795	934
Castastropihic HDHP	476	629	802	994	616	726	821	965

Economic Assumptions:

- o Municipal Bond Index: Bond Buyer 20 Year High Grade Index
- o Discount Rates: 3.54% as of June 30, 2022, and 3.65% as of June 30, 2023
- o General Inflation Rate: 2.5% per year
- o Salary Increase: 3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years
- o Healthcare Trend: Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective September 1	Premium Increase	Effective September 1	Premium Increase
2023	7.40%	2040-2043	4.80%
2024	6.80%	2044-2049	4.70%
2025	6.20%	2050-2059	4.60%
2026	5.60%	2060-2065	4.50%
2027	5.50%	2066-2067	4.40%
2028	5.40%	2068-2069	4.30%
2029	5.30%	2070	4.20%
2030	5.20%	2071-2072	4.10%
2031	5.10%	2073-2074	4.00%
2032-2037	5.00%	2075	3.90%
2038-2039	4.90%	& Later	3.90%

The healthcare trend shown above was developed using the Getzen Model 2023 published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2032 20.0%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

#### Participant Election Assumptions:

##### o Participation Rate:

- a) *Participating actives*: 60% are assumed to continue their current plan election in retirement.
- b) *Non-participating actives*: 5% are assumed to elect coverage in the High HDHP plan at a later date, thus gaining access to coverage in retirement.
- a) *Retired participants*: Existing medical plan elections are assumed to be maintained until the earlier of age 65 or the retiree's death.

##### o Spouse Coverage:

- a) *Active Employees*: 50% are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until the earlier of age 65 or their death. Husbands are assumed to be 3 years older than their wives.
- b) *Retired participants*: Existing elections for spouse coverage are assumed to be maintained until the earlier of age 65 or the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.
- c) *Medicare Eligibility*: Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

#### Demographic Assumptions:

The demographic actuarial assumptions, with the exception of projected mortality improvements, reflect the most recent (2022) experience studies of the Montana Public Employees Retirement System (PERS) and Montana Teacher's Retirement System (TRS).

- o *Mortality Before Retirement*: PERS members - PUB 2010 General Amount Weighted Employee mortality; TRS members - PUBT-2010 General Employee mortality
- o *Mortality After Retirement*: PERS members - PUB-2010 General Amount Weighted Healthy Retiree mortality adjusted 104% for males and 103% for females; TRS members - PUBT-2010 Retiree mortality adjusted 102% for males and 103% for females
- o *Mortality Improvement*: MacLeod Watts Scale 2022 applied generationally from 2010

#### Software and Models Used in the Valuation:

**ProVal** - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

**Age based premiums model** - developed internally and reviewed by an external consultant at the time it was developed.

**Getzen model** - published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes in Assumptions of Methods as of the Measurement Date:

- o Discount Rates: Changed from a rate of 3.54% on June 30, 2022 to a rate of 3.65% on June 30, 2023.

***D. Tax abatements***

The District's property tax revenue is subject to tax abatement agreements entered into by Gallatin County (the County). Under the Montana Code Annotated, Title 15, Chapter 24, Part 14, the County approves tax incentives for qualified new or expanding industries located in Gallatin County. The tax incentives are for real and personal property taxes. To be eligible for the benefit, the taxpayer must apply and be approved by the County. In order to qualify, the taxpayer must invest a minimum of \$50,000 worth of qualifying improvements or modernized processes within the first 5 years after a construction permit is issued. Generally, the taxpayer commits to invest the statutory minimum and often includes a proposal to hire a certain number of additional employees in response to the entity's expansion. The County has not made any commitments as part of the agreements other than to reduce taxes.

The taxpayer receives a credit against property taxes in the form of a certain percentage reduction. The County manually applies the applicable credit amount to reduce the property tax bill. If property taxes were abated, but the taxpayer did not meet the eligibility requirements, the recapture amount is equal to the amount of taxes avoided, plus interest and penalties for nonpayment of property taxes.

For the fiscal year ended June 30, 2024, the District portion of the property taxes abated by Gallatin County is immaterial to the financial statements.

***E. Contingencies***

As of June 30, 2024, the District was not involved in any lawsuits.

**Required Supplementary Information  
Other Than Management Discussion and Analysis**



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>Total OPEB Liability</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 285,942	\$ 349,680	\$ 336,651	\$ 309,832	\$ 283,632	\$ 259,481	\$ 277,808
Interest	144,168	103,389	99,616	151,336	153,908	136,187	110,781
Differences between expected and actual experience	-	(83,834)	-	(504,848)	-	(230,765)	-
Change of assumptions	(40,397)	(843,754)	20,093	421,574	121,038	164,113	(200,330)
Benefit payments	<u>(146,150)</u>	<u>(205,322)</u>	<u>(175,398)</u>	<u>(242,166)</u>	<u>(258,165)</u>	<u>(210,219)</u>	<u>(187,798)</u>
Net changes in total OPEB liability	243,563	(679,841)	280,962	135,728	300,413	118,797	461
Total OPEB liability, beginning of year	<u>3,859,676</u>	<u>4,539,517</u>	<u>4,258,555</u>	<u>4,122,827</u>	<u>3,822,414</u>	<u>3,703,617</u>	<u>3,703,156</u>
Total OPEB liability, end of year	<u>\$ 4,103,239</u>	<u>\$ 3,859,676</u>	<u>\$ 4,539,517</u>	<u>\$ 4,258,555</u>	<u>\$ 4,122,827</u>	<u>\$ 3,822,414</u>	<u>\$ 3,703,617</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 146,150	\$ 205,322	\$ 175,398	\$ 242,166	\$ 258,165	\$ 210,219	\$ 187,798
Benefit payments	<u>(146,150)</u>	<u>(205,322)</u>	<u>(175,398)</u>	<u>(242,166)</u>	<u>(258,165)</u>	<u>(210,219)</u>	<u>(187,798)</u>
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position, beginning of year	-	-	-	-	-	-	-
Plan fiduciary net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total OPEB liability, end of year	<u>\$ 4,103,239</u>	<u>\$ 3,859,676</u>	<u>\$ 4,539,517</u>	<u>\$ 4,258,555</u>	<u>\$ 4,122,827</u>	<u>\$ 3,822,414</u>	<u>\$ 3,703,617</u>
Covered employee payroll	<u>\$ 51,991,356</u>	<u>\$ 53,061,908</u>	<u>\$ 50,902,086</u>	<u>\$ 46,106,420</u>	<u>\$ 44,043,978</u>	<u>\$ 40,152,427</u>	<u>\$ 38,468,195</u>
District's total OPEB liability as a percentage of covered-employee payroll	<u>7.89%</u>	<u>7.27%</u>	<u>8.92%</u>	<u>9.24%</u>	<u>9.36%</u>	<u>9.52%</u>	<u>9.63%</u>

See Note IV C for additional information on the significant assumptions used in calculating the total OPEB liability.

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

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

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AND SCHEDULE OF CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF MONTANA (TRS)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Schedule of Proportionate Share of the Net Pension Liability:**

<b>As of Measurement Date:</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Employer's proportion of the net pension liability	3.02850%	2.98730%	2.90680%	2.73520%	2.77980%	2.71430%	2.62950%	2.53350%	2.46410%	2.36670%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 58,675,629	\$ 58,755,044	\$ 48,152,920	\$ 61,526,605	\$ 53,602,615	\$ 50,379,699	\$ 44,335,923	\$ 46,283,916	\$ 40,485,638	\$ 36,419,973
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 31,725,571	\$ 32,457,839	\$ 27,476,575	\$ 36,385,843	\$ 32,451,087	\$ 31,290,489	\$ 28,142,575	\$ 30,154,266	\$ 27,107,547	\$ 24,945,157
<b>Total</b>	<b>\$ 90,401,200</b>	<b>\$ 91,212,883</b>	<b>\$ 75,629,495</b>	<b>\$ 97,912,448</b>	<b>\$ 86,053,702</b>	<b>\$ 81,670,188</b>	<b>\$ 72,478,498</b>	<b>\$ 76,438,182</b>	<b>\$ 67,593,185</b>	<b>\$ 61,365,130</b>
Employer's covered payroll	\$ 45,040,341	\$ 43,850,613	\$ 41,401,511	\$ 37,664,500	\$ 37,712,943	\$ 36,125,172	\$ 34,682,649	\$ 32,886,005	\$ 31,446,361	\$ 29,846,019
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	130.27%	133.99%	116.31%	163.35%	142.13%	139.46%	127.83%	140.74%	128.75%	122.03%
Plan fiduciary net position as a percentage of the total pension liability	71.75%	70.61%	75.54%	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%

**Schedule of Contributions:**

<b>As of Reporting Date:</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Contractually required contributions	\$ 4,589,856	\$ 4,370,860	\$ 4,266,412	\$ 4,124,604	\$ 3,630,181	\$ 3,625,199	\$ 3,446,699	\$ 3,267,549	\$ 3,008,409	\$ 2,947,769
Contributions in relation to the contractually required contributions	\$ 4,589,856	\$ 4,370,860	\$ 4,266,412	\$ 4,124,604	\$ 3,630,181	\$ 3,625,199	\$ 3,446,699	\$ 3,267,549	\$ 3,008,409	\$ 2,947,769
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 45,753,819	\$ 45,040,341	\$ 43,850,613	\$ 41,401,511	\$ 37,664,500	\$ 37,712,943	\$ 36,125,172	\$ 34,682,649	\$ 32,886,005	\$ 31,446,361
Contributions of covered payroll (as a percentage)	10.03%	9.70%	9.73%	9.96%	9.64%	9.61%	9.54%	9.42%	9.15%	9.37%

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

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AND SCHEDULE OF CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Schedule of Proportionate Share of the Net Pension Liability:**

<b>As of Measurement Date:</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Employer's proportionate share of the net pension liability (percentage)	0.3871%	0.3836%	0.3499%	0.3442%	0.3368%	0.3300%	0.4258%	0.4178%	0.4064%	0.4404%
Employer's proportion of the net pension liability (amount)	\$ 9,446,717	\$ 9,121,858	\$ 6,343,968	\$ 9,082,011	\$ 7,041,036	\$ 6,887,802	\$ 8,292,427	\$ 7,115,877	\$ 5,681,072	\$ 5,487,123
State of Montana's proportionate share of the net pension liability (amount)	\$ 2,908,910	\$ 3,025,571	\$ 2,084,792	\$ 3,176,134	\$ 2,539,413	\$ 2,569,818	\$ 435,070	\$ 332,565	\$ 266,953	\$ 256,505
<b>Total</b>	<b>\$ 12,355,627</b>	<b>\$ 12,147,429</b>	<b>\$ 8,428,760</b>	<b>\$ 12,258,145</b>	<b>\$ 9,580,449</b>	<b>\$ 9,457,620</b>	<b>\$ 8,727,497</b>	<b>\$ 7,448,442</b>	<b>\$ 5,948,025</b>	<b>\$ 5,743,628</b>
Employer's covered payroll	\$ 7,413,327	\$ 6,943,533	\$ 6,353,767	\$ 5,961,583	\$ 5,738,642	\$ 5,605,920	\$ 5,457,905	\$ 5,172,904	\$ 4,903,746	\$ 5,200,735
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	127.43%	131.37%	99.85%	152.34%	122.70%	122.87%	151.93%	137.56%	115.85%	111.22%
Plan fiduciary net position as a percentage of the total pension liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

**Schedule of Contributions:**

<b>As of Reporting Date:</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Contractually required defined benefit contributions	\$ 685,070	\$ 650,947	\$ 599,568	\$ 547,674	\$ 506,048	\$ 478,012	\$ 459,685	\$ 442,087	\$ 418,263	\$ 390,832
Plan Choice Rate Required Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,924	\$ 31,349
Contributions in relation to the contractually required contributions	\$ 685,070	\$ 650,947	\$ 599,568	\$ 547,674	\$ 506,048	\$ 478,012	\$ 459,685	\$ 442,087	\$ 437,187	\$ 422,180
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Employer's covered payroll	\$ 7,784,891	\$ 7,413,327	\$ 6,943,533	\$ 6,353,767	\$ 5,961,583	\$ 5,738,642	\$ 5,605,920	\$ 5,457,905	\$ 5,172,904	\$ 4,903,746
Contributions of covered payroll (as a percentage)	8.80%	8.78%	8.63%	8.62%	8.49%	8.33%	8.20%	8.10%	8.45%	8.61%

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

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Teacher's Retirement System (TRS)**

**Changes of Benefit Terms:**

There have been no material changes of benefit terms in the past ten years.

**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 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 from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

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

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

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

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%

- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
  - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

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

- Mortality among disabled members was updated to the following:
  - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
  - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

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

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

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

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

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

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

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

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

- Mortality among disabled members was updated to the following:

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

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

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

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	25 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary increase	3.50 to 9.00 percent, including inflation for Non-University Members and 4.25% for University Members;
Investment rate of return	7.30 percent, net of pension plan investment expense, including inflation

## **Public Employees' Retirement System (PERS)**

### **Changes of Benefit Terms**

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

**2017:**

#### **Working Retiree Limitations -for PERS**

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

#### **Refunds**

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

#### **Interest Credited to Member Accounts**

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

#### **Lump-Sum Payouts**

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

#### **Disabled PERS Defined Contribution (DC) Members**

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

### **Changes in Actuarial Assumptions and Methods**

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

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2023, which were based on the results of the June 30, 2022 actuarial valuation:

General wage growth	3.50%
Investment rate of return*	7.30%
*includes inflation at	2.75%
Merit salary increases	0% to 4.80%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (active participants)	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021
Mortality (disabled members)	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females
Mortality (contingent survivors)	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021
Mortality (health retirees)	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five year experience study for the period ending 2021.





## **Combining Financial Statements**



## General Fund

The General Fund is the general operation fund of the District. All general tax revenue 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 Bozeman School District is comprised of two legal entities (Elementary and High School Districts), the General Fund (in addition to almost every other budgeted fund) has an elementary and high school portion. As one of six District *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.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET**  
**ALL GENERAL SUBFUNDS**  
**JUNE 30, 2024**

	Elementary General Fund	Elementary Compensated Absence Fund	High School General Fund	High School Compensated Absence Fund	K-12 Interlocal Agreement	Totals
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 3,376,886	\$ 271,978	\$ 2,163,169	\$ 184,202	\$ 5,920,820	\$ 11,917,055
Property taxes receivable	345,519	-	242,047	-	-	587,566
Due from other funds	-	-	-	-	1,609,913	1,609,913
Due from other governments	354,162	-	344,195	-	-	698,357
Accounts receivable	1,187	-	1,767	-	8,371	11,325
Prepaid items	25,280	-	5,622	-	118,563	149,465
<b>Total assets</b>	<b>\$ 4,103,034</b>	<b>\$ 271,978</b>	<b>\$ 2,756,800</b>	<b>\$ 184,202</b>	<b>\$ 7,657,667</b>	<b>\$ 14,973,681</b>
<b><u>LIABILITIES</u></b>						
Accounts payable and other accrued liabilities	\$ 40,722	\$ -	\$ 2,751	\$ -	\$ 30,841	\$ 74,314
Unearned revenue	-	-	-	-	521	521
<b>Total liabilities</b>	<b>40,722</b>	<b>-</b>	<b>2,751</b>	<b>-</b>	<b>31,362</b>	<b>74,835</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue - property taxes	345,519	-	242,047	-	-	587,566
<b>Total deferred inflows of resources</b>	<b>345,519</b>	<b>-</b>	<b>242,047</b>	<b>-</b>	<b>-</b>	<b>587,566</b>
<b><u>FUND BALANCES</u></b>						
Nonspendable	25,280	-	5,622	-	118,563	149,465
Committed	-	-	-	-	7,507,742	7,507,742
Assigned	-	271,978	-	184,202	-	456,180
Unassigned	3,691,513	-	2,506,380	-	-	6,197,893
<b>Total fund balances</b>	<b>3,716,793</b>	<b>271,978</b>	<b>2,512,002</b>	<b>184,202</b>	<b>7,626,305</b>	<b>14,311,280</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,103,034</b>	<b>\$ 271,978</b>	<b>\$ 2,756,800</b>	<b>\$ 184,202</b>	<b>\$ 7,657,667</b>	<b>\$ 14,973,681</b>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GENERAL SUBFUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary General Fund	Elementary Compensated Absence Fund	High School General Fund	High School Compensated Absence Fund	K-12 Interlocal Agreement	Totals
<b>Revenues:</b>						
District property taxes	\$ 14,887,521	\$ -	\$ 9,892,467	\$ -	\$ -	\$ 24,779,988
Tuition and fees	42,427	-	32,782	-	-	75,209
Investment earnings	84,481	2,351	55,293	1,345	341,597	485,067
Other district revenue	343,622	-	337,310	-	7,753	688,685
State of Montana	20,740,905	-	13,359,234	-	-	34,100,139
<b>Total revenues</b>	<u>36,098,956</u>	<u>2,351</u>	<u>23,677,086</u>	<u>1,345</u>	<u>349,350</u>	<u>60,129,088</u>
<b>Expenditures:</b>						
Current -						
Instruction	23,863,603	61,785	13,150,109	3,489	1,041,666	38,120,652
Support services	3,875,056	21,555	1,231,067	285	175,596	5,303,559
General administration	1,485,009	15,029	1,435,771	14,417	207,665	3,157,891
Building administration	2,770,063	16,468	1,346,815	10,093	132,381	4,275,820
Operations and maintenance	2,755,808	18,056	2,954,810	21,496	472,387	6,222,557
Student transportation	-	-	83	-	-	83
Food services	-	-	939	9,894	-	10,833
Extracurricular activities	190,003	-	1,525,199	50,049	34,428	1,799,679
Capital outlay	5,046	-	14,069	-	161,337	180,452
Debt service -						
Lease and subscription principal payments	-	-	-	-	44,178	44,178
<b>Total expenditures</b>	<u>34,944,588</u>	<u>132,893</u>	<u>21,658,862</u>	<u>109,723</u>	<u>2,269,638</u>	<u>59,115,704</u>
<b>Other financing sources (uses):</b>						
Software subscription	-	-	-	-	131,946	131,946
Transfers in	-	135,000	-	110,000	2,623,535	2,868,535
Transfers out	(1,051,575)	-	(1,816,960)	-	(5,500)	(2,874,035)
<b>Total other financing sources (uses)</b>	<u>(1,051,575)</u>	<u>135,000</u>	<u>(1,816,960)</u>	<u>110,000</u>	<u>2,749,981</u>	<u>126,446</u>
<b>Net change in fund balances</b>	102,793	4,458	201,264	1,622	829,693	1,139,830
<b>Fund balances, beginning of year</b>	<u>3,614,000</u>	<u>267,520</u>	<u>2,310,738</u>	<u>182,580</u>	<u>6,796,612</u>	<u>13,171,450</u>
<b>Fund balances, end of year</b>	<u>\$ 3,716,793</u>	<u>\$ 271,978</u>	<u>\$ 2,512,002</u>	<u>\$ 184,202</u>	<u>\$ 7,626,305</u>	<u>\$ 14,311,280</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ALL GENERAL SUBFUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary General Subfund			High School General Subfund				Totals			
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original Budget	Final Budget	Actual	Variance - Positive (Negative)	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>											
District property taxes	\$ 15,205,853	\$ 14,887,521	\$ (318,332)	\$ 10,089,315	\$ 10,089,315	\$ 9,892,467	\$ (196,848)	\$ 25,295,168	\$ 25,295,168	\$ 24,779,988	\$ (515,180)
Tuition and fees	-	42,427	42,427	-	-	32,782	32,782	-	-	75,209	75,209
Investment earnings	49,406	84,481	35,075	27,275	27,275	55,293	28,018	76,681	76,681	139,774	63,093
Other district revenue	-	343,622	343,622	-	-	337,310	337,310	-	-	680,932	680,932
State of Montana	20,740,905	20,740,905	-	12,990,798	13,304,398	13,359,234	54,836	33,731,703	34,045,303	34,100,139	54,836
<b>Total revenues</b>	<u>35,996,164</u>	<u>36,098,956</u>	<u>102,792</u>	<u>23,107,388</u>	<u>23,420,988</u>	<u>23,677,086</u>	<u>256,098</u>	<u>59,103,552</u>	<u>59,417,152</u>	<u>59,776,042</u>	<u>358,890</u>
<b>Expenditures:</b>											
Current -											
Instruction	22,136,791	23,863,603	(1,726,812)	13,264,195	13,577,795	13,150,109	427,686	35,400,986	35,714,586	37,013,712	(1,299,126)
Support services	4,856,350	3,875,056	981,294	1,326,085	1,326,085	1,231,067	95,018	6,182,435	6,182,435	5,106,123	1,076,312
General administration	1,487,764	1,485,009	2,755	1,339,645	1,339,645	1,435,771	(96,126)	2,827,409	2,827,409	2,920,780	(93,371)
Building administration	2,689,006	2,770,063	(81,057)	1,438,635	1,438,635	1,346,815	91,820	4,127,641	4,127,641	4,116,878	10,763
Operations and maintenance	3,620,983	2,755,808	865,175	3,660,714	3,660,714	2,954,810	705,904	7,281,697	7,281,697	5,710,618	1,571,079
Student transportation	-	-	-	-	-	83	(83)	-	-	83	(83)
Food services	-	-	-	-	-	939	(939)	-	-	939	(939)
Extracurricular activities	288,695	190,003	98,692	1,430,554	1,430,554	1,525,199	(94,645)	1,719,249	1,719,249	1,715,202	4,047
Capital outlay	-	5,046	(5,046)	-	-	14,069	(14,069)	-	-	19,115	(19,115)
<b>Total expenditures</b>	<u>35,079,589</u>	<u>34,944,588</u>	<u>135,001</u>	<u>22,459,828</u>	<u>22,773,428</u>	<u>21,658,862</u>	<u>1,114,566</u>	<u>57,539,417</u>	<u>57,853,017</u>	<u>56,603,450</u>	<u>1,249,567</u>
<b>Other financing sources (uses):</b>											
Transfers out	(916,575)	(1,051,575)	(135,000)	(647,560)	(647,560)	(1,816,960)	(1,169,400)	(1,564,135)	(1,564,135)	(2,868,535)	(1,304,400)
<b>Total other financing sources (uses)</b>	<u>(916,575)</u>	<u>(1,051,575)</u>	<u>(135,000)</u>	<u>(647,560)</u>	<u>(647,560)</u>	<u>(1,816,960)</u>	<u>(1,169,400)</u>	<u>(1,564,135)</u>	<u>(1,564,135)</u>	<u>(2,868,535)</u>	<u>(1,304,400)</u>
<b>Net change in fund balances</b>	-	102,793	102,793	-	-	201,264	201,264	-	-	304,057	304,057
<b>Fund balances, beginning of year</b>	<u>3,614,000</u>	<u>3,614,000</u>	<u>-</u>	<u>2,310,738</u>	<u>2,310,738</u>	<u>2,310,738</u>	<u>-</u>	<u>5,924,738</u>	<u>5,924,738</u>	<u>5,924,738</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,614,000</u>	<u>\$ 3,716,793</u>	<u>\$ 102,793</u>	<u>\$ 2,310,738</u>	<u>\$ 2,310,738</u>	<u>\$ 2,512,002</u>	<u>\$ 201,264</u>	<u>\$ 5,924,738</u>	<u>\$ 5,924,738</u>	<u>\$ 6,228,795</u>	<u>\$ 304,057</u>

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



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 7,415,894	\$ -	\$ 5,565,180	\$ 12,981,074
Investments	909,396	-	-	909,396
Property taxes receivable	146,670	109,032	82,579	338,281
Due from other governments	204,428	862,501	2,706	1,069,635
Accounts receivable	62,510	-	-	62,510
Inventory, at cost	54,833	-	-	54,833
Prepaid items	382,176	-	-	382,176
<b>Total assets</b>	<b>\$ 9,175,907</b>	<b>\$ 971,533</b>	<b>\$ 5,650,465</b>	<b>\$ 15,797,905</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and other accrued liabilities	\$ 149,727	\$ -	\$ 73,515	\$ 223,242
Due to other funds	46,947	32,328	-	79,275
Retainages payable	-	-	4,068	4,068
Unearned revenue	170,054	-	-	170,054
<b>Total liabilities</b>	<b>366,728</b>	<b>32,328</b>	<b>77,583</b>	<b>476,639</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue - property taxes	146,670	109,032	82,579	338,281
<b>Total deferred inflows of resources</b>	<b>146,670</b>	<b>109,032</b>	<b>82,579</b>	<b>338,281</b>
<b><u>FUND BALANCES</u></b>				
Nonspendable	724,156	-	-	724,156
Restricted	4,542,744	830,173	5,490,303	10,863,220
Committed	3,466,423	-	-	3,466,423
Unassigned	(70,814)	-	-	(70,814)
<b>Total fund balances</b>	<b>8,662,509</b>	<b>830,173</b>	<b>5,490,303</b>	<b>14,982,985</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,175,907</b>	<b>\$ 971,533</b>	<b>\$ 5,650,465</b>	<b>\$ 15,797,905</b>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
District property taxes	\$ 6,402,101	\$ 4,622,629	\$ 3,788,731	\$ 14,813,461
Tuition and fees	1,927,434	-	-	1,927,434
Investment earnings	236,972	56,875	152,737	446,584
Other district revenue	3,304,833	862,256	-	4,167,089
Gallatin County	310,557	-	-	310,557
State of Montana	607,113	-	84,643	691,756
Federal	1,189,915	-	-	1,189,915
<b>Total revenues</b>	<u>13,978,925</u>	<u>5,541,760</u>	<u>4,026,111</u>	<u>23,546,796</u>
<b>Expenditures:</b>				
Current -				
Instruction	2,070,786	-	-	2,070,786
Support services	480,365	-	1,636,916	2,117,281
General administration	761,105	-	16,701	777,806
Building administration	303,895	-	276,656	580,551
Operations and maintenance	15,602	89,669	1,267,959	1,373,230
Student transportation	3,698,200	-	-	3,698,200
Food services	2,901,942	-	-	2,901,942
Extracurricular activities	2,263,830	-	-	2,263,830
Capital outlay	831,425	-	688,295	1,519,720
Debt service -				
Principal retirement - bonds	-	4,070,000	-	4,070,000
Interest and fiscal charges	-	1,457,514	-	1,457,514
Lease and subscription principal payments	164,312	-	-	164,312
<b>Total expenditures</b>	<u>13,491,462</u>	<u>5,617,183</u>	<u>3,886,527</u>	<u>22,995,172</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>487,463</u>	<u>(75,423)</u>	<u>139,584</u>	<u>551,624</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	500	-	9,688	10,188
<b>Total other financing sources (uses)</b>	<u>500</u>	<u>-</u>	<u>9,688</u>	<u>10,188</u>
<b>Net changes in fund balances</b>	<u>487,963</u>	<u>(75,423)</u>	<u>149,272</u>	<u>561,812</u>
<b>Fund balances, beginning of year, as previously presented</b>	9,869,807	905,596	5,341,031	16,116,434
Change within financial reporting entity (nonmajor to major fund)	(1,695,261)	-	-	(1,695,261)
<b>Fund balances, beginning of year, as adjusted</b>	<u>8,174,546</u>	<u>905,596</u>	<u>5,341,031</u>	<u>14,421,173</u>
<b>Fund balances, end of year</b>	<u>\$ 8,662,509</u>	<u>\$ 830,173</u>	<u>\$ 5,490,303</u>	<u>\$ 14,982,985</u>



## Nonmajor Special Revenue Funds

### **Budgeted:**

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

Bus Depreciation Fund (Elementary and High School) To account for the replacement of District owned-buses.

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.

Technology Acquisition 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.

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

### **Non-Budgeted:**

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

Miscellaneous Local, State & Federal Grant Funds – (High School) To account for Federal, State and Local grants and indirect cost monies received by the district.

Student Club Extracurricular Funds – (Elementary and High School) To account for revenue and expenditures involved with middle and high school student club extracurricular activities.

Drivers Education Fund – To account for expenditures related to Drivers Education and the corresponding tuition charged.

Nonexpendable High School Endowment – To account for investment earnings on existing corpus and previous earnings. This is reinvested until a desired overall level is attained in which scholarships will be awarded from the spendable portion of this fund.

**BOZEMAN SCHOOL DISTRICT NO. 7  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	Elementary Transportation	Elementary Bus Depreciation	Elementary Tuition	Elementary Technology Acquisition	Elementary Student Club Extracurricular
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 897,354	\$ 327,240	\$ 338,188	\$ -	\$ 83,501
Investments	-	-	-	-	-
Property taxes receivable	59,054	-	6,899	16,293	-
Due from other governments	111,030	-	210	495	-
Accounts receivable	-	-	-	9,661	-
Inventory, at cost	-	-	-	-	-
Prepaid items	-	-	-	214,016	-
<b>Total assets</b>	<b>\$ 1,067,438</b>	<b>\$ 327,240</b>	<b>\$ 345,297</b>	<b>\$ 240,465</b>	<b>\$ 83,501</b>
<b><u>LIABILITIES</u></b>					
Accounts payable and other accrued liabilities	\$ 26	\$ -	\$ -	\$ 34,023	\$ 342
Due to other funds	-	-	-	46,947	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>80,970</b>	<b>342</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue - property taxes	59,054	-	6,899	16,293	-
<b>Total deferred inflows of resources</b>	<b>59,054</b>	<b>-</b>	<b>6,899</b>	<b>16,293</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Nonspendable	-	-	-	214,016	-
Restricted	1,008,358	327,240	338,398	-	-
Committed	-	-	-	-	83,159
Unassigned	-	-	-	(70,814)	-
<b>Total fund balances</b>	<b>1,008,358</b>	<b>327,240</b>	<b>338,398</b>	<b>143,202</b>	<b>83,159</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,067,438</b>	<b>\$ 327,240</b>	<b>\$ 345,297</b>	<b>\$ 240,465</b>	<b>\$ 83,501</b>

(Continued)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2024**

	High School Transportation	High School Bus Depreciation	High School Food Services	High School Tuition	High School Grants	High School Adult Education
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 772,719	\$ 327,513	\$ 1,753,338	\$ 620,647	\$ 933,401	\$ 301,325
Investments	-	-	-	-	-	-
Property taxes receivable	28,144	-	-	6,678	-	19,622
Due from other governments	52,372	-	-	192	4,440	592
Accounts receivable	-	-	215	-	42,973	-
Inventory, at cost	-	-	48,806	-	6,027	-
Prepaid items	-	-	-	-	19,940	-
<b>Total assets</b>	<b>\$ 853,235</b>	<b>\$ 327,513</b>	<b>\$ 1,802,359</b>	<b>\$ 627,517</b>	<b>\$ 1,006,781</b>	<b>\$ 321,539</b>
<b><u>LIABILITIES</u></b>						
Accounts payable and other accrued liabilities	\$ 26	\$ -	\$ 10,964	\$ 2,658	\$ 15,307	\$ 174
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	156,754	-	13,300	-
<b>Total liabilities</b>	<b>26</b>	<b>-</b>	<b>167,718</b>	<b>2,658</b>	<b>28,607</b>	<b>174</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue - property taxes	28,144	-	-	6,678	-	19,622
<b>Total deferred inflows of resources</b>	<b>28,144</b>	<b>-</b>	<b>-</b>	<b>6,678</b>	<b>-</b>	<b>19,622</b>
<b><u>FUND BALANCES</u></b>						
Nonspendable	-	-	48,806	-	25,967	-
Restricted	825,065	327,513	-	618,181	88,302	301,743
Committed	-	-	1,585,835	-	863,905	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>825,065</b>	<b>327,513</b>	<b>1,634,641</b>	<b>618,181</b>	<b>978,174</b>	<b>301,743</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 853,235</b>	<b>\$ 327,513</b>	<b>\$ 1,802,359</b>	<b>\$ 627,517</b>	<b>\$ 1,006,781</b>	<b>\$ 321,539</b>

(Continued)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2024**

	High School Drivers Education	High School Technology Acquisition	High School Student Club Extracurricular	Nonexpendable High School Endowment	Totals
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 117,418	\$ 138,451	\$ 802,889	\$ 1,910	\$ 7,415,894
Investments	-	-	-	909,396	909,396
Property taxes receivable	-	9,980	-	-	146,670
Due from other governments	34,800	297	-	-	204,428
Accounts receivable	-	9,661	-	-	62,510
Inventory, at cost	-	-	-	-	54,833
Prepaid items	-	29,292	118,928	-	382,176
<b>Total assets</b>	<u>\$ 152,218</u>	<u>\$ 187,681</u>	<u>\$ 921,817</u>	<u>\$ 911,306</u>	<u>\$ 9,175,907</u>
<b><u>LIABILITIES</u></b>					
Accounts payable and other accrued liabilities	\$ 102	\$ 64,624	\$ 21,481	\$ -	\$ 149,727
Due to other funds	-	-	-	-	46,947
Unearned revenue	-	-	-	-	170,054
<b>Total liabilities</b>	<u>102</u>	<u>64,624</u>	<u>21,481</u>	<u>-</u>	<u>366,728</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue - property taxes	-	9,980	-	-	146,670
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>9,980</u>	<u>-</u>	<u>-</u>	<u>- 146,670</u>
<b><u>FUND BALANCES</u></b>					
Nonspendable	-	29,292	118,928	287,147	724,156
Restricted	-	83,785	-	624,159	4,542,744
Committed	152,116	-	781,408	-	3,466,423
Unassigned	-	-	-	-	(70,814)
<b>Total fund balances</b>	<u>152,116</u>	<u>113,077</u>	<u>900,336</u>	<u>911,306</u>	<u>8,662,509</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 152,218</u>	<u>\$ 187,681</u>	<u>\$ 921,817</u>	<u>\$ 911,306</u>	<u>\$ 9,175,907</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary Transportation	Elementary Bus Depreciation	Elementary Tuition	Elementary Grants	Elementary Technology Acquisition	Elementary Flexibility	Middle School Student Club Extracurricular
<b>Revenues:</b>							
District property taxes	\$ 2,662,489	\$ -	\$ 297,113	\$ -	\$ 699,812	\$ -	\$ -
Tuition and fees	-	-	-	-	-	-	-
Investment earnings	14,970	16,965	3,759	-	1,958	20	-
Other district revenue	-	-	-	-	5,561	-	101,707
Gallatin County	209,707	-	-	-	-	-	-
State of Montana	209,707	-	-	-	27,439	3,819	-
Federal	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>3,096,873</u>	<u>16,965</u>	<u>300,872</u>	<u>-</u>	<u>734,770</u>	<u>3,839</u>	<u>101,707</u>
<b>Expenditures:</b>							
Current -							
Instruction	-	-	211,371	-	345,728	3,839	-
Support services	-	-	-	-	16,830	-	-
General administration	69,459	-	-	-	237,723	-	-
Building administration	-	-	-	-	-	-	-
Operations and maintenance	3,790	-	-	-	-	-	-
Student transportation	2,725,572	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	109,837
Capital outlay	-	-	-	-	627,266	-	-
Debt Service -							
Lease and subscription principal payments	-	-	-	-	148,267	-	-
<b>Total expenditures</b>	<u>2,798,821</u>	<u>-</u>	<u>211,371</u>	<u>-</u>	<u>1,375,814</u>	<u>3,839</u>	<u>109,837</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of assets	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	298,052	16,965	89,501	-	(641,044)	-	(8,130)
<b>Fund balances, beginning of year, as previously presented</b>	710,306	310,275	248,897	1,695,261	784,246	-	91,289
Change within financial reporting entity (nonmajor to major fund)	-	-	-	(1,695,261)	-	-	-
<b>Fund balances, beginning of year, as adjusted</b>	<u>710,306</u>	<u>310,275</u>	<u>248,897</u>	<u>-</u>	<u>784,246</u>	<u>-</u>	<u>91,289</u>
<b>Fund balances, end of year</b>	<u>\$ 1,008,358</u>	<u>\$ 327,240</u>	<u>\$ 338,398</u>	<u>\$ -</u>	<u>\$ 143,202</u>	<u>\$ -</u>	<u>\$ 83,159</u>



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Transportation	High School Bus Depreciation	High School Food Services	High School Tuition	High School Grants	High School Adult Education
<b>Revenues:</b>						
District property taxes	\$ 1,198,997	\$ -	\$ -	\$ 276,750	\$ -	\$ 843,164
Tuition and fees	-	-	1,795,497	-	-	842
Investment earnings	8,688	16,968	64,956	5,565	60	3,768
Other district revenue	-	-	55,462	-	1,258,195	-
Gallatin County	100,850	-	-	-	-	-
State of Montana	100,850	-	-	-	189,753	-
Federal	-	-	1,036,695	-	153,220	-
<b>Total revenues</b>	<u>1,409,385</u>	<u>16,968</u>	<u>2,952,610</u>	<u>282,315</u>	<u>1,601,228</u>	<u>847,774</u>
<b>Expenditures:</b>						
Current -						
Instruction	-	-	-	63,139	486,624	513,556
Support services	-	-	-	-	295,364	6,242
General administration	69,458	-	30,581	-	112,114	-
Building administration	-	-	-	-	106,644	171,165
Operations and maintenance	3,790	-	-	-	8,022	-
Student transportation	972,617	-	-	-	11	-
Food services	-	-	2,901,824	-	118	-
Extracurricular activities	-	-	-	-	548,767	-
Capital outlay	-	-	-	-	36,693	-
Debt Service -						
Lease and subscription principal payments	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,045,865</u>	<u>-</u>	<u>2,932,405</u>	<u>63,139</u>	<u>1,594,357</u>	<u>690,963</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of assets	-	-	500	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	363,520	16,968	20,705	219,176	6,871	156,811
<b>Fund balances, beginning of year, as previously presented</b>	461,545	310,545	1,613,936	399,005	971,303	144,932
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
<b>Fund balances, beginning of year, as adjusted</b>	<u>461,545</u>	<u>310,545</u>	<u>1,613,936</u>	<u>399,005</u>	<u>971,303</u>	<u>144,932</u>
<b>Fund balances, end of year</b>	<u>\$ 825,065</u>	<u>\$ 327,513</u>	<u>\$ 1,634,641</u>	<u>\$ 618,181</u>	<u>\$ 978,174</u>	<u>\$ 301,743</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Drivers Education	High School Technology Acquisition	High School Flexibility	High School Student Club Extracurricular	Nonexpendable High School Endowment	Totals
<b>Revenues:</b>						
District property taxes	\$ -	\$ 423,776	\$ -	\$ -	\$ -	\$ 6,402,101
Tuition and fees	131,095	-	-	-	-	1,927,434
Investment earnings	1,356	2,542	374	-	95,023	236,972
Other district revenue	-	5,561	-	1,878,347	-	3,304,833
Gallatin County	-	-	-	-	-	310,557
State of Montana	34,800	17,656	23,089	-	-	607,113
Federal	-	-	-	-	-	1,189,915
<b>Total revenues</b>	<u>167,251</u>	<u>449,535</u>	<u>23,463</u>	<u>1,878,347</u>	<u>95,023</u>	<u>13,978,925</u>
<b>Expenditures:</b>						
Current -						
Instruction	153,669	246,858	46,002	-	-	2,070,786
Support services	-	5,929	-	-	156,000	480,365
General administration	-	241,770	-	-	-	761,105
Building administration	26,086	-	-	-	-	303,895
Operations and maintenance	-	-	-	-	-	15,602
Student transportation	-	-	-	-	-	3,698,200
Food services	-	-	-	-	-	2,901,942
Extracurricular activities	-	-	-	1,605,226	-	2,263,830
Capital outlay	-	167,466	-	-	-	831,425
Debt Service -						
Lease and subscription principal payments	-	16,045	-	-	-	164,312
<b>Total expenditures</b>	<u>179,755</u>	<u>678,068</u>	<u>46,002</u>	<u>1,605,226</u>	<u>156,000</u>	<u>13,491,462</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of asset	-	-	-	-	-	500
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<b>Net change in fund balances</b>	(12,504)	(228,533)	(22,539)	273,121	(60,977)	487,963
<b>Fund balances, beginning of year, as previously presented</b>	164,620	341,610	22,539	627,215	972,283	9,869,807
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	(1,695,261)
<b>Fund balances, beginning of year, as adjusted</b>	<u>164,620</u>	<u>341,610</u>	<u>22,539</u>	<u>627,215</u>	<u>972,283</u>	<u>8,174,546</u>
<b>Fund balances, end of year</b>	<u>\$ 152,116</u>	<u>\$ 113,077</u>	<u>\$ -</u>	<u>\$ 900,336</u>	<u>\$ 911,306</u>	<u>\$ 8,662,509</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**ELEMENTARY TRANSPORTATION AND ELEMENTARY BUS DEPRECIATION FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary Transportation			Elementary Bus Depreciation		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 2,734,356	\$ 2,662,489	\$ (71,867)	\$ -	\$ -	\$ -
Investment earnings	1,500	14,970	13,470	500	16,965	16,465
Gallatin County	248,462	209,707	(38,755)	-	-	-
State of Montana	248,462	209,707	(38,755)	-	-	-
<b>Total revenues</b>	<u>3,232,780</u>	<u>3,096,873</u>	<u>(135,907)</u>	<u>500</u>	<u>16,965</u>	<u>16,465</u>
<b>Expenditures:</b>						
Current -						
General administration	67,463	69,459	(1,996)	-	-	-
Building administration	-	-	-	-	-	-
Operations and maintenance	2,040	1,848	192	-	-	-
Student transportation	3,216,401	2,725,572	490,829	310,775	-	310,775
<b>Total expenditures</b>	<u>3,285,904</u>	<u>2,798,821</u>	<u>487,083</u>	<u>310,775</u>	<u>-</u>	<u>310,775</u>
<b>Net change in fund balances</b>	(53,124)	298,052	351,176	(310,275)	16,965	327,240
<b>Fund balances, beginning of year</b>	<u>710,306</u>	<u>710,306</u>	<u>-</u>	<u>310,275</u>	<u>310,275</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 657,182</u>	<u>\$ 1,008,358</u>	<u>\$ 351,176</u>	<u>\$ -</u>	<u>\$ 327,240</u>	<u>\$ 327,240</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**ELEMENTARY TUITION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary Tuition		
	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
District property taxes	\$ 302,212	\$ 297,113	\$ (5,099)
Investment earnings	-	3,759	3,759
<b>Total revenues</b>	<u>302,212</u>	<u>300,872</u>	<u>(1,340)</u>
<b>Expenditures:</b>			
Current -			
Instruction	521,109	211,371	309,738
Support services	30,000	-	30,000
<b>Total expenditures</b>	<u>551,109</u>	<u>211,371</u>	<u>339,738</u>
<b>Net change in fund balances</b>	(248,897)	89,501	338,398
<b>Fund balances, beginning of year</b>	<u>248,897</u>	<u>248,897</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 338,398</u>	<u>\$ 338,398</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**ELEMENTARY TECHNOLOGY ACQUISITION AND ELEMENTARY FLEXIBILITY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary Technology Acquisition			Elementary Flexibility		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 714,799	\$ 699,812	\$ (14,987)	\$ -	-	\$ -
Investment earnings	1,500	1,958	458	-	20	20
Other district revenue	-	5,561	5,561	-	-	-
State of Montana	27,735	27,439	(296)	3,820	3,819	(1)
<b>Total revenues</b>	<u>744,034</u>	<u>734,770</u>	<u>(9,264)</u>	<u>3,820</u>	<u>3,839</u>	<u>19</u>
<b>Expenditures:</b>						
Current -						
Instruction	1,513,823	345,728	1,168,095	3,820	3,839	(19)
Support services	14,457	16,830	(2,373)	-	-	-
General administration	-	237,723	(237,723)	-	-	-
Capital outlay	-	627,266	(627,266)	-	-	-
Debt Service -						
Lease and subscription principal payments	-	148,267	(148,267)			
<b>Total expenditures</b>	<u>1,528,280</u>	<u>1,375,814</u>	<u>152,466</u>	<u>3,820</u>	<u>3,839</u>	<u>(19)</u>
<b>Net change in fund balances</b>	(784,246)	(641,044)	143,202	-	-	-
<b>Fund balances, beginning of year</b>	<u>784,246</u>	<u>784,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 143,202</u>	<u>\$ 143,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**HIGH SCHOOL TRANSPORTATION AND HIGH SCHOOL BUS DEPRECIATION FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Transportation			High School Bus Depreciation		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 1,231,015	\$ 1,198,997	\$ (32,018)	\$ -	\$ -	\$ -
Investment earnings	500	8,688	8,188	500	16,968	16,468
Gallatin County	145,262	100,850	(44,412)	-	-	-
State of Montana	145,262	100,850	(44,412)	-	-	-
<b>Total revenues</b>	<u>1,522,039</u>	<u>1,409,385</u>	<u>(112,654)</u>	<u>500</u>	<u>16,968</u>	<u>16,468</u>
<b>Expenditures:</b>						
Current -						
General administration	67,256	69,458	(2,202)	-	-	-
Operations and maintenance	2,040	1,848	192	-	-	-
Student transportation	1,583,690	972,617	611,073	311,045	-	311,045
<b>Total expenditures</b>	<u>1,652,986</u>	<u>1,045,865</u>	<u>607,121</u>	<u>311,045</u>	<u>-</u>	<u>311,045</u>
<b>Net change in fund balances</b>	(130,947)	363,520	494,467	(310,545)	16,968	327,513
<b>Fund balances, beginning of year</b>	<u>461,545</u>	<u>461,545</u>	<u>-</u>	<u>310,545</u>	<u>310,545</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 330,598</u>	<u>\$ 825,065</u>	<u>\$ 494,467</u>	<u>\$ -</u>	<u>\$ 327,513</u>	<u>\$ 327,513</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**HIGH SCHOOL TUITION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Tuition		
	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
District property taxes	\$ 282,157	\$ 276,750	\$ (5,407)
Investment earnings	-	5,565	5,565
<b>Total revenues</b>	<u>282,157</u>	<u>282,315</u>	<u>158</u>
<b>Expenditures:</b>			
Current -			
Instruction	652,525	63,139	589,386
Support services	28,637	-	28,637
<b>Total expenditures</b>	<u>681,162</u>	<u>63,139</u>	<u>618,023</u>
<b>Net change in fund balances</b>	(399,005)	219,176	618,181
<b>Fund balances, beginning of year</b>	<u>399,005</u>	<u>399,005</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 618,181</u>	<u>\$ 618,181</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**HIGH SCHOOL ADULT EDUCATION AND HIGH SCHOOL TECHNOLOGY ACQUISITION FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Adult Education			High School Technology Acquisition		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 865,526	\$ 843,164	\$ (22,362)	\$ 433,828	\$ 423,776	\$ (10,052)
Tuition and fees	10,500	842	(9,658)	-	-	-
Investment earnings	500	3,768	3,268	1,500	2,542	1,042
Other district revenue	-	-	-	-	5,561	5,561
State of Montana	-	-	-	17,656	17,656	-
<b>Total revenues</b>	<u>876,526</u>	<u>847,774</u>	<u>(28,752)</u>	<u>452,984</u>	<u>449,535</u>	<u>(3,449)</u>
<b>Expenditures:</b>						
Current -						
Instruction	678,154	513,556	164,598	788,811	246,858	541,953
Support services	6,230	6,242	(12)	5,783	5,929	(146)
General administration	24,965	-	24,965	-	241,770	(241,770)
Building administration	167,177	171,165	(3,988)	-	-	-
Capital outlay	-	-	-	-	167,466	(167,466)
Debt Service -						
Lease and subscription principal payments	-	-	-	-	16,045	(16,045)
<b>Total expenditures</b>	<u>876,526</u>	<u>690,963</u>	<u>185,563</u>	<u>794,594</u>	<u>678,068</u>	<u>116,526</u>
<b>Net change in fund balances</b>	-	156,811	156,811	(341,610)	(228,533)	113,077
<b>Fund balances, beginning of year</b>	<u>144,932</u>	<u>144,932</u>	<u>-</u>	<u>341,610</u>	<u>341,610</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 144,932</u>	<u>\$ 301,743</u>	<u>\$ 156,811</u>	<u>\$ -</u>	<u>\$ 113,077</u>	<u>\$ 113,077</u>



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**HIGH SCHOOL FLEXIBILITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	High School Flexibility		
	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 374	\$ 374
State of Montana	23,089	23,089	-
<b>Total revenues</b>	<u>23,089</u>	<u>23,463</u>	<u>374</u>
<b>Expenditures:</b>			
Current -			
Instruction	45,628	46,002	(374)
<b>Total expenditures</b>	<u>45,628</u>	<u>46,002</u>	<u>(374)</u>
<b>Net change in fund balances</b>	(22,539)	(22,539)	-
<b>Fund balances, beginning of year</b>	<u>22,539</u>	<u>22,539</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## Nonmajor and Major Debt Service Funds

### **Budgeted:**

#### **Nonmajor –**

Elementary School Debt Service Fund - 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 may also be used to pay special improvement district assessment charges against District-owned property.

#### **Major -**

High School Debt Service Fund - 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 may also be used to pay special improvement district assessment charges against District-owned property. (**note:** Only Budget to Actual schedule presented in this section)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2024**

	Elementary Debt Service
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ -
Property taxes receivable	109,032
Due from other governments	862,501
<b>Total assets</b>	<b>\$ 971,533</b>
<b><u>LIABILITIES</u></b>	
Due to other funds	32,328
<b>Total liabilities</b>	<b>32,328</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Unavailable revenue - property taxes	\$ 109,032
<b>Total deferred inflows of resources</b>	<b>109,032</b>
<b><u>FUND BALANCE</u></b>	
Restricted	830,173
<b>Total fund balance</b>	<b>830,173</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 971,533</b>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Elementary Debt Service</u>
<b>Revenues:</b>	
District property taxes	\$ 4,622,629
Investment earnings	56,875
Other district revenue	<u>862,256</u>
<b>Total revenues</b>	<u>5,541,760</u>
<b>Expenditures:</b>	
Current -	
Operations and maintenance	89,669
Debt service -	
Principal retirement	4,070,000
Interest and fiscal charges	<u>1,457,514</u>
<b>Total expenditures</b>	<u>5,617,183</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(75,423)</u>
<b>Net change in fund balances</b>	(75,423)
<b>Fund balances, beginning of year</b>	<u>905,596</u>
<b>Fund balances, end of year</b>	<u><u>\$ 830,173</u></u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR AND NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Elementary Debt Service			Major High School Debt Service		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 4,714,391	\$ 4,622,629	\$ (91,762)	\$ 11,433,014	\$ 11,237,114	\$ (195,900)
Investment earnings	4,000	56,875	52,875	3,000	51,226	48,226
Other district revenue	-	862,256	862,256	-	870,000	870,000
State of Montana	-	-	-	-	2,041	2,041
<b>Total revenues</b>	<u>4,718,391</u>	<u>5,541,760</u>	<u>823,369</u>	<u>11,436,014</u>	<u>12,160,381</u>	<u>724,367</u>
<b>Expenditures:</b>						
Current -						
Operations and maintenance	100,000	89,669	10,331	110,001	98,490	11,511
Debt service -						
Principal retirement	4,070,000	4,070,000	-	7,630,000	7,630,000	-
Interest and fiscal charges	1,453,987	1,457,514	(3,527)	4,484,725	4,483,825	900
<b>Total expenditures</b>	<u>5,623,987</u>	<u>5,617,183</u>	<u>6,804</u>	<u>12,224,726</u>	<u>12,212,315</u>	<u>12,411</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(905,596)</u>	<u>(75,423)</u>	<u>830,173</u>	<u>(788,712)</u>	<u>(51,934)</u>	<u>736,778</u>
<b>Net change in fund balances</b>	<u>(905,596)</u>	<u>(75,423)</u>	<u>830,173</u>	<u>(788,712)</u>	<u>(51,934)</u>	<u>736,778</u>
<b>Fund balances, beginning of year</b>	<u>905,596</u>	<u>905,596</u>	<u>-</u>	<u>788,712</u>	<u>788,712</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 830,173</u>	<u>\$ 830,173</u>	<u>\$ -</u>	<u>\$ 736,778</u>	<u>\$ 736,778</u>

## Nonmajor and Major Capital Projects Funds

### **Budgeted:**

#### **Nonmajor -**

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

#### **Major –**

High School Building Reserve Fund - To account for financial resources segregated for the acquisition, construction or repair of major capital facilities. (**note:** Only Budget to Actual schedule presented in this section)

### **Non-budgeted:**

Elementary Building - To account for construction of new elementary schools and for the remodeling of existing facilities.

High School Building - To account for construction of new high schools and for the remodeling of existing facilities

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2024**

	Elementary Building	Elementary Building Reserve	High School Building	Totals
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,889,028	\$ 3,675,962	\$ 190	\$ 5,565,180
Property taxes receivable	-	82,579	-	82,579
Due from other governments	-	2,706	-	2,706
<b>Total assets</b>	<b>\$ 1,889,028</b>	<b>\$ 3,761,247</b>	<b>\$ 190</b>	<b>\$ 5,650,465</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and other accrued liabilities	-	73,515	-	73,515
Retainages payable	-	4,068	-	4,068
<b>Total liabilities</b>	<b>-</b>	<b>77,583</b>	<b>-</b>	<b>77,583</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue - property taxes	-	82,579	-	82,579
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>82,579</b>	<b>-</b>	<b>82,579</b>
<b><u>FUND BALANCES</u></b>				
Restricted	1,889,028	3,601,085	190	5,490,303
<b>Total fund balances</b>	<b>1,889,028</b>	<b>3,601,085</b>	<b>190</b>	<b>5,490,303</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,889,028</b>	<b>\$ 3,761,247</b>	<b>\$ 190</b>	<b>\$ 5,650,465</b>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Elementary Building	Elementary Building Reserve	High School Building	Totals
<b>Revenues:</b>				
District property taxes	\$ -	\$ 3,788,731	\$ -	\$ 3,788,731
Investment earnings	64,331	88,405	1	152,737
State of Montana	-	84,643	-	84,643
<b>Total revenues</b>	<u>64,331</u>	<u>3,961,779</u>	<u>1</u>	<u>4,026,111</u>
<b>Expenditures:</b>				
Current -				
Support services	-	1,636,916	-	1,636,916
General administration	-	16,701	-	16,701
Building administration	-	276,656	-	276,656
Operations and maintenance	-	1,267,959	-	1,267,959
Capital outlay	-	688,295	-	688,295
<b>Total expenditures</b>	<u>-</u>	<u>3,886,527</u>	<u>-</u>	<u>3,886,527</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>64,331</u>	<u>75,252</u>	<u>1</u>	<u>139,584</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	-	9,688	-	9,688
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>9,688</u>	<u>-</u>	<u>9,688</u>
<b>Net change in fund balances</b>	64,331	84,940	1	149,272
<b>Fund balances, beginning of year</b>	<u>1,824,697</u>	<u>3,516,145</u>	<u>189</u>	<u>5,341,031</u>
<b>Fund balances, end of year</b>	<u>\$ 1,889,028</u>	<u>\$ 3,601,085</u>	<u>\$ 190</u>	<u>\$ 5,490,303</u>



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR AND NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Elementary Building Reserve			Major High School Building Reserve		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>						
District property taxes	\$ 3,898,916	\$ 3,788,731	\$ (110,185)	\$ 3,346,698	\$ 3,272,681	\$ (74,017)
Investment earnings	4,000	88,405	84,405	7,500	442,634	435,134
State of Montana	84,643	84,643	-	45,697	45,697	-
<b>Total revenues</b>	<u>3,987,559</u>	<u>3,961,779</u>	<u>(25,780)</u>	<u>3,399,895</u>	<u>3,761,012</u>	<u>361,117</u>
<b>Expenditures:</b>						
Current -						
Instruction	-	-	-	2,656,125	-	2,656,125
Support services	1,474,358	1,636,916	(162,558)	928,130	1,083,275	(155,145)
General administration	16,522	16,701	(179)	16,522	16,701	(179)
Building administration	282,679	276,656	6,023	31,046	31,383	(337)
Operations and maintenance	5,730,145	1,267,959	4,462,186	8,670,820	633,056	8,037,764
Capital outlay	-	688,295	(688,295)	41,529	232,688	(191,159)
<b>Total expenditures</b>	<u>7,503,704</u>	<u>3,886,527</u>	<u>3,617,177</u>	<u>12,344,172</u>	<u>1,997,103</u>	<u>10,347,069</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,516,145)</u>	<u>75,252</u>	<u>3,591,397</u>	<u>(8,944,277)</u>	<u>1,763,909</u>	<u>10,708,186</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of assets	-	9,688	9,688	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>9,688</u>	<u>9,688</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(3,516,145)</u>	<u>84,940</u>	<u>3,601,085</u>	<u>(8,944,277)</u>	<u>1,763,909</u>	<u>10,708,186</u>
<b>Fund balances, beginning of year</b>	<u>3,516,145</u>	<u>3,516,145</u>	<u>-</u>	<u>8,944,277</u>	<u>8,944,277</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 3,601,085</u>	<u>\$ 3,601,085</u>	<u>\$ -</u>	<u>\$ 10,708,186</u>	<u>\$ 10,708,186</u>

## **PROPRIETARY FUNDS**

### **Internal Service Funds:**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Purchasing – This fund is used to account for supplies and equipment, printing, and mail posting provided by several departments to other departments of the District.

Self-Insurance – This fund is used to account for the insurance premiums collected and claims paid out for employees and retirees of the District and former employees on the COBRA plan.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2024**

	Purchasing	Self-Insurance	Totals
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 646,817	\$ 3,821,176	\$ 4,467,993
Inventory, at cost	2,343	-	2,343
Flexible accounts deposit	-	36,056	36,056
Total current assets	649,160	3,857,232	4,506,392
Noncurrent assets:			
Capital assets:			
Machinery and equipment	104,895	24,930	129,825
Less accumulated depreciation	(103,316)	(24,930)	(128,246)
Net capital assets	1,579	-	1,579
<b>Total assets</b>	650,739	3,857,232	4,507,971
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Other postemployment health benefits deferred contributions	-	500,204	500,204
Contribution to pension plans in current fiscal year	-	22,654	22,654
<b>Total deferred outflows of resources</b>	-	522,858	522,858
<b>Total assets and deferred outflows of resources</b>	<u>\$ 650,739</u>	<u>\$ 4,380,090</u>	<u>\$ 5,030,829</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 38,637	\$ 1,002,109	\$ 1,040,746
Unearned revenue	-	1,451,923	1,451,923
Total current liabilities	38,637	2,454,032	2,492,669
Noncurrent liabilities:			
Net pension liability	-	153,286	153,286
Other postemployment health benefits	-	4,103,239	4,103,239
Total noncurrent liabilities	-	4,256,525	4,256,525
<b>Total liabilities</b>	38,637	6,710,557	6,749,194
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Other postemployment health benefits assumption changes	-	1,198,601	1,198,601
Pension deferrals	-	5,467	5,467
<b>Total deferred inflows of resources</b>	-	1,204,068	1,204,068
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,579	-	1,579
Unrestricted	610,523	(3,534,535)	(2,924,012)
<b>Total net position</b>	612,102	(3,534,535)	(2,922,433)
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 650,739</u>	<u>\$ 4,380,090</u>	<u>\$ 5,030,829</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Purchasing	Self-Insurance	Totals
<b>Operating revenues:</b>			
Charges for services	\$ 196,588	\$ 9,381,489	\$ 9,578,077
Charges for wellness services	-	61,668	61,668
Stop-loss insurance revenue	-	404,438	404,438
Other district revenue	-	3,939	3,939
<b>Total operating revenues</b>	<u>196,588</u>	<u>9,851,534</u>	<u>10,048,122</u>
<b>Operating expenses:</b>			
Administrative expenses	-	411,805	411,805
Communications	13,431	2,370	15,801
Contracted Medicare supplement	-	557,928	557,928
Depreciation	1,053	-	1,053
Health, dental and vision claims	-	8,505,292	8,505,292
Minor equipment	3,369	-	3,369
Minor technology equipment	10,402	-	10,402
Other expenses	2,301	-	2,301
Other postemployment health benefits	-	317,955	317,955
Repairs and maintenance	159,951	-	159,951
Salaries and benefits	-	224,239	224,239
Software maintenance	-	48,340	48,340
Wellness	-	216,501	216,501
<b>Total operating expenses</b>	<u>190,507</u>	<u>10,284,430</u>	<u>10,474,937</u>
<b>Operating income (loss)</b>	<u>6,081</u>	<u>(432,896)</u>	<u>(426,815)</u>
<b>Nonoperating revenues (expenses):</b>			
Investment earnings	6,208	120,658	126,866
<b>Total nonoperating revenues (expenses)</b>	<u>6,208</u>	<u>120,658</u>	<u>126,866</u>
<b>Change in net position</b>	12,289	(312,238)	(299,949)
<b>Net position, beginning of year</b>	<u>599,813</u>	<u>(3,222,297)</u>	<u>(2,622,484)</u>
<b>Net position, end of year</b>	<u>\$ 612,102</u>	<u>\$ (3,534,535)</u>	<u>\$ (2,922,433)</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Purchasing	Self-Insurance	Totals
<b>Cash flows from operating activities:</b>			
Receipts from users	\$ 196,588	\$ 9,512,690	\$ 9,709,278
Receipts from stop-loss insurance claims	-	404,438	404,438
Receipts from donors	-	3,939	3,939
Payments for insurance claims	-	(8,505,292)	(8,505,292)
Payments to employees	-	(224,239)	(224,239)
Payments to suppliers	(153,553)	(1,224,084)	(1,377,637)
<b>Net cash flows from operating activities</b>	<u>43,035</u>	<u>(32,548)</u>	<u>10,487</u>
<b>Cash flows from investing activities:</b>			
Interest received	6,208	120,658	126,866
<b>Net cash flows from investing activities</b>	<u>6,208</u>	<u>120,658</u>	<u>126,866</u>
<b>Net change in cash and cash equivalents</b>	49,243	88,110	137,353
<b>Cash and cash equivalents - beginning of the year</b>	<u>597,574</u>	<u>3,733,066</u>	<u>4,330,640</u>
<b>Cash and cash equivalents - end of the year</b>	<u><u>\$ 646,817</u></u>	<u><u>\$ 3,821,176</u></u>	<u><u>\$ 4,467,993</u></u>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>			
Operating income (loss)	\$ 6,081	\$ (432,896)	\$ (426,815)
<b>Adjustments to reconcile operating income to net cash flows from operating activities:</b>			
Depreciation	1,053	-	1,053
(Increase) decrease in due from other governments	-	10	10
(Increase) decrease in inventories	(1,715)	-	(1,715)
Increase (decrease) in accounts payable	37,616	71,904	109,520
Increase (decrease) in other postemployment benefits	-	183,460	183,460
Net increase (decrease) in pension related deferred inflows, deferred outflows and net pension liability	-	75,451	75,451
Increase (decrease) in unearned insurance premiums	-	69,523	69,523
<b>Total adjustments</b>	<u>36,954</u>	<u>400,348</u>	<u>437,302</u>
<b>Net cash from operating activities</b>	<u><u>\$ 43,035</u></u>	<u><u>\$ (32,548)</u></u>	<u><u>\$ 10,487</u></u>

### **Supplemental Information Mandated by Montana Office of Public Instruction**

Montana's Office of Public Instruction mandates that certain information be included in a school district's annual financial statements. These items include: detail of student extracurricular funds by activity and a schedule of enrollment.

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**CHIEF JOSEPH MIDDLE SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
Art Club	\$ 1,059	\$ 4,232	\$ 2,060	\$ 3,231
Foreign Language Club	2,020	-	2,020	-
Drama Club	1	-	-	1
MBI Club	2,203	-	123	2,080
Knitting Corner Club	156	-	-	156
Peer Mediation Club	2,316	-	2,316	-
Forensics Club	406	70	197	279
Yearbook Club	5,423	700	-	6,123
Student Council - 6th Grade Club	9	4,041	2,558	1,492
Student Council - 7th Grade Club	10,113	1,272	6,018	5,366
Student Council - 8th Grade Club	4,251	1,447	1,865	3,833
Miscellaneous Fundraising Club	3,008	543	1,814	1,737
Tech. Ed Club	280	-	-	280
Bird/Science Club	1,410	648	175	1,883
Science Club	857	-	42	815
Student Projects Club	906	-	-	906
Music Club	12,902	74,006	73,498	13,409
Horizons Club	5,279	731	2,215	3,795
Leo Club	2,357	354	1,128	1,583
Friends of Reading Club	2,884	1,741	4,380	244
Total	<u>\$ 57,839</u>	<u>\$ 89,786</u>	<u>\$ 100,411</u>	<u>\$ 47,214</u>

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**SACAJAWEA MIDDLE SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
Art Club	\$ 968	\$ 300	\$ 356	\$ 911
Travel Club	1,007	150	150	1,007
Drama Club	212	-	-	212
MBI Club	573	-	-	573
Knitting Club	342	-	61	281
Peer Mediation Club	1,192	-	-	1,192
Speech and Debate Club	1,089	270	316	1,043
Yearbook Club	8,087	3,590	2,736	8,941
Lego Robotics Club	2,799	-	1,035	1,764
Student Council Club	8,864	6,965	4,347	11,482
Select Choir Club	4,770	1,400	1,515	4,655
Honors Orchestra Club	117	-	106	11
Outdoor Club	1,805	-	-	1,805
Computer Club	172	-	-	172
Science Olympiad Club	-	896	725	171
Book Buddy Club	595	100	-	695
Archery Club	-	270	99	171
Bike Club	861	-	-	861
Total	<u>\$ 33,450</u>	<u>\$ 13,941</u>	<u>\$ 11,445</u>	<u>\$ 35,946</u>



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**BOZEMAN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
BHS Basketball Club	\$ 16,500	\$ 35,244	\$ 44,583	\$ 7,160
BHS Cheerleading Club	6,367	12,780	12,534	6,613
BHS Dance Club	17,423	26,078	18,503	24,998
BHS Fastpitch Club	581	9,085	9,639	26
BHS Football Club	22,793	73,622	72,781	23,634
BHS Golf Club	3,034	8,640	10,130	1,544
BHS Lady Hawk B-Ball Club	10,734	28,980	29,291	10,423
BHS Boys Soccer Club	1,773	13,081	10,865	3,989
BHS Girls Soccer Club	15,441	19,355	13,878	20,919
BHS Speech Club	71,353	135,334	99,533	107,154
BHS Spikers VB Club	12,659	24,889	29,606	7,941
BHS Swimming Club	4,474	4,880	4,905	4,449
BHS Tennis Club	4,687	6,368	5,597	5,457
BHS Track Club	23,706	13,238	16,666	20,278
BHS Wrestling Club	2,427	4,668	4,813	2,282
BHS Cross Country Club	9,773	270	-	10,043
BHS Engineering Club	226	-	-	226
BHS Woodworking Club	251	-	-	251
BHS Deca Club	11,411	130,145	121,105	20,451
BHS Photo Club	698	-	-	698
BHS Robotics Club	1,468	-	43	1,426
BHS Skills USA Club	1,039	-	-	1,039
BHS Art Club	2,101	966	(88)	3,155
BHS Drama Club	9,138	20,364	25,913	3,590
BHS Costa Rica Science Trip Fund Club	147	70,300	70,422	25
BHS Solar Panel Club	38,700	-	-	38,700
BHS FCCLA Club	3,306	2,180	1,871	3,615
BHS Spanish Honor Society Club	164	2,277	1,941	500
BHS French Club	1,098	-	-	1,098
BHS German Club	1,947	1,088	1,224	1,811
BHS HOSA Club	3,799	2,013	940	4,872
BHS Latin Club	36	-	-	36
Subtotal	\$ 299,255	\$ 645,845	\$ 606,696	\$ 338,404

(Continued)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**BOZEMAN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
BHS MUN Club	\$ 456	\$ 8,405	\$ 8,754	\$ 108
BHS Native American Club	951	438	650	740
BHS Advanced Culinary Club	2,835	-	604	2,230
BHS Project Excel Club Club	3,706	-	342	3,364
BHS Science Olympiad Club	591	-	122	469
BHS Spanish Club	194	-	100	94
BHS Youth Legislature Club	1,784	-	-	1,784
BHS Wildlife Biology Club	495	-	-	495
BHS Ski Club	189	-	-	189
BHS Class of 2023 Club	110	-	110	(0)
BHS Class of 2024 Club	-	7,134	7,078	56
BHS Class of 2025 Club	-	9,066	761	8,304
BHS Prom Club	9,024	14,676	20,706	2,995
BHS Student Council Club	1,113	20,254	13,073	8,295
BHS Bridger Charter Academy Club	113	-	-	113
BHS Key Club	1,933	2,176	1,928	2,181
BHS Leo Club	1,673	2,377	1,753	2,297
BHS Human Rights Club	49	-	-	49
BHS National Honor Society Club	1,043	1,078	485	1,636
BHS Project X2 Club	3,547	1,329	187	4,689
BHS Welding Club	-	60	-	60
BHS Partners Club	5,931	2,113	2,834	5,210
BHS SAGA Club	2,880	2,000	966	3,914
BHS Interact Club	705	452	427	730
BHS Band Club	47,798	102,414	100,879	49,332
BHS Choir Club	-	22,847	22,716	132
BHS Orchestra Club	904	89,140	9,430	80,613
BHS Aerie Club	15,064	4,195	3,023	16,237
BHS Hawk Tawk Club	1,144	-	-	1,144
BHS Hawk TV Club	37	-	-	37
BHS Scribblings Club	351	-	-	351
BHS Academic Olympics Club	606	1,230	989	847
BHS Academic Worldquest Club	432	885	459	858
Total	<u>\$ 404,913</u>	<u>\$ 938,114</u>	<u>\$ 805,071</u>	<u>\$ 537,955</u>

(Concluded)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**GALLATIN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
GHS Boys Basketball Club	\$ 7,502	\$ 29,806	\$ 30,580	\$ 6,728
GHS Cheerleading Club	9,989	11,908	15,653	6,244
GHS Dance Club	730	25,700	25,559	871
GHS Fastpitch Club	14,690	9,663	23,936	417
GHS Football Club	1,734	110,933	112,667	-
GHS Golf Club	12,491	28,498	23,975	17,014
GHS Girls Basketball Club	-	44,083	32,394	11,688
GHS Boys Soccer Club	3,749	23,630	12,785	14,593
GHS Girls Soccer Club	1,111	41,054	15,630	26,534
GHS Speech Club	2,692	22,855	22,115	3,432
GHS Volleyball Club	39,687	43,639	37,708	45,617
GHS Swimming Club	4,241	7,880	11,529	592
GHS Tennis Club	453	48,052	45,020	3,484
GHS Track Club	3,741	5,449	5,255	3,936
GHS Wrestling Club	6,132	35,460	28,691	12,901
GHS Cross Country Club	2,402	2,244	918	3,728
GHS Rotary Interact Club	408	937	551	795
GHS Anime Club	376	-	132	244
GHS Engineering Club	501	438	-	939
GHS Woodworking Club	167	2,500	2,522	145
GHS DECA Club	11,658	154,574	152,830	13,402
GHS Art Club	1,122	2,299	537	2,884
GHS Drama Club	4,355	11,427	8,757	7,025
GHS FCCLA Club	58	550	-	608
GHS Spanish Honor Society Club	1,141	1,232	1,279	1,094
GHS German Club	545	217	135	628
GHS HOSA Club	3,778	6,367	6,430	3,715
GHS MUN Club	-	2,284	2,055	229
GHS Native American Club	180	-	103	77
GHS Project Excel Club	155	-	-	155
GHS Science Olympiad Club	1,118	634	525	1,227
GHS Spanish Club	88	248	63	273
GHS Class of 2024 Club	-	10,770	10,770	-
GHS Prom Club	14,770	16,707	15,642	15,835
Subtotal	\$ 151,764	\$ 702,035	\$ 646,744	\$ 207,055

(Continued)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**GALLATIN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND**  
**ACTIVITY DETAIL**  
**YEAR ENDED JUNE 30, 2024**

Activity	Fund Balance at 7/01/23	Additions	Deductions	Fund Balance at 6/30/24
GHS Student Council Club	\$ 31,173	\$ 22,553	\$ 20,727	\$ 33,000
GHS Key Club	7,427	3,460	2,693	8,194
GHS Environmental Club	-	1,957	1,060	898
GHS National Honor Society Club	1,830	1,109	800	2,139
GHS Project X2 Club	1,164	358	220	1,302
GHS Partners Club	4,895	1,232	2,134	3,992
GHS SAGA Club	1,868	-	548	1,320
GHS Band Club	1,875	93,290	92,763	2,402
GHS Choir Club	11,987	18,248	20,545	9,689
GHS Orchestra Club	1,060	71,108	12,230	59,939
GHS Yearbook Club	3,146	7,932	2,593	8,486
GHS Raptor Report Club	1,545	2,173	1,742	1,976
GHS Raptor Rods Club	700	263	662	300
GHS Jewelry Guild Club	679	1,535	1,958	256
GHS Book Club	-	408	-	408
GHS Academic Worldquest Club	400	1,500	1,561	339
GHS Plant Club	788	20,138	243	20,683
Total	<u>\$ 222,302</u>	<u>\$ 949,300</u>	<u>\$ 809,222</u>	<u>\$ 362,380</u>

(Concluded)



## Other Supplemental Information

School Year 2023-2024

Enrollment/ANB Schedule

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### Appendix A

#### Students Grade K – 8

Fiscal Year

FY 2024

Full-Time Students:

Fall Enrollment-EI District	MAEFAIRS Reports	District Reports	Difference
Kindergarten Half Day	0	0	0
Kindergarten Full Day	482	482	0
Grades 1-6	3,074	3,074	0
Grades 7-8	1,087	1,087	0
Spring Enrollment-EI District	MAEFAIRS Reports	District Reports	Difference
Kindergarten Half Day	0	0	0
Kindergarten Full Day	492	492	0
Grades 1-6	3,100	3,100	0
Grades 7-8	1,086	1,086	0

Part Time Students:

Fall Enrollment-EI District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K-Half	0	0	0	0	0	0	0	0	0
K-Full	0	0	0	0	0	0	0	0	0
Grades 1-6	0	1	0	0	0	1	0	0	0
Grades 7-8	3	2	0	0	3	2	0	0	0
Spring Enrollment-EI District	Per MAEFAIRS Reports Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K-Half	0	0	0	0	0	0	0	0	0
K-Full	0	0	0	0	0	0	0	0	0
Grades 1-6	0	1	0	0	0	1	0	0	0
Grades 7-8	4	2	1	0	4	2	1	0	0

#### Students Grade 9 – 12:

Full-Time Students:

Fall Enrollment-HS District	MAEFAIRS Reports	District Reports	Difference
Grade 9 - 12	2,743	2,743	0
19-year olds included	6	6	0
Job Corps	0	0	0
Youth challenge	4	4	0
Spring Enrollment-HS District	MAEFAIRS Reports	District Reports	Difference
Grade 9 - 12	2,698	2,698	0
19-year olds included	6	6	0
Job Corps	1	1	0
Youth challenge	2	2	0
Early Graduates	21	21	0

Part Time Students:

Fall Enrollment-HS District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
Grade 9 - 12	3	2	1	0	3	2	1	0	0
Spring Enrollment-HS District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
Grade 9 - 12	3	3	1	0	3	3	1	0	0



# STATISTICAL SECTION

(Unaudited)

This section of the Bozeman School District's annual comprehensive financial report presents statistical information as an added tool to better understand what the information in the financial statements, note disclosures, and required supplementary information is saying about the District's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>155</b>
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
<b>Revenue Capacity</b>	<b>160</b>
These schedules contain information to help the reader assess the District's most significant local revenue source – the property tax.	
<b>Debt Capacity</b>	<b>167</b>
These debt capacity 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.	
<b>Demographic and Economic Information</b>	<b>172</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activity takes place.	
<b>Operating Information</b>	<b>174</b>
These schedules contain service and infrastructure data to better help the reader interpret how the information in the District's financial report correspond to the services the District provides and the activities it performs.	

Table 1

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 <sup>(1)</sup></u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Net investment in capital assets	\$ 50,406,598	\$ 53,028,385	\$ 52,358,871	\$ 51,973,114	\$ 60,340,748	\$ 67,692,220	\$ 72,067,216	\$ 78,746,717	\$ 84,269,380	\$ 89,141,706
Restricted	9,898,371	10,916,375	14,626,706	17,974,372	18,672,551	20,297,869	21,224,673	22,576,985	22,972,203	25,990,047
Unrestricted	<u>(39,754,030)</u>	<u>(38,114,429)</u>	<u>(37,468,356)</u>	<u>(41,542,617)</u>	<u>(35,496,544)</u>	<u>(39,221,049)</u>	<u>(43,132,633)</u>	<u>(44,268,534)</u>	<u>(49,177,486)</u>	<u>(50,534,151)</u>
Total governmental activities net position	<u>\$ 20,550,939</u>	<u>\$ 25,830,331</u>	<u>\$ 29,517,221</u>	<u>\$ 28,404,869</u>	<u>\$ 43,516,755</u>	<u>\$ 48,769,040</u>	<u>\$ 50,159,256</u>	<u>\$ 57,055,168</u>	<u>\$ 58,064,097</u>	<u>\$ 64,597,602</u>

<sup>(1)</sup> 2020 - The net investment in capital assets reported in the FY 2020 column has been lowered by \$1,703,271 to report the effect of a prior period adjustment presented on the June 30, 2021, Statement of Activities.

**Note:** The Bozeman School District implemented the new standards for reporting pension activity required by GASB Statement 68 and 71 in fiscal year 2015, the new standard for other postemployment benefits activity required by GASB Statement 75 in fiscal year 2018, early implemented GASB Statement 84 regarding fiduciary activities in fiscal year 2019, and finally implemented the new standards for leases and SBITDA's required by GASB Statements 87 and 96 in fiscal year 2023.



Table 2

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Expenses</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 <sup>(1)</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Governmental activities:										
Instruction	\$ 35,354,198	\$ 37,265,828	\$ 42,124,323	\$ 43,026,874	\$ 43,667,751	\$ 49,142,340	\$ 54,365,339	\$ 51,031,172	\$ 53,081,226	\$ 54,318,813
Support services	9,941,072	10,288,823	10,761,333	11,168,070	11,343,464	11,751,109	12,362,208	11,618,857	11,700,519	12,147,345
General administration	3,413,430	3,329,484	3,672,373	3,955,888	3,892,055	4,578,917	4,761,408	4,560,069	5,044,840	5,003,002
Building administration	4,085,993	4,001,440	4,286,364	4,427,837	4,642,232	5,315,904	6,158,378	6,027,883	6,789,186	6,251,485
Operations and maintenance	6,311,684	5,673,633	6,246,085	6,745,515	9,982,952	9,034,506	8,094,242	8,452,853	9,067,343	9,653,548
Student transportation	2,339,489	2,434,259	2,319,235	2,486,481	2,511,789	2,187,375	3,187,980	2,701,997	2,956,311	3,751,700
Food services	1,906,087	2,005,265	2,179,268	2,022,080	1,994,843	2,461,310	1,836,680	2,406,349	2,986,375	3,550,210
Extracurricular activities	1,507,974	1,465,920	1,560,728	1,652,681	3,037,684	2,596,539	2,946,856	3,929,375	4,102,367	4,532,714
Unallocated depreciation	3,643,476	3,919,169	4,056,661	4,530,430	5,046,184	5,443,235	6,747,039	7,734,291	8,477,297	9,197,749
Interest and fiscal charges	2,683,339	2,934,288	2,898,000	6,531,974	5,975,573	6,455,819	5,881,078	4,982,403	5,305,406	4,842,739
Total governmental activities expenses	<u>\$ 71,186,742</u>	<u>\$ 73,318,109</u>	<u>\$ 80,104,370</u>	<u>\$ 86,547,830</u>	<u>\$ 92,094,527</u>	<u>\$ 98,967,054</u>	<u>\$ 106,341,208</u>	<u>\$ 103,445,249</u>	<u>\$ 109,510,870</u>	<u>\$ 113,249,305</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction	\$ 700,800	\$ 710,250	\$ 688,342	\$ 703,800	\$ 787,185	\$ 773,257	\$ 843,154	\$ 932,191	\$ 975,296	\$ 1,012,218
Food services	1,042,607	1,253,628	1,402,986	1,346,085	1,410,177	1,094,725	398,011	478,220	1,916,427	2,001,347
Other functional activities	1,025,050	798,034	1,242,787	1,253,858	1,360,210	1,251,209	687,853	1,389,404	1,527,246	1,723,216
Operating grants and contributions	10,441,288	10,884,477	10,572,999	10,669,076	12,409,589	15,227,118	16,959,107	18,219,262	12,211,206	11,963,362
Capital grants and contributions	2,326,971	133,064	231,315	156,003	207,756	322,874	-	14,800	-	8,000
Total governmental activities program revenues	<u>\$ 15,536,716</u>	<u>\$ 13,779,453</u>	<u>\$ 14,138,429</u>	<u>\$ 14,128,822</u>	<u>\$ 16,174,917</u>	<u>\$ 18,669,183</u>	<u>\$ 18,888,125</u>	<u>\$ 21,033,877</u>	<u>\$ 16,630,175</u>	<u>\$ 16,708,143</u>
Total governmental activities net expense	<u>\$ (55,650,026)</u>	<u>\$ (59,538,656)</u>	<u>\$ (65,965,941)</u>	<u>\$ (72,419,008)</u>	<u>\$ (75,919,610)</u>	<u>\$ (80,297,871)</u>	<u>\$ (87,453,083)</u>	<u>\$ (82,411,372)</u>	<u>\$ (92,880,695)</u>	<u>\$ (96,541,162)</u>
<b>General Revenues and Transfers</b>										
Governmental activities:										
General Revenues:										
District property taxes	\$ 30,381,590	\$ 31,161,445	\$ 33,008,907	\$ 35,963,449	\$ 43,173,454	\$ 44,487,925	\$ 46,271,080	\$ 46,071,208	\$ 48,232,733	\$ 54,190,215
Investment earnings	171,422	228,192	378,296	665,974	2,820,120	1,675,145	443,336	41,470	527,449	1,562,130
Tax increment funding proceeds	-	-	-	-	-	-	-	1,794,637	2,023,252	2,413,188
Unrestricted county distribution - retirement	5,759,010	6,625,912	6,814,815	7,018,292	7,302,635	7,054,632	7,627,797	7,636,829	8,671,860	10,075,174
Unrestricted state equalization	16,757,156	17,734,527	18,795,297	19,163,278	19,867,754	20,529,193	21,481,437	21,478,702	22,560,977	23,697,320
Unrestricted state guaranteed tax base subsidy	3,138,561	3,469,015	4,201,145	4,947,869	6,095,249	5,933,621	6,182,728	6,794,248	6,885,958	5,593,727
Unrestricted state motor vehicle fee reimbursement	1,969,511	1,969,511	1,969,511	65,255	-	-	-	-	-	-
Unrestricted state quality educator	1,399,168	1,453,177	1,489,151	1,591,226	1,655,169	1,678,297	1,744,832	1,814,431	1,881,459	2,196,784
Unrestricted state on-behalf pension	1,571,377	1,622,924	2,277,460	2,083,447	2,708,996	4,095,752	4,997,664	3,229,674	2,990,445	3,219,637
Unrestricted other state revenue	754,681	582,126	718,249	242,837	95,770	94,091	93,925	90,735	106,879	116,304
Gain(loss) on sale of capital assets	-	(28,781)	-	2,273,272	-	1,500	500	355,350	8,612	10,188
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities general revenues and transfers	<u>\$ 61,902,476</u>	<u>\$ 64,818,048</u>	<u>\$ 69,652,831</u>	<u>\$ 74,014,899</u>	<u>\$ 83,719,147</u>	<u>\$ 85,550,156</u>	<u>\$ 88,843,299</u>	<u>\$ 89,307,284</u>	<u>\$ 93,889,624</u>	<u>\$ 103,074,667</u>
<b>Change in Net Position</b>										
Governmental activities	<u>\$ 6,252,450</u>	<u>\$ 5,279,392</u>	<u>\$ 3,686,890</u>	<u>\$ 1,595,891</u>	<u>\$ 7,799,537</u>	<u>\$ 5,252,285</u>	<u>\$ 1,390,216</u>	<u>\$ 6,895,912</u>	<u>\$ 1,008,929</u>	<u>\$ 6,533,505</u>

<sup>(1)</sup> 2020 - Instruction functional expenses have been raised by \$1,037,293 and the Food Service expenses have been raised by \$665,978 to reflect, in total, a \$1,703,271 prior period adjustment that was presented on the June 30, 2021, Statement of Activities.

Table 3

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 8,986	\$ 7,729	\$ 54,643	\$ 46,382	\$ 50,758	\$ 113,556	\$ 119,803	\$ 147,859	\$ 188,156	\$ 149,465
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	5,831,274	7,745,442	8,625,613	8,831,015	6,760,535	7,507,742
Assigned	443,846	291,534	347,273	485,825	583,467	500,928	437,357	422,520	450,096	456,180
Unassigned	4,244,719	4,569,984	4,651,098	4,827,286	4,896,460	5,264,673	5,380,162	5,547,138	5,772,663	6,197,893
Total general fund	<u>\$ 4,697,551</u>	<u>\$ 4,869,247</u>	<u>\$ 5,053,014</u>	<u>\$ 5,359,493</u>	<u>\$ 11,361,959</u>	<u>\$ 13,624,599</u>	<u>\$ 14,562,935</u>	<u>\$ 14,948,532</u>	<u>\$ 13,171,450</u>	<u>\$ 14,311,280</u>
All other governmental funds										
Nonspendable	\$ 57,346	\$ 99,959	\$ 122,183	\$ 106,636	\$ 128,609	\$ 501,141	\$ 558,093	\$ 432,501	\$ 757,377	\$ 727,552
Restricted	10,378,732	33,785,649	20,232,153	114,409,498	62,385,982	53,425,975	29,231,284	22,516,013	22,542,009	25,636,155
Committed	1,966,790	2,116,211	2,311,975	2,306,699	2,871,110	3,045,427	3,369,412	4,152,252	4,773,719	4,749,444
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(183,186)	(508,704)	-	(157,274)	(211,981)	(218,104)	-	-	(70,814)
Total all other governmental funds	<u>\$ 12,402,868</u>	<u>\$ 35,818,633</u>	<u>\$ 22,157,607</u>	<u>\$ 116,822,833</u>	<u>\$ 65,228,427</u>	<u>\$ 56,760,562</u>	<u>\$ 32,940,685</u>	<u>\$ 27,100,766</u>	<u>\$ 28,073,105</u>	<u>\$ 31,042,337</u>

**Note:** During the year ended June 30, 2023, the District corrected an error to reclassify the K-12 Interlocal Agreement Fund to a General Fund subfund. For comparative purposes we have presented the K-12 Interlocal Agreement Fund as a general subfund retroactively.

Table 4

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2015	2016	2017	2018	2019	2020 <sup>(1)</sup>	2021	2022	2023	2024
<b>Revenues</b>										
District property taxes	\$ 31,562,546	\$ 31,443,349	\$ 32,950,899	\$ 36,059,072	\$ 42,870,991	\$ 44,284,891	\$ 46,002,691	\$ 46,618,950	\$ 47,967,955	\$ 54,103,244
Tuition and fees	1,223,051	1,423,480	1,588,411	1,551,887	1,615,926	1,245,936	559,701	638,255	1,897,510	2,003,123
Investment earnings	118,700	187,590	350,335	620,149	2,751,824	1,608,500	431,256	29,216	494,692	1,435,263
Other district revenue	4,045,874	2,699,956	2,840,115	2,990,357	4,674,485	7,159,669	3,062,051	5,483,205	5,574,274	6,805,988
Gallatin County	6,136,520	7,018,606	7,182,241	7,384,452	7,664,382	7,381,533	7,935,953	7,918,146	8,983,605	10,385,731
State of Montana	28,718,705	29,537,088	31,496,426	32,294,723	34,746,336	36,887,475	38,325,794	37,496,356	39,546,226	38,983,331
Federal	3,902,080	4,162,866	4,239,056	4,264,635	4,193,927	4,247,206	10,175,388	11,036,972	4,603,288	4,674,048
Total revenues	75,707,476	76,472,935	80,647,483	85,165,275	98,517,871	102,815,210	106,492,834	109,221,100	109,067,550	118,390,728
<b>Expenditures</b>										
Instruction	33,944,215	36,098,615	38,847,417	41,581,051	42,119,810	45,359,759	49,923,128	48,838,324	50,307,361	51,599,645
Support services	9,703,778	10,166,405	10,158,534	10,930,478	11,117,573	10,814,904	11,179,984	10,975,348	11,257,046	11,739,716
General administration	3,119,659	3,268,472	3,391,852	3,695,292	3,786,571	4,269,798	4,323,783	4,340,196	4,544,697	4,648,011
Building administration	3,863,551	3,906,172	3,958,140	4,222,891	4,465,895	5,090,454	5,996,853	6,096,188	6,316,828	5,894,939
Operations and maintenance	6,050,416	5,827,721	6,084,807	6,485,815	9,835,437	8,794,088	7,795,593	8,349,757	8,669,227	9,355,160
Student transportation	2,334,829	2,438,768	2,309,299	2,479,667	2,508,321	2,168,211	3,164,315	2,688,253	2,932,831	3,735,222
Food services	1,744,875	1,980,927	2,042,167	1,855,584	1,887,131	2,309,383	1,634,966	2,275,282	2,597,590	3,187,693
Extracurricular activities	1,476,615	1,460,130	1,500,949	1,619,349	3,005,627	2,477,242	2,848,925	3,889,330	4,039,430	4,475,225
Capital outlay	7,804,643	4,220,217	16,959,674	17,569,890	54,216,538	38,273,873	24,203,889	10,336,071	1,936,716	1,932,860
Debt service										
Principal	5,110,554	4,970,554	5,775,000	7,125,000	10,420,000	10,165,000	11,145,000	10,480,000	11,225,000	11,700,000
Interest and fiscal charges	2,511,325	2,893,377	3,107,109	6,509,382	6,947,712	7,264,959	7,158,439	6,765,315	6,414,377	5,941,339
Bond issuance costs	357,643	191,730	101,814	589,540	-	146,326	-	78,588	-	-
Lease and subscription payments	-	-	-	-	-	-	-	-	145,593	208,490
Total expenditures	78,022,103	77,423,088	94,236,762	104,663,939	150,310,615	137,133,997	129,374,875	115,112,652	110,386,696	114,418,300
Excess of revenues over (under) expenditures	(2,314,627)	(950,153)	(13,589,279)	(19,498,664)	(51,792,744)	(34,318,787)	(22,882,041)	(5,891,552)	(1,319,146)	3,972,428
<b>Other financing sources (uses)</b>										
Sale of capital assets	-	-	-	2,274,779	500	1,500	500	-	39,800	10,188
Transfers in	-	-	1,082,176	677,521	1,204,016	1,682,413	2,937,575	1,531,345	1,726,163	-
Transfers out	-	-	(1,082,176)	(677,521)	(1,204,016)	(1,682,413)	(2,937,575)	(1,531,345)	(1,726,163)	(5,500)
Property damage insurance proceeds	201,127	-	-	-	-	-	-	355,350	6,812	-
Software Subscriptions	-	-	-	-	-	-	-	-	91,361	131,946
Leases	-	-	-	-	-	-	-	-	376,429	-
General obligation bonds issued	-	21,500,000	-	100,000,000	-	25,000,000	-	-	-	-
Refunding bonds issued	36,335,000	-	10,510,000	-	-	-	-	9,075,000	-	-
Premium on bonds issued	3,331,744	3,037,614	576,318	12,195,590	-	3,112,062	-	592,115	-	-
Payments to refunded bond escrow agent	(39,296,355)	-	(10,974,298)	-	-	-	-	(9,585,235)	-	-
Total other financing sources (uses)	571,516	24,537,614	112,020	114,470,369	500	28,113,562	500	437,230	514,402	136,634
Net change in fund balances	<u>\$ (1,743,111)</u>	<u>\$ 23,587,461</u>	<u>\$ (13,477,259)</u>	<u>\$ 94,971,705</u>	<u>\$ (51,792,244)</u>	<u>\$ (6,205,225)</u>	<u>\$ (22,881,541)</u>	<u>\$ (5,454,322)</u>	<u>\$ (804,744)</u>	<u>\$ 4,109,062</u>
Debt service as a percentage of noncapital expenditures	10.9%	10.7%	11.5%	15.7%	18.1%	17.6%	17.4%	16.5%	16.3%	15.7%

<sup>(1)</sup> 2020 - Instruction functional expenditures were raised by \$1,037,293, Food Services expenditures were raised by \$665,978 and the Capital Outlay functional expenditures were correspondingly lowered by \$1,703,271 to reflect the effect of a prior period adjustment that was presented on the June 30, 2021, Statement of Activities.

Table 5

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Elementary and High School General Subfund Expenditures by Function**  
**Last Ten Fiscal Years**  
**(budget basis of accounting)**

Year	Instruction	Support Services	General Administration	Building Administration	Operations & Maintenance	Student Transportation	Food Services	Extracurricular Activities	Capital Outlay	Principal Retirement & Interest	Total
2015	\$ 26,902,203	\$ 5,481,348	\$ 2,213,111	\$ 3,085,660	\$ 4,326,685	\$ 6,706	\$ 401	\$ 961,267	\$ -	\$ -	\$ 42,977,381
2016	28,757,525	5,667,972	2,383,801	3,180,616	4,130,151	-	2,556	1,027,165	10,329	-	45,160,115
2017	30,717,087	5,874,044	2,452,863	3,226,003	4,557,683	5,477	2,123	1,027,406	-	-	47,862,686
2018	31,280,215	6,057,086	2,717,236	3,310,466	4,447,031	3,954	1,168	1,099,573	-	-	48,916,729
2019	30,955,857	6,139,961	2,691,767	3,459,782	4,690,390	14,118	410	1,130,482	-	-	49,082,767
2020	31,907,906	6,481,754	2,926,128	3,675,780	4,342,539	6,823	208	1,151,787	-	-	50,492,925
2021	31,829,359	6,277,014	3,032,035	3,906,554	5,263,186	7,595	484	1,548,066	4,115	-	51,868,408
2022	33,124,209	6,523,597	3,020,912	4,180,118	5,379,788	2,282	79	1,662,040	-	-	53,893,025
2023	35,678,691	6,506,764	2,598,596	4,540,835	4,073,876	2,147	6	1,598,963	-	-	54,999,878
2024	\$ 36,991,196	\$ 5,098,897	\$ 2,920,161	\$ 4,112,771	\$ 5,710,391	\$ -	\$ -	\$ 1,715,202	\$ -	\$ -	\$ 56,548,618

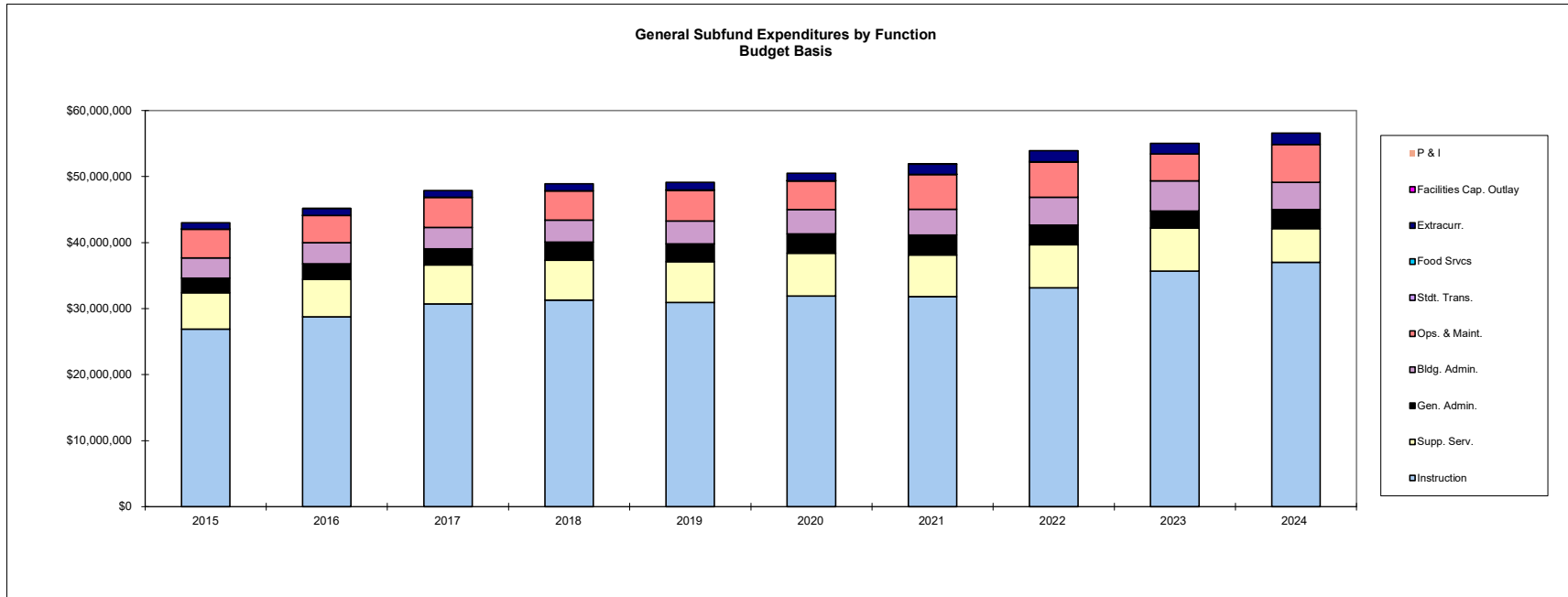


Table 6

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Property Tax Assessments and Collections**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Fiscal Year	Assessed Valuation <sup>1</sup>	Estimated Actual Value	Percent of Assessed Value to Estimated Actual Value	Mill Levy	Direct Rate to be Applied against Assessed Value (Mill Levy / 1,000)	Taxes Levied <sup>2</sup>	Tax Levy Collections in Levy Year	Percent of Tax Levies Collected in Levy Year	Tax Levy Collections after Levy Year	Total Tax Collections Since Levy	Percent of Total Tax Collections To Taxes Levied
<b>Elementary District:</b>											
2015	\$ 131,762,887	\$ 5,231,028,932	2.5%	143.70	0.14370	\$ 18,933,830	\$ 18,374,140	97.04%	\$ 559,690	\$ 18,933,830	100.00%
2016	127,702,815	8,302,361,471	1.5%	151.15	0.15115	19,303,275	18,753,331	97.15%	549,944	19,303,275	100.00%
2017	133,379,457	8,558,370,042	1.6%	154.81	0.15481	20,647,669	20,016,059	96.94%	631,610	20,647,669	100.00%
2018	151,994,908	9,949,720,141	1.5%	146.92	0.14692	22,330,776	21,898,102	98.06%	432,674	22,330,776	100.00%
2019	156,191,478	10,241,820,489	1.5%	142.63	0.14263	22,278,736	21,849,924	98.08%	426,849	22,276,773	99.99%
2020	186,201,043	12,458,677,049	1.5%	125.90	0.12590	23,441,401	22,778,868	97.17%	659,204	23,438,072	99.99%
2021	191,687,364	12,789,728,194	1.5%	121.74	0.12174	23,332,115	22,658,949	97.11%	667,750	23,326,699	99.98%
2022	224,085,702	15,196,810,073	1.5%	101.99	0.10199	22,855,572	22,509,396	98.49%	340,577	22,849,973	99.98%
2023	231,009,258	15,622,410,596	1.5%	102.09	0.10209	23,671,069	23,132,856	97.73%	466,959	23,599,815	99.70%
2024	\$ 357,169,589	\$ 25,115,336,696	1.4%	77.21	0.07721	\$ 27,459,813	\$ 26,956,209	98.17%	\$ -	\$ 26,956,209	98.17%
<b>High School District:</b>											
2015	\$ 157,393,739	\$ 6,240,141,982	2.5%	72.97	0.07297	\$ 11,913,630	\$ 11,541,757	96.88%	\$ 371,798	\$ 11,913,555	100.00%
2016	152,115,661	9,866,466,343	1.5%	76.76	0.07676	12,009,946	11,648,459	96.99%	361,300	12,009,759	100.00%
2017	159,327,210	10,195,548,038	1.6%	77.25	0.07725	12,648,525	12,258,917	96.92%	389,608	12,648,525	100.00%
2018	182,556,412	11,883,420,029	1.5%	73.10	0.07310	13,714,815	13,432,253	97.94%	282,562	13,714,815	100.00%
2019	187,815,184	12,249,935,144	1.5%	108.95	0.10895	20,842,722	20,391,142	97.83%	449,380	20,840,522	99.99%
2020	223,747,892	14,859,975,953	1.5%	92.77	0.09277	21,163,524	20,539,429	97.05%	620,015	21,159,444	99.98%
2021	230,172,095	15,249,296,508	1.5%	97.61	0.09761	22,882,232	22,182,821	96.94%	693,355	22,876,176	99.97%
2022	269,441,207	18,141,112,579	1.5%	84.86	0.08486	23,323,415	22,940,504	98.36%	376,259	23,316,763	99.97%
2023	278,036,597	18,672,952,333	1.5%	86.05	0.08605	24,499,874	23,897,278	97.54%	533,373	24,430,651	99.72%
2024	\$ 433,828,230	\$ 30,267,810,327	1.4%	62.51	0.06251	\$ 27,573,569	\$ 27,029,767	98.03%	\$ -	\$ 27,029,767	98.03%
<b>Total District:</b>											
2015	\$ 157,393,739	\$ 6,240,141,982	2.5%	216.67	0.21667	\$ 30,847,460	\$ 29,915,897	96.98%	\$ 931,488	\$ 30,847,385	100.00%
2016	152,115,661	9,866,466,343	1.5%	227.91	0.22791	31,313,221	30,401,790	97.09%	911,244	31,313,034	100.00%
2017	159,327,210	10,195,548,038	1.6%	232.06	0.23206	33,296,194	32,274,976	96.93%	1,021,218	33,296,194	100.00%
2018	182,556,412	11,883,420,029	1.5%	220.02	0.22002	36,045,591	35,330,355	98.02%	715,236	36,045,591	100.00%
2019	187,815,184	12,249,935,144	1.5%	251.58	0.25158	43,121,458	42,241,066	97.96%	876,230	43,117,296	99.99%
2020	223,747,892	14,859,975,953	1.5%	218.67	0.21867	44,604,925	43,318,297	97.12%	1,279,218	44,597,515	99.98%
2021	230,172,095	15,249,296,508	1.5%	219.35	0.21935	46,214,347	44,841,770	97.03%	1,361,105	46,202,875	99.98%
2022	269,441,207	18,141,112,579	1.5%	186.85	0.18685	46,178,987	45,449,899	98.42%	716,836	46,166,736	99.97%
2023	278,036,597	18,672,952,333	1.5%	188.14	0.18814	48,170,943	47,030,134	97.63%	1,000,333	48,030,466	99.71%
2024	\$ 433,828,230	\$ 30,267,810,327	1.4%	139.72	0.13972	\$ 55,033,382	\$ 53,985,976	98.10%	\$ -	\$ 53,985,976	98.10%

<sup>1</sup> Assessed valuation is per the Montana Department of Revenue and calculated as of January (i.e. assessed value used for 2023-24 fiscal year is calculated as of January 2023).

<sup>2</sup> Taxes actually levied will differ from the mathematical calculation of assessed value multiplied times the direct rate (presented above) due to personal property taxes(a component of total taxes) being calculated using an assessed value one year later than the real property taxes.

**Note:** Because the High School District's boundaries encompasses the Elementary's, the Total District subsection only presents the High School assessed and estimated actual value. Mill levies and all taxes collected are a combination of the Elementary and High School District activity.

Table 7

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Property Tax Rates and Tax Levies**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Tax Rates (per \$1,000 of taxable value)						
Fiscal Year	These columns denote the Direct Rate of the District		City of Bozeman	Gallatin County	State of Montana	Total
	Bozeman Elementary District	Bozeman High School District				
2015	143.70	72.97	188.76	195.94	46.00	647.37
2016	151.15	76.76	210.16	208.12	46.00	692.19
2017	154.81	77.25	205.30	207.30	46.00	690.66
2018	146.92	73.10	187.33	192.40	46.00	645.75
2019	142.63	108.95	191.24	202.81	46.00	691.63
2020	125.90	92.77	188.45	189.12	46.00	642.24
2021	121.74	97.61	169.48	195.83	46.00	630.66
2022	101.99	84.86	154.12	181.03	46.00	568.00
2023	102.09	86.05	204.50	182.33	46.00	620.97
2024	77.21	62.51	150.72	155.19	46.00	491.63

Tax Levies						
Fiscal Year	Bozeman Elementary District	Bozeman High School District	City of Bozeman	Gallatin County	State of Montana	Total
2015	\$ 18,933,830	\$ 11,913,630	\$ 16,590,871	49,536,096	11,629,378	\$ 108,603,805
2016	19,303,275	12,009,946	18,191,892	49,498,419	10,940,454	109,943,986
2017	20,647,669	12,648,525	18,338,501	51,419,026	11,409,914	114,463,635
2018	22,330,776	13,714,815	18,956,357	55,211,713	13,200,306	123,413,967
2019	22,278,736	20,842,722	19,950,675	59,878,651	13,581,273	136,532,057
2020	23,441,401	21,163,524	23,636,229	66,728,584	16,230,514	151,200,252
2021	23,332,115	22,882,232	21,953,931	71,747,609	16,853,342	156,769,229
2022	22,855,572	23,323,415	23,943,004	79,119,283	20,104,331	169,345,605
2023	23,671,069	24,499,874	32,675,419	82,395,688	20,787,592	184,029,642
2024	\$ 27,459,813	\$ 27,573,569	\$ 37,252,252	\$ 111,740,059	\$ 33,120,966	\$ 237,146,658

Source:

City of Bozeman  
Gallatin County Treasurer  
Montana Dept of Revenue

Table 8

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Principal Property Tax Payers in the Bozeman Elementary District**  
**Current Year and Nine Years Ago**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Elementary District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Elementary District Taxable Assessed Value
Northwestern Corp Transmission and Distribution	\$ 13,943,046	1	3.90%	\$ 8,213,134	1	6.23%
Plato MT I PropCo LLC	1,441,254	2	0.40%	-		-
Harvest Parkway Drive LLC	996,211	3	0.28%			
Bozeman Apartment Group Owners LLC	979,189	4	0.27%			
Straightaway Bozeman Investors LLC	870,968	5	0.24%			
Cannery District Partners LLC	858,298	6	0.24%	-		-
Charter Communications Inc	810,686	7	0.23%	-		-
Verizon Inc	786,839	8	0.22%	624,316	4	0.47%
NB Stadium View Dst	780,225	9	0.22%			
GKT Bozeman Gateway LLC	763,717	10	0.21%	-		-
Centurylink, Inc.	-		-	1,007,558	2	0.76%
Bresnan Communications, LLC	-		-	805,952	3	0.61%
Harry Duam (Gallatin Mall)	-		-	496,708	5	0.38%
Stone Ridge Partners LLC	-		-	472,006	6	0.36%
Bridger Bowl Inc.	-		-	385,232	7	0.29%
Bridger Peaks Holdings LLC	-		-	362,555	8	0.28%
First Security Bank of Bozeman	-		-	362,097	9	0.27%
J & D Family Limited Partnership	-		-	355,492	10	0.27%
<b>Total</b>	<u><u>\$ 22,230,433</u></u>		<u><u>6.21%</u></u>	<u><u>\$ 13,085,050</u></u>		<u><u>9.92%</u></u>

Source: Gallatin County Treasurer  
State of Montana Department of Revenue - Appraisal/Assessment Division

Table 9

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Principal Property Tax Payers in the Bozeman High School District**  
**Current Year and Nine Years Ago**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total High School District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total High School District Taxable Assessed Value
Northwestern Corp Transmission and Distribution	\$ 16,232,278	1	3.74%	\$ 9,574,465	1	6.26%
Plato MT I PropCo LLC	1,441,254	2	0.33%	-		-
Harvest Parkway Drive LLC	996,211	3	0.23%			
Bozeman Apartment Group Owners LLC	979,189	4	0.23%			
Straightaway Bozeman Investors LLC	870,968	5	0.20%			
Cannery District Partners LLC	858,298	6	0.20%	-		-
Verizon Inc	813,507	7	0.19%	654,010	5	0.43%
Charter Communications Inc	810,686	8	0.19%	-		-
NB Stadium View Dist	780,225	9	0.18%			
GKT Bozeman Gateway LLC	763,717	10	0.18%	-		-
Centurylink, Inc.	-		-	1,048,875	2	0.69%
Bresnan Communications, LLC	-		-	805,952	3	0.53%
Black Bull Owner LLC	-		-	762,942	4	0.50%
Zoot Properties LLC	-		-	535,874	6	0.35%
Harry Daum (Gallatin Mall)				496,708	7	0.32%
Stone Ridge Partners LLC	-		-	472,006	8	0.31%
Bridger Bowl Inc.	-		-	385,232	9	0.25%
Bridger Peaks Holdings, LLC	-		-	362,555	10	0.24%
<b>Total</b>	<b>\$ 24,546,333</b>		<b>5.67%</b>	<b>\$ 15,098,619</b>		<b>9.88%</b>

**Source: Gallatin County Treasurer**  
**State of Montana Department of Revenue - Appraisal/Assessment Division**



Table 10

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Revenue by Source - All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2024**  
**(modified accrual basis of accounting)**

Source	Actual Revenue	Percent of Total Revenue
Revenue from local and intermediate source:		
District taxes	\$ 54,103,244	45.71%
Tuition and fees	2,003,123	1.69%
Investment earnings	1,435,263	1.21%
Other district revenue	6,805,988	5.75%
County retirement	10,075,175	8.51%
County transportation	310,556	0.26%
Total revenue from local and intermediate sources	74,733,349	63.13%
Revenue from State sources:		
State equalization	23,695,280	20.01%
State special education allowable costs	2,039,250	1.72%
State guarantee tax base subsidy	5,595,768	4.73%
State transportation	310,556	0.26%
State on-behalf pension revenue	3,270,846	2.76%
State quality educator	2,196,784	1.86%
State medicaid, medicaid admin, CSCT	877,119	0.74%
State other grant revenue	997,728	0.84%
Total revenue from State sources	38,983,331	32.92%
Revenue from Federal sources:		
Federal Title I Part A, Schoolwide and Targeted Support	1,255,641	1.06%
Federal IDEA Part B and Preschool	2,011,312	1.70%
Federal food service	1,036,695	0.88%
Federal other grant revenue	370,400	0.31%
Total revenue from Federal sources	4,674,048	3.95%
<b>Total governmental funds revenue</b>	<b>\$ 118,390,728</b>	<b>100.00%</b>

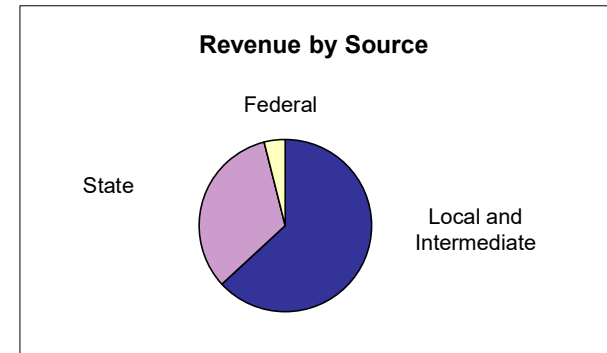
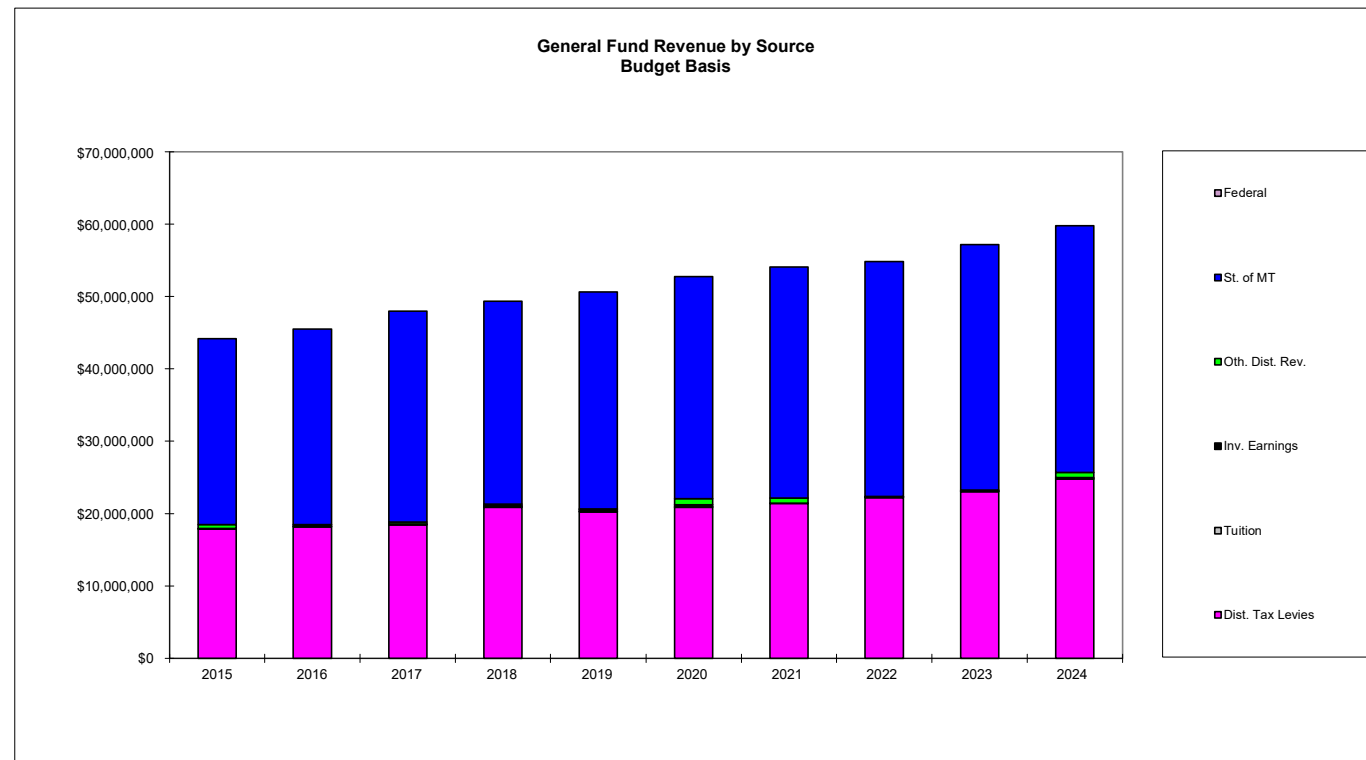


Table 11

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Elementary and High School General Subfund Revenue by Source**  
**Last Ten Fiscal Years**  
**(budget basis of accounting)**

Year	District Tax Levies	Tuition & Fees	Investment Earnings	Other District Revenue	State of Montana	Federal	Total
2015	\$ 17,884,890	\$ 30,838	\$ 41,870	\$ 524,057	\$ 25,684,302	\$ -	\$ 44,165,957
2016	18,170,793	32,546	55,443	222,660	27,002,682	-	45,484,124
2017	18,464,582	46,339	94,664	222,048	29,163,080	-	47,990,713
2018	20,901,867	54,241	149,892	212,500	28,005,171	-	49,323,671
2019	20,257,762	71,754	203,371	143,988	29,930,177	-	50,607,052
2020	20,893,827	62,909	243,876	882,497	30,631,467	-	52,714,576
2021	21,386,692	51,785	40,832	679,647	31,905,256	-	54,064,212
2022	22,229,174	61,222	25,504	45,000	32,475,243	-	54,836,143
2023	23,028,987	49,164	78,451	135,421	33,853,389	-	57,145,412
2024	\$ 24,779,988	\$ 75,209	\$ 143,470	\$ 680,932	\$ 34,100,139	\$ -	\$ 59,779,738



**BOZEMAN SCHOOL DISTRICT NO. 7**  
**General Subfund Revenue Per Student**  
**Last Ten Fiscal Years**  
**(budget basis of accounting)**

Year	District Revenue	State Revenue	Federal Revenue	Total Revenue	October Enrollment	Revenue Per Student			
						District	State	Federal	Total
2015	\$ 18,481,655	\$ 25,684,302	\$ -	\$ 44,165,957	6,326	\$ 2,922	\$ 4,060	\$ -	\$ 6,982
2016	18,481,442	27,002,682	-	45,484,124	6,533	2,829	4,133	-	6,962
2017	18,827,633	29,163,080	-	47,990,713	6,770	2,781	4,308	-	7,089
2018	21,318,500	28,005,171	-	49,323,671	6,908	3,086	4,054	-	7,140
2019	20,676,875	29,930,177	-	50,607,052	7,015	2,948	4,267	-	7,215
2020	22,083,109	30,631,467	-	52,714,576	7,152	3,088	4,283	-	7,371
2021	22,158,956	31,905,256	-	54,064,212	6,893	3,215	4,629	-	7,844
2022	22,360,900	32,475,243	-	54,836,143	7,217	3,098	4,500	-	7,598
2023	23,292,023	33,853,389	-	57,145,412	7,282	3,199	4,649	-	7,848
2024	\$ 25,679,599	\$ 34,100,139	\$ -	\$ 59,779,738	7,386	\$ 3,477	\$ 4,617	\$ -	\$ 8,094

Source: District Records

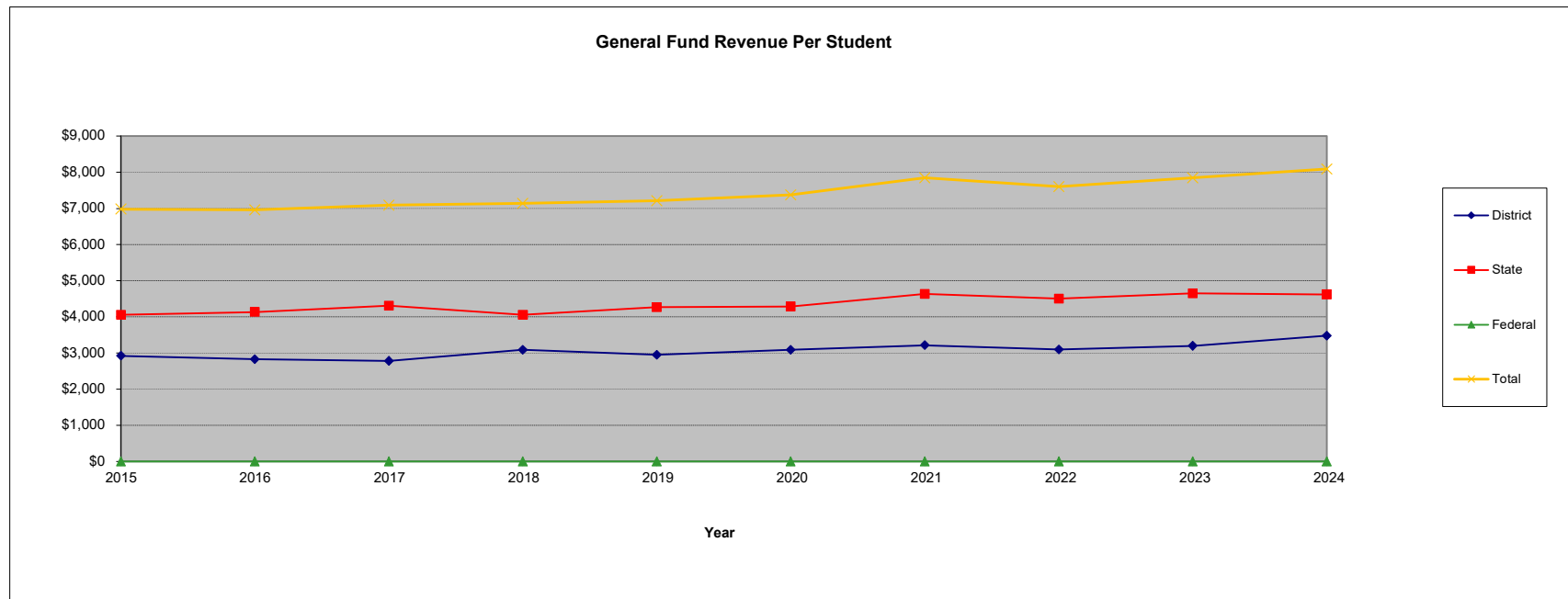


Table 13

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Ratio of Total Bonded Debt (listed by type) to Assessed Value and Total Bonded Debt per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Assessed Value	General Obligation Bonded Debt	Limited Obligation Bonded Debt	Total Bonded Debt	Percentage of Total Bonded Debt to Assessed Value	Total Bonded Debt Per Capita	Total Bonded Debt as a % of Per Capita Income
<b>Elementary District:</b>								
2015	52,507	\$ 131,762,887	\$ 52,486,972	\$ 163,367	\$ 52,650,339	39.96%	\$ 1,003	2.09%
2016	53,032	127,702,815	73,878,829	-	73,878,829	57.85%	1,393	2.77%
2017	53,430	133,379,457	70,006,667	-	70,006,667	52.49%	1,310	2.56%
2018	53,756	151,994,908	64,615,548	-	64,615,548	42.51%	1,202	2.22%
2019	54,294	156,191,478	59,489,429	-	59,489,429	38.09%	1,096	1.92%
2020	56,781	186,201,043	54,823,310	-	54,823,310	29.44%	966	1.60%
2021	58,484	191,687,364	50,033,699	-	50,033,699	26.10%	856	1.35%
2022	65,646	224,085,702	45,634,063	-	45,634,063	20.36%	695	0.99%
2023	73,173	231,009,258	41,358,878	-	41,358,878	17.90%	565	0.70%
2024	74,780	\$ 357,169,589	\$ 36,923,693	\$ -	\$ 36,923,693	10.34%	\$ 494	Not Available
<b>High School District:</b>								
2015	63,337	\$ 157,393,739	\$ 27,891,801	\$ -	\$ 27,891,801	17.72%	\$ 440	0.92%
2016	63,970	152,115,661	25,727,015	-	25,727,015	16.91%	402	0.80%
2017	64,450	159,327,210	23,687,179	-	23,687,179	14.87%	368	0.72%
2018	64,933	182,556,412	132,916,301	-	132,916,301	72.81%	2,047	3.77%
2019	65,582	187,815,184	126,338,591	-	126,338,591	67.27%	1,926	3.37%
2020	68,496	223,747,892	147,503,284	-	147,503,284	65.92%	2,153	3.58%
2021	70,122	230,172,095	139,672,982	-	139,672,982	60.68%	1,992	3.14%
2022	73,792	269,441,207	131,593,253	-	131,593,253	48.84%	1,783	2.54%
2023	82,917	278,036,597	123,365,236	-	123,365,236	44.37%	1,488	1.84%
2024	83,312	\$ 433,828,230	\$ 114,822,219	\$ -	\$ 114,822,219	26.47%	\$ 1,378	Not Available

**Note:** The above table properly presents each district's (Elementary and High School) debt statistics in a manner that reflects their difference in populations. Elementary taxpayer's total debt per capita is derived by adding the elementary and high school amounts. A sizeable portion of taxpayers live in the Bozeman High School District but not in the Bozeman Elementary District - their debt per capita is simply the high school data amounts listed above. Since the legal debt margin is legally calculated for each district (Elementary and High School), presenting the total debt responsible by Elementary taxpayers above would give the appearance that they have used up more of the Elementary District legal debt margin. This would be inaccurate as their Elementary-only debt still falls within legal standards.

**Source:** District Records  
Gallatin County Assessor's Office  
U.S. Census Bureau  
Montana Tax Foundation

Table 14

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonded Debt</b>	<b>Limited Obligation Bonded Debt</b>	<b>Leases and Subscriptions <sup>(2)</sup></b>	<b>Total Outstanding Debt</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>Population</b>	<b>Debt per Capita</b>
2015	\$ 80,378,773	\$ 163,367	\$ -	\$ 80,542,140	2.65%	63,337	\$ 1,272
2016	99,605,844	-	-	99,605,844	3.09%	63,970	1,557
2017	93,693,846	-	-	93,693,846	2.84%	64,450	1,454
2018	197,531,849	-	-	197,531,849	5.61%	64,933	3,042
2019	185,828,020	-	-	185,828,020	4.96%	65,582	2,834
2020	202,326,594	-	-	202,326,594	4.91%	68,496	2,954
2021	189,706,681	-	-	189,706,681	4.27%	70,122	2,705
2022	177,227,316	-	-	177,227,316	3.42%	73,792	2,402
2023	164,724,114	-	303,478	165,027,592	2.46%	82,917	1,990
2024	\$ 151,745,912	\$ -	\$ 243,551	\$ 151,989,463	Not available	83,312	\$ 1,824

**Note:**

<sup>(1)</sup> Personal income is disclosed on Table 17

<sup>(2)</sup> The District implemented the new standards for leases and SBITDA's required by GASB Statements 87 and 96 in fiscal year 2023.

Table 15

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Computation of Legal Debt Margin**  
**For the Year Ended June 30, 2024**

**Elementary District:**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 74,647,850	\$ 151,568,800	\$ 159,292,770	\$ 166,941,000	\$ 181,003,120	\$ 186,201,043	\$ 198,660,720	\$ 224,085,702	\$ 231,009,258	\$ 357,169,589
Total net debt applicable to limit	49,445,071	68,070,655	63,203,682	58,643,412	54,675,000	50,450,000	46,095,000	42,185,000	38,275,000	34,205,000
Legal debt margin	<u>\$ 25,202,779</u>	<u>\$ 83,498,145</u>	<u>\$ 96,089,088</u>	<u>\$ 108,297,588</u>	<u>\$ 126,328,120</u>	<u>\$ 135,751,043</u>	<u>\$ 152,565,720</u>	<u>\$ 181,900,702</u>	<u>\$ 192,734,258</u>	<u>\$ 322,964,589</u>
Total net debt applicable to the limit as a percentage of debt limit	66.24%	44.91%	39.68%	35.13%	30.21%	27.09%	23.20%	18.83%	16.57%	9.58%

**High School District:**

Debt limit	\$ 78,876,700	\$ 159,526,080	\$ 177,962,400	\$ 189,157,540	\$ 205,231,320	\$ 223,747,892	\$ 235,684,220	\$ 269,441,207	\$ 283,354,110	\$ 433,828,230
Total net debt applicable to limit	26,116,526	24,230,021	147,074,275	144,951,126	139,255,000	133,315,000	126,525,000	119,475,000	112,160,000	104,530,000
Legal debt margin	<u>\$ 52,760,174</u>	<u>\$ 135,296,059</u>	<u>\$ 30,888,125</u>	<u>\$ 44,206,414</u>	<u>\$ 65,976,320</u>	<u>\$ 90,432,892</u>	<u>\$ 109,159,220</u>	<u>\$ 149,966,207</u>	<u>\$ 171,194,110</u>	<u>\$ 329,298,230</u>
Total net debt applicable to the limit as a percentage of debt limit	33.11%	15.19%	82.64%	76.63%	67.85%	59.58%	53.68%	44.34%	39.58%	24.09%

**Legal Debt Margin Calculation for Fiscal Year 2024**

	<u>Elementary District</u>	<u>High School District</u>
District taxable valuation	\$ 357,169,589	\$ 433,828,230
Times: 100%	1.00	1.00
District taxable valuation legal debt service limit	<u>357,169,589</u>	<u>433,828,230</u>
District guaranteed mill value per ANB X 1,000	\$ 46,960	\$ 107,240
Times: Student ANB	4,840	2,707
Times: 100%	1.00	1.00
District guaranted mill taxable valuation debt service limit	<u>227,286,400</u>	<u>290,298,680</u>
<b>Legal Debt Service Limit *</b>	<b><u>\$ 357,169,589</u></b>	<b><u>\$ 433,828,230</u></b>
General Obligation Bonds Payable	34,205,000	104,530,000
Less: Cash Available for Retirement of Bonds	-	-
Net Amount of Bonds Payable Applicable to Limit	<u>34,205,000</u>	<u>104,530,000</u>
Margin Above Bonds Payable	322,964,589	329,298,230
Less: General Obligation Bonds Authorized but Unused	-	-
<b>Legal Debt Margin</b>	<b><u>\$ 322,964,589</u></b>	<b><u>\$ 329,298,230</u></b>

\* Montana Codes Annotated Section 20-9-406 provides for the issuance of bonds in 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 district guaranteed mill valuation per ANB multiplied by the average number of students belonging multiplied by 100%. The state legislature changed the percentage used in item 1 and 2 above to 100% from 50% effective for fiscal years 2016 and beyond. It was previously changed from 45% to 50% effective for fiscal years 2009 through 2015. In the 2022 fiscal year, the Elementary and High School District both utilized the taxable valuation method (#1) to calculate their respective legal debt service limits.

The legal debt margins presented above have to be calculated for each district that comprises the reporting entity. The results are not subtotaled together as that would present a legal debt margin for the entity as a whole that would be inaccurate since all debt is either issued for the Elementary or High School District and never for a bond issue covering both districts.

Table 16

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Computation of Direct and Overlapping Governmental Activities Total Bonded Debt**  
**For the Fiscal Year Ended June 30, 2024**

Governmental Unit	Debt	Applicable to Elementary District		Applicable to Portion of High School District Lying Outside Elementary District	
		Percent	Amount	Percent	Amount
<b>Bozeman Elementary District:</b>					
G.O. Issue 2012 (originally \$10,000,000)	\$ 4,702,283	100.0%	\$ 4,702,283	0.0%	\$ -
G.O. Issue 2014 (originally \$ 9,500,000)	2,841,149	100.0%	2,841,149	0.0%	-
G.O. Issue 2015 (originally \$8,935,000)	5,029,388	100.0%	5,029,388	0.0%	-
G.O. Issue 2016 (originally \$21,500,000)	16,062,954	100.0%	16,062,954	0.0%	-
G.O. Issue 2022 (originally \$9,075,000)	8,287,919	100.0%	8,287,919	0.0%	-
<b>Bozeman High School District:</b>					
G.O. Issue 2014 (originally \$ 9,150,000)	4,293,357	82.3%	3,534,709	17.7%	758,648
G.O. Issue 2017 (originally \$5,900,000)	1,394,320	82.3%	1,147,940	17.7%	246,380
G.O. Issue 2017 (originally \$100,000,000)	84,827,504	82.3%	69,838,251	17.7%	14,989,253
G.O. Issue 2019 (originally \$25,000,000)	<u>24,307,038</u>	82.3%	<u>20,011,918</u>	17.7%	<u>4,295,120</u>
<b>Total Direct Debt</b>	<u><u>\$ 151,745,912</u></u>		<u><u>\$ 131,456,511</u></u>		<u><u>\$ 20,289,401</u></u>
<b>OVERLAPPING BONDED INDEBTEDNESS</b>					
<b>Gallatin County:</b>					
Various Issues	\$ 45,125,038	48.4%	\$ 21,821,383	10.4%	\$ 4,683,483
<b>City of Bozeman:</b>					
Various Issues	<u>69,937,350</u>	100%	<u>69,937,350</u>	0.0%	<u>-</u>
<b>Total Overlapping Debt</b>	<u><u>\$ 115,062,388</u></u>		<u><u>\$ 91,758,733</u></u>		<u><u>\$ 4,683,483</u></u>
<b>Total Direct and Overlapping debt</b>			<u><u>\$ 223,215,244</u></u>		<u><u>\$ 24,972,884</u></u>

**Note:** Overlapping debt percentages are calculated using a pro rata share of taxable values of all entities involved. This enables a presentation of debt responsibility for Bozeman School District taxpayers living in the Bozeman Elementary District and the taxpayers that live in the portion of the High School District that lies outside of the Elementary District boundaries. Almost all taxpayers are treated as living in either the Elementary School District or in the portion of the High School District that falls outside of the Elementary District. Totalling the Elementary and Outlying High School direct and overlapping debt calculated above would be impractical since the typical taxpayer would never be responsible for a share of both of the final two columns listed above.

Source: City, County and District Records

Table 17

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**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:					
2015	\$ 2,930,000	\$ 1,609,552	4,539,552	\$ 28,177,334	16.11%
2016	2,865,000	1,633,550	4,498,550	29,910,514	15.04%
2017	3,775,000	2,278,319	6,053,319	31,322,896	19.33%
2018	4,950,000	2,292,707	7,242,707	31,996,831	22.64%
2019	4,685,000	2,096,407	6,781,407	32,506,081	20.86%
2020	4,225,000	1,955,681	6,180,681	33,134,782	18.65%
2021	4,355,000	1,829,106	6,184,106	32,660,064	18.93%
2022	3,430,000	1,701,115	5,131,115	34,193,171	15.01%
2023	3,910,000	1,614,927	5,524,927	34,352,211	16.08%
2024	\$ 4,070,000	\$ 1,457,514	5,527,514	\$ 34,944,589	15.82%
High School:					
2015	\$ 2,040,000	\$ 901,223	2,941,223	\$ 14,800,047	19.87%
2016	1,965,000	955,781	2,920,781	15,249,601	19.15%
2017	2,000,000	770,770	2,770,770	16,539,790	16.75%
2018	2,175,000	4,212,507	6,387,507	16,919,898	37.75%
2019	5,735,000	4,840,515	10,575,515	16,576,686	63.80%
2020	5,940,000	5,299,938	11,239,938	17,358,143	64.75%
2021	6,790,000	5,324,313	12,114,313	19,208,344	63.07%
2022	7,050,000	5,064,200	12,114,200	19,699,854	61.49%
2023	7,315,000	4,799,450	12,114,450	20,647,667	58.67%
2024	\$ 7,630,000	\$ 4,483,825	12,113,825	\$ 21,604,029	56.07%

Source: District Records

\*Includes only expenditures for bonded indebtedness; does not include expenditures for special assessments. Bond issuance and defeasance costs are also not included in these annual debt service expenditures.



Table 18

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

Year	Elementary District Population (1)	High School District Population (1)	Per Capita Personal Income (2)	Total Elementary District Personal Income (3)	Total High School District Personal Income (3)	Unemployment Rate (4)
2015	52,507	63,337	48,018	2,521,281,126	3,041,316,066	2.8%
2016	53,032	63,970	50,329	2,669,047,528	3,219,546,130	2.7%
2017	53,430	64,450	51,130	2,731,875,900	3,295,328,500	2.5%
2018	53,756	64,933	54,260	2,916,800,560	3,523,264,580	2.3%
2019	54,294	65,582	57,091	3,099,698,754	3,744,141,962	2.0%
2020	56,781	68,496	60,195	3,417,932,295	4,123,116,720	6.7%
2021	58,484	70,122	63,432	3,709,757,088	4,447,978,704	2.9%
2022	65,646	73,792	70,276	4,613,338,296	5,185,806,592	2.0%
2023	73,173	82,917	80,909	5,920,354,257	6,708,731,553	1.8%
2024	74,780	83,312	Not available	Not available	Not available	2.3%

**Sources and other information:**

- (1) United States Bureau of Census information
- (2) Gallatin County Per Capita information. Bureau of Economic Analysis
- (3) Calculated using the Gallatin County Per Capita Personal Income applied to the estimated District population.
- (4) Department of Labor (Bureau of Labor Statistics) - Information only available for entire Gallatin County (presenting the "not seasonally adjusted" unemployment rate).

Table 19

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**PRINCIPAL EMPLOYERS FOR GALLATIN COUNTY**  
**Current Year and Nine Years Ago**

June 2024			June 2015		
Private Employers By Size, Alphabetically	Employer Size	Employer's % of Total Employment	Private Employers By Size, Alphabetically	Employer Size	Employer's % of Total Employment
Bozeman Deaconess Hospital	9	2.40%	Bozeman Deaconess Hospital	9	2.43%
Yellowstone Club	8	1.44%	Yellowstone Club	9	1.73%
Kenyon Noble Lumber & Hardware	7	0.72%	Big Sky Resort	8	1.00%
Town Pump Convenience Stores	7	0.72%	Kenyon Noble Lumber & Hardware	7	0.52%
Wal-Mart	7	0.72%	Town Pump Convenience Stores	7	0.52%
			Wal-Mart	7	0.52%

Public Employers By Class, Alphabetically	Employer Class Size	Employer's % of Total Employment	Public Employers By Class, Alphabetically	Employer Class Size	Employer's % of Total Employment
Montana State University	9	7.68%	Montana State University	9	5.90%
Bozeman School District #7	8	1.44%	Bozeman School District #7	8	1.00%
Belgrade School District #44	7	0.72%	City of Bozeman	8	1.00%
Gallatin County	7	0.72%	Gallatin County	8	1.00%
City of Bozeman	7	0.72%	Belgrade School District #44	7	0.52%

Class 6 - 100 to 249 Employees

Class 7 - 250 to 499 Employees

Class 8 - 500 to 999 Employees

Class 9 - 1,000+ Employees

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

Note: For confidentiality reasons the Employer's % of Total Employment is calculated based on the mid point of the size class range

Table 20

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Expenses</b> <sup>(1)</sup>	<b>Enrollment</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Certified Staff (FTE)</b> <sup>(2)</sup>	<b>Pupil/ Certified Staff Ratio</b>
2015	\$ 71,186,742	6,326	\$ 11,253	0.17%	429.8	14.7
2016	73,318,109	6,533	11,223	-0.27%	444.2	14.7
2017	80,104,370	6,770	11,832	5.43%	464.8	14.6
2018	86,547,830	6,908	12,529	5.89%	473.5	14.6
2019	92,094,527	7,015	13,128	4.79%	475.4	14.8
2020	97,263,783	7,152	13,600	3.59%	484.6	14.8
2021	106,341,208	6,893	15,427	13.44%	501.5	13.7
2022	103,445,249	7,217	14,334	-7.09%	530.3	13.6
2023	109,510,870	7,282	15,039	4.92%	539.2	13.5
2024	\$ 113,249,305	7,386	\$ 15,333	1.96%	538.2	13.7

<sup>(1)</sup> Expenses are from Statement of Activities.

<sup>(2)</sup> Certified Staff is comprised of Teachers, Librarians, Counselors, and Psychologists.

Source: District records

Table 21

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Employee Full Time Equivalency (FTE) by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				
Instruction														
Certified Teaching Staff	385.1	395.3	413.0	421.7	424.1	431.9	448.4	476.3	481.7	468.4				
Classified & Prof. Employees	72.5	82.9	84.7	85.5	82.0	76.1	66.4	71.8	75.2	58.5				
Support Services														
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	-	-	0.5	0.3				
Certified Teaching Staff	44.7	48.0	51.4	51.4	50.9	52.3	52.3	53.2	56.7	68.4				
Classified & Prof. Employees	85.7	90.6	89.7	86.4	87.5	81.4	69.8	68.4	61.2	56.3				
General Administration														
Administrators	5.0	5.0	5.0	5.0	5.0	5.0	6.0	4.9	5.9	5.9				
Certified Teaching Staff	-	-	-	-	-	-	-	-	-	-				
Classified & Prof. Employees	26.3	25.5	26.5	27.9	26.9	28.1	27.4	27.6	26.0	26.8				
Building Administration														
Administrators	17.0	18.0	18.0	18.0	20.0	19.0	21.0	21.2	21.0	20.1				
Certified Teaching Staff	0.5	0.5	-	-	-	-	-	-	-	-				
Classified & Prof. Employees	29.4	29.1	28.3	28.3	28.5	29.8	34.9	34.6	36.8	33.9				
Operations and Maintenance														
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.7				
Classified & Prof. Employees	55.6	53.9	54.4	58.4	54.1	59.1	65.4	61.3	61.2	53.3				
Student Transportation														
Classified & Prof. Employees	4.8	4.5	5.1	5.1	5.4	5.1	5.0	5.4	4.8	5.0				
Food Services														
Classified & Prof. Employees	29.9	33.9	34.5	31.9	30.5	29.5	26.3	26.6	31.0	34.3				
Extracurricular Activities														
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
Certified Teaching Staff	0.5	0.4	0.4	0.4	0.4	0.4	0.8	0.8	0.8	1.4				
Classified & Prof. Employees	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0				
<b>Total</b>	<b>763.0</b>	<b>793.6</b>	<b>817.0</b>	<b>826.0</b>	<b>821.3</b>	<b>823.7</b>	<b>828.7</b>	<b>857.1</b>	<b>867.5</b>	<b>837.3</b>				

<b>Fiscal 2024 Summary</b>	<b>Admin.</b>	<b>Certified Staff</b>	<b>Classified &amp; Professional Employees</b>	<b>Total FTE</b>
Instruction	-	468.4	58.5	526.9
Support Services	0.3	68.4	56.3	125.0
General Administration	5.9	-	26.8	32.7
Building Administration	20.1	-	33.9	54.0
Operations and Maintenance	0.7	-	53.3	54.0
Student Transportation	-	-	5.0	5.0
Food Services	-	-	34.3	34.3
Extracurricular Activities	1.0	1.4	3.0	5.4
<b>Total</b>	<b>28.0</b>	<b>538.2</b>	<b>271.1</b>	<b>837.3</b>

Source: District Records

Table 22

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Certified Staff Education and Salary Levels**  
**June 2024**

Educational Attainment	Full Time Equivalent	Percent of Total
Bachelor's Degree	56.3	10.5%
Bachelor's Degree + 15 Credits	17.8	3.3%
Bachelor's Degree + 30 Credits	10.8	2.0%
Bachelor's Degree + 45 Credits	12.0	2.2%
Bachelor's Degree + 60 Credits	7.0	1.3%
Bachelor's Degree + 75 Credits	4.0	0.7%
Bachelor's Degree + 90 Credits	27.8	5.2%
<b>Subtotal: Bachelor's Degree</b>	<b>135.7</b>	<b>25.2%</b>
Master's Degree BA + 45 Credits	43.0	8.0%
Master's Degree BA + 60 Credits	47.8	8.9%
Master's Degree BA + 75 Credits	47.0	8.7%
Master's Degree BA + 90 Credits	36.5	6.8%
Master's Degree BA + 105 Credits	228.2	42.4%
<b>Subtotal: Master's Degree</b>	<b>402.5</b>	<b>74.8%</b>
<b>TOTAL</b>	<b>538.2</b>	<b>100.0%</b>

Annual Salary	Full Time Equivalent	Percent of Total
\$0 - \$40,000	56.5	10.4%
\$40,001- \$50,000	40.7	7.6%
\$50,001 - \$60,000	78.1	14.5%
\$60,001 - \$70,000	114.6	21.3%
\$70,001 - \$80,000	125.3	23.3%
\$80,001 and Over	123.0	22.9%
<b>TOTAL</b>	<b>538.2</b>	<b>100.0%</b>

Source: District Records

**Table 23**

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Educational Building Data**  
**For the Fiscal Year Ended June 30, 2024**

	<u>Year Built</u>	<u>Square Footage</u>	<u>Functional Capacity</u>	<u>Enrollment</u>	<u>Percentage of Capacity Used</u>
<b>Elementary Schools:</b>					
<b><u>K-5 Schools</u></b>					
Longfellow	1939	39,086	332	271	81.6%
Irving	1939	33,893	293	184	62.8%
Whittier	1958	34,700	327	259	79.2%
Hawthorne	1939	46,622	390	333	85.4%
Morning Star	1992	56,010	528	422	79.9%
Emily Dickinson	1992	56,012	528	525	99.4%
Hyalite	2009	66,000	549	537	97.8%
Meadowlark	2013	71,719	549	509	92.7%
Bozeman Online Charter School	N/A	N/A	N/A	13	-
<b><u>6-8 Schools</u></b>					
Chief Joseph	2008	129,500	780	758	97.2%
Sacajawea	1996	134,857	1,023	813	79.5%
Bozeman Online Charter School	N/A	N/A	N/A	19	-
<b>High Schools:</b>					
Bozeman High School	1957	346,178	1,500	1,263	84.2%
Gallatin High School	2020	300,239	1,500	1,480	98.7%

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Percentage of Students who qualified for Free and Reduced Lunch**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Elementary Schools:</b>										
<b><u>K-5 Schools</u></b>										
Longfellow	15%	14%	11%	8%	7%	9%	9%	8%	10%	19%
Irving	41%	44%	41%	44%	39%	42%	38%	42%	37%	53%
Whittier	50%	43%	51%	46%	37%	46%	40%	39%	38%	50%
Hawthorne	15%	15%	10%	9%	6%	7%	5%	5%	5%	9%
Morning Star	6%	6%	6%	6%	4%	7%	5%	5%	5%	10%
Emily Dickinson	16%	16%	16%	16%	15%	14%	10%	10%	16%	25%
Hyalite	39%	42%	36%	36%	23%	28%	25%	24%	27%	42%
Meadowlark	15%	13%	16%	15%	10%	11%	10%	11%	11%	21%
<b><u>6-8 Schools</u></b>										
Chief Joseph	27%	24%	22%	20%	13%	16%	16%	16%	13%	19%
Sacajawea	21%	20%	19%	20%	14%	16%	15%	14%	17%	26%
<b><u>K-8 Schools</u></b>										
Bozeman Online Charter School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	6%	3%
<b>High Schools:</b>										
Bozeman High School	20%	20%	16%	13%	5%	11%	9%	11%	9%	12%
Gallatin High School	N/A	N/A	N/A	N/A	N/A	N/A	10%	7%	12%	21%

Source: Title I portion of ESEA consolidated applications

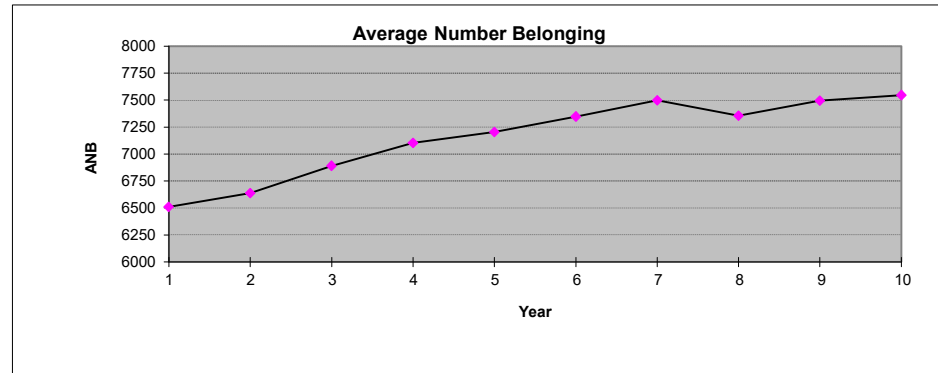
Table 25

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Enrollment Data**  
**Last Ten Fiscal Years**

Year Ended June 30	October Enrollment	Percent Increase (Decrease)	Average Number Belonging (ANB)		
			Amount	Percent Increase (Decrease)	Percent of Prior Year's Enrollment
2015	6,326	1.8	6,510	4.5	104.8
2016	6,533	3.3	6,637	2.0	104.9
2017	6,770	3.6	6,891	3.8	105.5
2018	6,908	2.0	7,102	3.1	104.9
2019	7,015	1.5	7,204	1.4	104.3
2020	7,152	2.0	7,348	2.0	104.7
2021	6,893	(3.6)	7,498	2.1	104.8
2022	7,217	4.7	7,355	(1.9)	106.7
2023	7,282	0.9	7,495	1.9	103.9
2024	7,386	1.4	7,547	0.7	103.6

Source: District Records

Note: ANB is largely calculated by averaging the previous year's Fall and Spring enrollment figures, plus other factors.





**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Schedule of Insurance in Force**

**I. Workers' Compensation Policy**

A. Policy #:	WC-22-11042	
B. Carrier:	Montana Schools Group Interlocal Authority (MSGIA)	
C. Policy Period:	7/1/23 - 7/1/24	
D. Limits:	Part A - WC and OD	Statutory
	Part B - Employer's Liability	\$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

**II. Excess Property - Real & Personal Property - Blanket**

	Replacement, Inland Marine and Auto Physical Damage	
A. Policy #:	YAC-L9L-474623-013	
B. Carrier:	Liberty Mutual Insurance	
C. Policy Period:	7/1/23 - 7/1/24	
D. Limits:	Blanket replacement buildings and contents, Contractor equipment & vehicles are on an actual cash value basis.	

**III. Comprehensive General Liability, Auto Liability, School Board Legal Liability, and Crime and Employee Dishonesty**

A. Policy #:	PK1036823	
B. Carrier:	BRIT Global Specialty USA/Ambridge	
C. Policy Period:	7/1/23 - 7/1/24	
D. Limits:	Compr General Liability	\$5,000,000 each occurrence, \$7,000,000 Annual Aggregate, \$10,000 each person medical payments
	Auto Liability	\$5,000,000 each occurrence
	School Board Legal Liability	\$5,000,000 each claim, \$7,000,000 Annual Aggregate, \$250,000 non-monetary claim defense limit per member/year
	Crime and Employee Dishonesty	\$500,000 employee dishonesty
		\$500,000 loss inside and outside
		\$500,000 forgery & alteration

**IV. Boiler and Machinery Policy**

A. Policy #:	BAJ-BME 1-8156L884-TIL-23
B. Carrier:	Travelers Boiler
C. Policy Period:	7/1/23 - 7/1/24
D. Limits:	\$200,000,000

**V. Cyber Liability**

A. Policy #:	NPL006890400
B. Carrier:	Arch Specialty Insurance Company
C. Policy Period:	7/1/23 - 7/1/24
D. Limits:	\$1,000,000 Network Security & Privacy/Media Liability
	\$1,000,000 Data Incident Response Expense Coverage
	\$1,000,000 Business Interruption
	\$250,000 Dependent Business Interruption
	\$1,000,000 Cyber Extortion Coverage
	\$1,000,000 Ransomware
	\$100,000 System Failure
	\$50,000 Dependent System Failure
	\$100,000 Electronic Funds Transfer/Telephone Fraud/Invoice Manipulation/Social Engineering

**VI. Disaster Management**

A. Policy #:	SR0082823
B. Carrier:	Lloyd's Syndicate 510
C. Policy Period:	7/1/23 - 7/1/24
D. Limits:	\$1,000,000 per Insured Event
	\$1,000,000 Annual Aggregate

**VII. Employee Business Travel**

A. Policy #:	BTAI000691
B. Carrier:	STARR Employee Business Travel
C. Policy Period:	7/1/23 - 7/1/24
D. Limits:	\$100,000 maximum principal sum per person
	\$1,000,000 aggregate limit benefit per occurrence



## **SINGLE AUDIT SECTION**

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Financial Assistance Listing</b>	<b>Pass-through Grantors Number</b>	<b>Program or Award Amount</b>	<b>Revenues</b>	<b>Expenditures</b>
<b>U.S. Department of Education Pass-Through</b>					
<i>Pass-through Montana Office of Public Instruction:</i>					
Title I, Part A	84.010A	16-0350-31-2024	\$ 723,505	\$ 683,730	\$ 683,730
Title I, Part A - Schoolwide	84.010A	16-0350-31-2024	578,964	571,911	571,911
Subtotal Title I			<u>1,302,469</u>	<u>1,255,641</u>	<u>1,255,641</u>
Special Education (IDEA) Cluster					
IDEA-B	84.027A	16-0350-77-2024	2,179,889	1,973,764	1,973,764
IDEA-B Prickly Pear Co-op	84.027	N/A	1,000	1,000	1,000
IDEA-B Preschool	84.173A	16-0350-79-2024	36,548	36,548	36,548
Subtotal Special Education (IDEA) Cluster			<u>2,217,437</u>	<u>2,011,312</u>	<u>2,011,312</u>
Title III, Part A (Non ESEA consolidated)	84.365A	16-0350-41-2024	10,000	10,000	10,000
Title III, Part A	84.365A	16-0350-41-2024	22,130	20,910	20,910
Subtotal Title III			<u>32,130</u>	<u>30,910</u>	<u>30,910</u>
ARP II - Homeless Children and Youth	84.425W	16-0350-97-2021	43,812	20,165	20,165
Title II, Part A	84.367A	16-0350-14-2024	163,486	137,660	137,660
Carl Perkins - Basic	84.048A	16-0351-81-2024	127,358	123,620	123,620
Title IX McKinney-Vento for Homeless Children and Youth	84.196A	16-0350-57-2024	10,166	10,166	10,166
School Resource Officer and Law Enforcement Training Grant	16.710	N/A	10,000	-	-
<i>Pass-through Montana Dept. of Health &amp; Human Services:</i>					
Pre-Employment Transition Services	84.126A	HHS-DETD-00000288	29,600	29,600	29,600
<b>Total U.S. Department of Education Pass-Through</b>			<u><u>3,936,458</u></u>	<u><u>3,619,074</u></u>	<u><u>3,619,074</u></u>
<b>U.S. Department of Education Direct Programs:</b>					
Title VI Indian Education	84.060A	S060A230430	18,279	18,279	18,279
<b>Total U.S. Department of Education Direct</b>			<u><u>18,279</u></u>	<u><u>18,279</u></u>	<u><u>18,279</u></u>

(continued)

**BOZEMAN SCHOOL DISTRICT NO. 7**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Financial Assistance Listing</b>	<b>Pass-through Grantors Number</b>	<b>Program or Award Amount</b>	<b>Revenues</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture:</b>					
<i>Pass-through Montana Office of Public Instruction:</i>					
Child Nutrition Cluster					
National School Lunch Program - Commodities	10.555	N/A	182,181	182,181	182,181
National School Lunch Program	10.555	N/A	736,251	736,251	736,251
National School Breakfast Program	10.553	N/A	110,035	110,035	110,035
National School Lunch Program - USDA Supply Chain Assistance Funds	10.555	N/A	182,909	182,909	182,909
Montana School Meals Certificate Program	10.574	218MT200N3503	7,500	7,500	7,500
Subtotal Child Nutrition Cluster			<u>1,218,876</u>	<u>1,218,876</u>	<u>1,218,876</u>
<b>Total U.S. Department of Agriculture</b>			<u><u>1,218,876</u></u>	<u><u>1,218,876</u></u>	<u><u>1,218,876</u></u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><u>\$ 5,173,613</u></u>	<u><u>\$ 4,856,229</u></u>	<u><u>\$ 4,856,229</u></u>
					(concluded)

**Notes to Schedule of Federal Awards:**

I. Summary of Significant Accounting Policies:

**Basis of Presentation and Significant Accounting Policies**

This Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance 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)*. Because this schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Expenditures reported on the Schedule are reported on the 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. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The District did not incur any cash (or noncash) matching contributions for the year ended June 30, 2024, nor were any required.



**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 Trustees  
Bozeman School District No. 7  
Bozeman, 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 the Bozeman School District No. 7 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control 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 were not identified.

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

As part of obtaining reasonable assurance about whether the District's 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*.

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Billings, Montana  
November 15, 2024



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

To the Board of Trustees  
Bozeman School District No. 7  
Bozeman, Montana

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Bozeman School District's (the District) 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 the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the 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 the District 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 the major federal program. Our audit does not provide a legal determination of the District compliance with the compliance requirements referred to above.

### ***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 the District's federal program.

### ***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 the District's 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 the District's compliance with the requirements of the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

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

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

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

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

Billings, Montana  
November 15, 2024

**Bozeman School District**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

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

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**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 the major program:	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>
IDEA-B	84.027 & 84.173
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Bozeman School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported.

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

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a.)

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

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Our audit did not disclose any matters required to be reported.