ANNUAL COMPREHENSIVE FINANCIAL REPORT

BOZEMAN SCHOOL DISTRICT NUMBER 7

For the year ended June 30, 2025

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, 2025

Prepared by the Business Office
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QUALITY
BOZEMAN
EDUCATION

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INTRODUCTORY SECTION


QUALITY
BOZEMAN
EDUCATION

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

December 15, 2025

Letter of Transmittal

Kevin Black, 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, 2025.

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, 2025, Eide Bailly LLP has issued an unmodified (referred to as "clean") opinion on the Bozeman School District No. 7's financial statements. Their Independent Auditor's 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 Independent 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 76,442. 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 86,137. 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 7,509 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 2024-2025 annual budget of $287,306,646, employs approximately 3,644 employees (2,967 full time and 677 part-time). With a student enrollment of 17,144 (Fall 2024), 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 a record 2.64 million passengers in 2024. Many of the 4.7 million visitors entering Yellowstone National Park 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. The labor market in Bozeman remains robust and the region continues to experience strong wage growth. Average annual wages in Gallatin County increased at a rate of 7.5 percent per year between 2018 and 2023.

Bozeman's housing market remains one of the most talked-about aspects of its economy. Gallatin County continues to have strong home price appreciation even in the higher interest rate climate. The median price for a single-family residence in the city of Bozeman is $784,500 as of Fall 2024. Since 2016, Bozeman has seen an average annual increase of 11 percent in median sales prices. 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 LRSP:

Goal Area 1 – Academic Performance

- **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

Goal Area 2 – Operations and Capacity Building

- **Professional Learning Communities (PLC's) 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

Goal Area 3 – Community Engagement and Partnerships

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

Goal Area 4 – Student and Staff Well-being

- **Staff Well-Being Goal:** By 2028, the District will increase staff well-being to 85% or above as measured by the Panorama survey

- **Student Well-Being Goal:**By 2031, fewer than 15% of students will self-report depression symptoms as measured by the Youth Risk Behavior Survey (YRBS). This represents an almost 60% decrease in self-reported depression symptoms at the high school level, and an almost 50% decrease at the middle school

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.

Long-Term Financial Planning

Recruitment and retention have become significant issues for the District. Bozeman is an attractive place to live and the housing market has skyrocketed since the pandemic, causing the cost of renting or purchasing a home in Gallatin County to be unaffordable for many. 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. In response to these challenges across the state, the 2025 Montana Legislature passed House Bill 252. This $100 million initiative is designed to address the statewide teacher shortage by incentivizing school districts to raise starting teacher salaries to at least 70% of their respective average teacher pay. Meeting this threshold allows districts to qualify for enhanced state support.

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, 2024. 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-sixth 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,



Mike Waterman
Executive Director Business and Operations



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, 2024

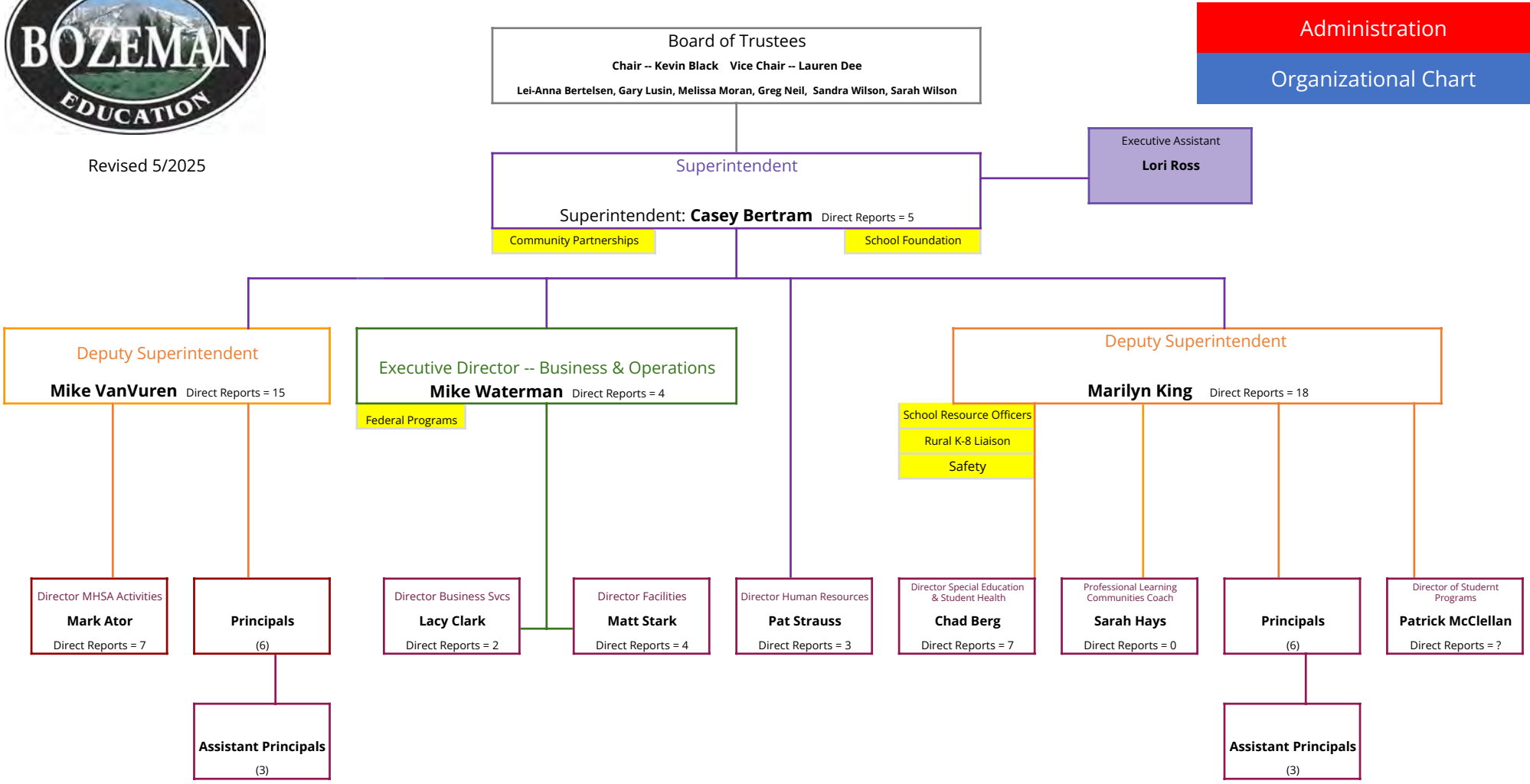
Christopher P. Morrill

Executive Director/CEO

Administration

Organizational Chart

Revised 5/2025



BOZEMAN SCHOOL DISTRICT NO. 7

Elected Officials as of June 30, 2025
Board of Trustees

		Term Expires April
Kevin Black	Board Chair	2026
Lauren Dee	Vice Chair	2028
Lei-Anna Bertelsen	Trustee	2027
Gary Lusin	Trustee	2027
Melissa Moran	Trustee	2027
Greg Neil.	Trustee	2026
Sandra Wilson	Trustee	2027
Sarah Wilson	Trustee	2028

Appointed Positions as of June 30, 2025

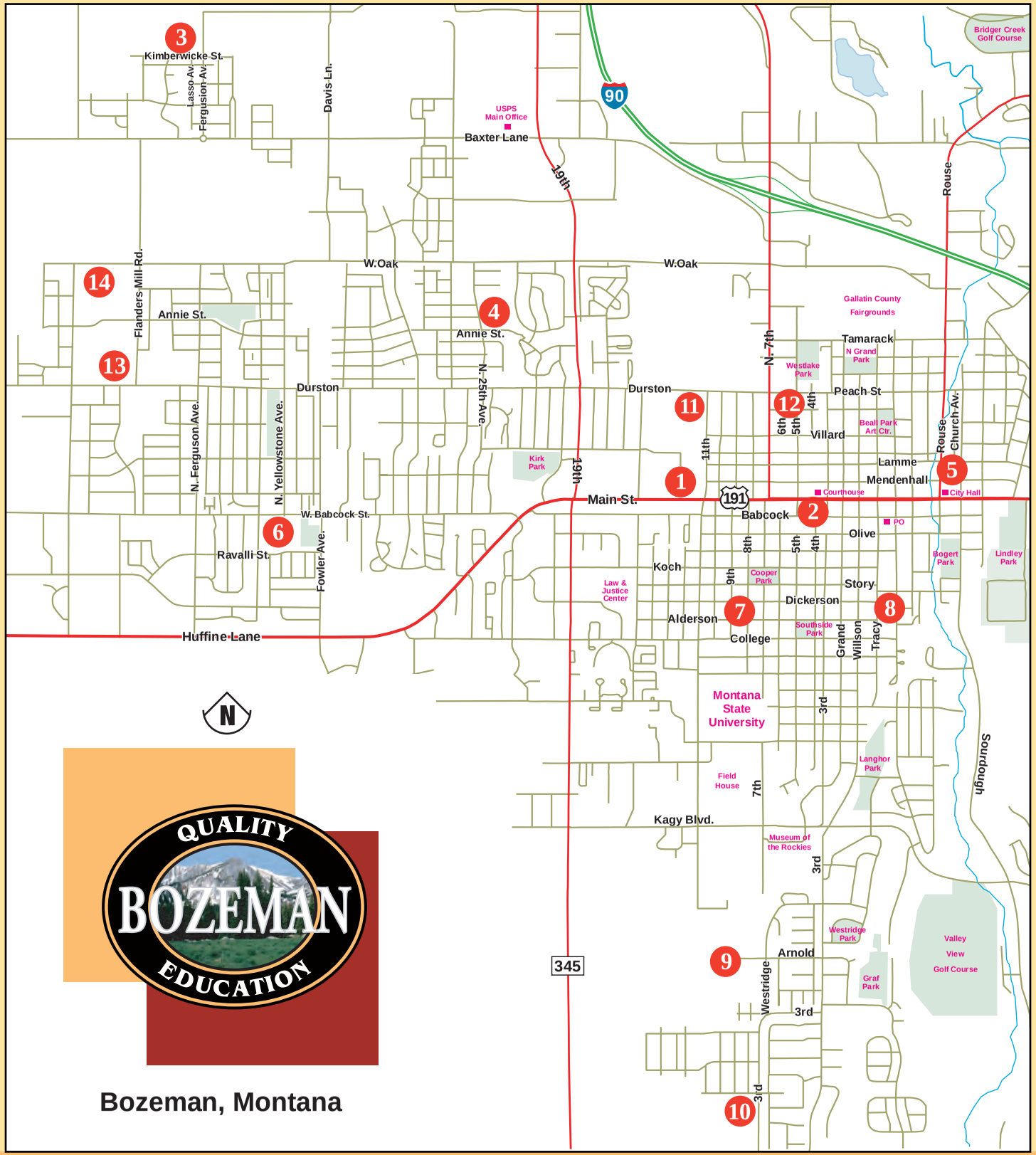
Casey Bertram	Superintendent of Schools
Marilyn King, Ed. D.	Deputy Superintendent
Mike VanVuren	Deputy Superintendent
Mike Waterman	Executive Director Business & Operations

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 2024-25

Regular	12
Special	29



QUALITY EDUCATION

BOZEMAN

Bozeman, Montana

1 Bozeman High School
205 North 11th
522-6200

1 Bridger Charter Academy
205 North 11th
522-6100

2 Central Administration Offices
404 West Main Street
522-6000

3 Chief Joseph Middle School
4255 Kimberwicke
522-6300

4 Emily Dickinson Elementary
2435 Annie Street
522-6650

5 Hawthorne Elementary
405 East Mendenhall Street
522-6700

6 Hyalite Elementary School
3600 West Babcock
582-6800

7 Irving Elementary
811 West Alderson Street
522-6600

8 Longfellow Elementary
516 South Tracy
522-6150

9 Morning Star Elementary
830 Arnold Street
522-6500

10 Sacajawea Middle School
3525 South 3rd
522-6400

11 Support Services
501 North 11th
522-6380

12 Whittier Elementary
511 North 5th
522-6750

13 Meadowlark Elementary
4415 Durston Road
582-6860

14 Gallatin High School
4455 Annie Street

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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.

eidebailly.com

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Adoption of a New Accounting Standard

As discussed in Note I to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended June 30, 2025. As a result of implementing the standard, there was no effect on the beginning net position as of July 1, 2024. Our opinions are not modified with respect to this matter.

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 and supplemental information mandated by Montana Office of Public Instruction are presented for purposes of additional analysis and are not a required part of the 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 and supplemental information mandated by Montana Office of Public Instruction are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 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.

Ede Bailly LLP

Denver, Colorado December 15, 2025

Management’s Discussion and Analysis

BOZEMAN SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 29.

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, 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 30) and the Statement of Activities (page 31)

The Statement of Net Position and the Statement of Activities help answer the question "How did we do financially during 2025?". 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, 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 $4.8 million this year as compared to an almost $6.5 million increase experienced last year. This current year $4.8 million increase was largely attributed to 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, 2025 and 2024. *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 $25.7 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 ($51,800,776) which was a 2.5% 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".

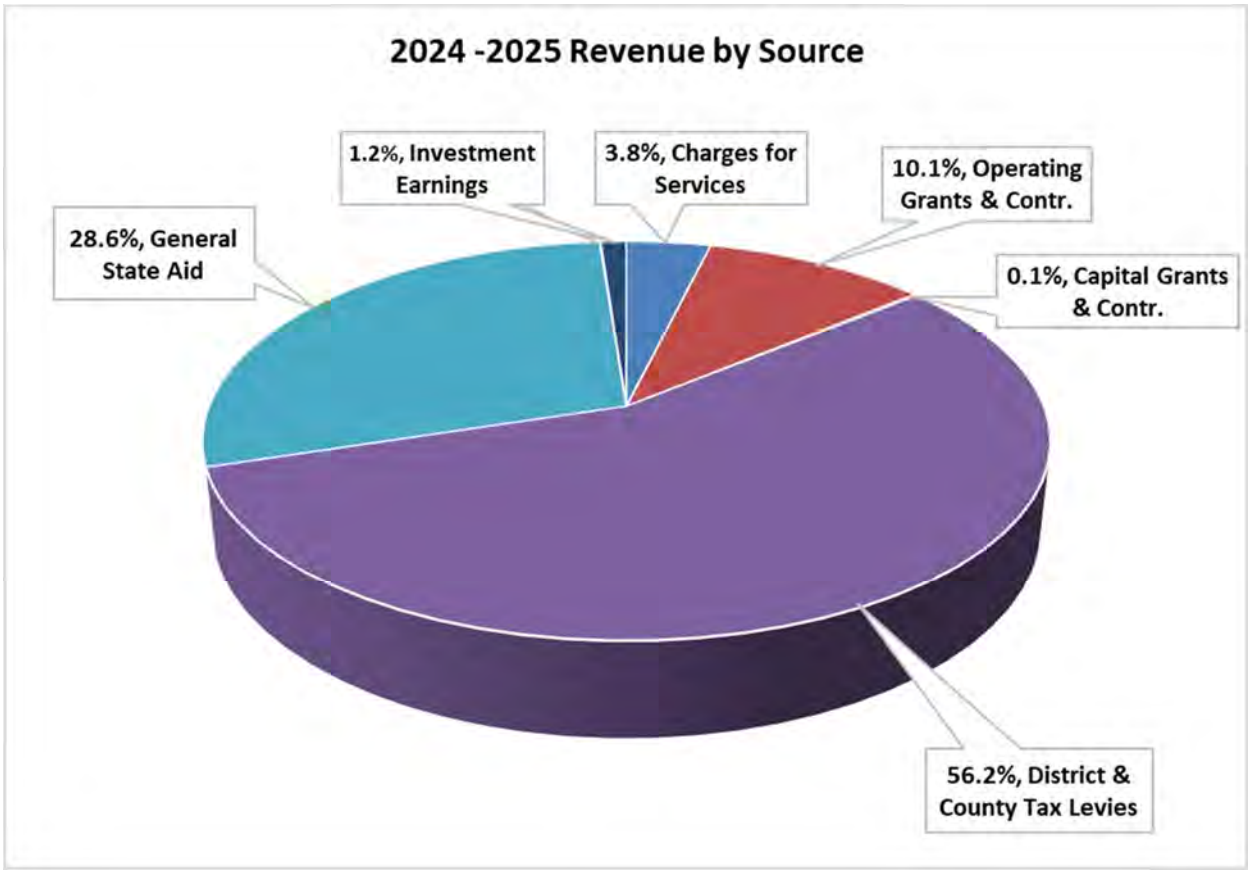
Table 1
BOZEMAN SCHOOL DISTRICT NO. 7
Net Position

	Governmental Activities		
	2025	2024	Change
Current assets	$ 51,185,713	$ 51,288,464	$ (102,751)
Capital assets	233,450,944	240,572,990	(7,122,046)
Total assets	284,636,657	291,861,454	(7,224,797)
Deferred outflows of resources	8,551,460	10,375,288	(1,823,828)
Total assets and deferred outflows of resources	293,188,117	302,236,742	(9,048,625)
Current liabilities	17,085,700	16,551,312	534,388
Noncurrent bonds payable	125,532,710	139,540,912	(14,008,202)
Other noncurrent liabilities	10,215,141	8,223,402	1,991,739
Net pension liability	66,469,697	68,122,346	(1,652,649)
Total liabilities	219,303,248	232,437,972	(13,134,724)
Deferred inflows of resources	4,526,918	5,201,168	(674,250)
Total liabilities and deferred inflows of resources	223,830,166	237,639,140	(13,808,974)
Net position:			
Net investment in capital assets	95,422,045	89,141,706	6,280,339
Restricted	25,736,682	25,990,047	(253,365)
Unrestricted	(51,800,776)	(50,534,151)	(1,266,625)
Total net position	$ 69,357,951	$ 64,597,602	$ 4,760,349

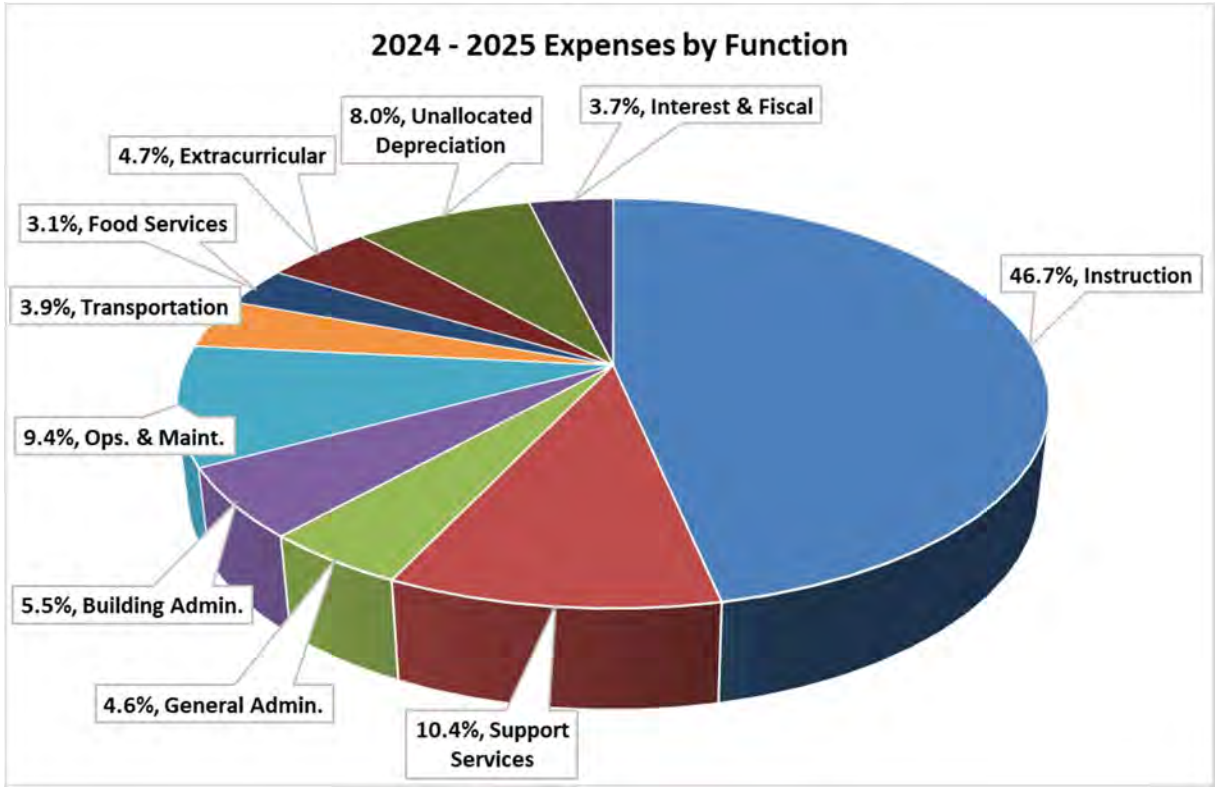
Table 2
BOZEMAN SCHOOL DISTRICT NO. 7
Changes in Net Position

	Governmental Activities		
	2025	2024	Change
Revenues			
Program revenues:			
Charges for services	$ 4,590,095	$ 4,736,781	$ (146,686)
Operating grants and contributions	12,210,685	11,963,362	247,323
Capital grants and contributions	166,905	8,000	158,905
General revenues			
District property taxes	56,100,140	54,190,215	1,909,925
Investment earnings	1,397,325	1,562,130	(164,805)
Tax increment financing proceeds	2,268,449	2,413,188	(144,739)
Gain on sale of asset	56,266	10,188	46,078
Unrestricted county distribution - retirement	9,379,902	10,075,174	(695,272)
Unrestricted state equalization	24,784,869	23,697,320	1,087,549
Unrestricted state guaranteed tax base subsidy	5,917,585	5,593,727	323,858
Unrestricted quality educator	1,990,821	2,196,784	(205,963)
Unrestricted on-behalf pension	1,774,909	3,219,637	(1,444,728)
Unrestricted other state revenue	107,020	116,304	(9,284)
Total revenues	120,744,971	119,782,810	962,161
Program Expenses			
Instruction	54,143,045	54,318,813	(175,768)
Support services	12,045,862	12,147,345	(101,483)
General administration	5,285,952	5,003,002	282,950
Building administration	6,404,932	6,251,485	153,447
Operations and maintenance	10,940,591	9,653,548	1,287,043
Student transportation	4,574,538	3,751,700	822,838
Food services	3,556,431	3,550,210	6,221
Extracurricular activities	5,489,992	4,532,714	957,278
Unallocated depreciation	9,224,135	9,197,749	26,386
Interest and fiscal charges	4,319,144	4,842,739	(523,595)
Total expenses	115,984,622	113,249,305	2,735,317
Change in net position	4,760,349	6,533,505	(1,773,156)
Net position, beginning of year	64,597,602	58,064,097	6,533,505
Net position, end of year	**$ 69,357,951**	**$ 64,597,602**	**$ 4,760,349**

The 2025 fiscal year District revenues on *Table 2* experienced a modest increase of $962,161 (0.8%). This increase was largely attributable to an increase in property taxes and state equalization revenue. Tax revenues for the year increased primarily due to new tax levies passed for fiscal year 2025 to benefit the General Fund. A small decline in taxable value for fiscal year 2025 and legislative changes to the equalization formula led to an increase in state equalization revenue. These increases were offset by a lower county retirement fund distribution tied to a reduced levy and a decline in on-behalf pension revenue. The following chart details revenue by source.



Total expenses on *Table 2* increased by $2,735,317 (2.4%) 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 2% for certified staff and 5% for classified employees. The District experienced a 1.7% 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 34) reported a combined fund balance of $45,386,290, a 0.1% increase of $32,673.

The high school debt service major fund experienced a $218,877 (29.7%) increase in fund balance, largely due to a tax increment funding (TIF) allocation.

The high school building reserve major fund reported a small decrease of $92,810 (0.9%) which was mostly attributable to the variability of capital improvement projects.

General fund

The last major fund, the General Fund, is the main operating fund of the Bozeman School District in providing educational services to students from pre-kindergarten through grade 12. Basic General Fund revenue is determined by a state formula that has Basic Entitlement Rates for elementary, middle, and high schools along with a Per Average Number Belonging component with rates set on a per pupil amount. It also includes funding components in categories of Data for Achievement, Indian Education for All, American Indian Student Achievement Gap funding, At Risk Student component, Special Education Allowable Cost, and a Quality Educator Payment. Most of these are funded on a per student basis and a certified staff member basis for the Quality Educator Payment. The formula guarantees that all schools in the state will meet an established Base level. Any amounts above the Base level are required to be approved by local taxpayers.

The following schedule presents a summary of General Fund revenues:

	Year Ended June 30,		Amount of Increase	Percent Increase
	2025	2024	(Decrease)	(Decrease)
District property taxes	$ 26,525,690	$ 24,779,988	$1,745,702	7.0%
Tuition and fees	2,050	75,209	(73,159)	-97.3%
Investment earnings	419,468	485,067	(65,599)	-13.5%
Other district revenue	680,614	688,685	(8,071)	-1.2%
State of Montana	35,383,476	34,100,139	1,283,337	3.8%
Total general fund revenues	$ 63,011,298	$ 60,129,088	$ 2,882,210	4.8%

Total General Fund revenue increased by $2,882,210 or 4.8% from the previous year. This is attributable to a 3% inflationary increase on the State funding components that make up the General Fund budget and enrollment-based growth. Local property taxes increased by $1,745.702 or 7.0% primarily due to newly voted General Fund levies. This was offset by a decrease in tuition and investment earnings of $138,758.

The following schedule presents a summary of General Fund expenditures:

	Year Ended June 30,		Amount of Increase	Percent Increase
	2025	2024	(Decrease)	(Decrease)
Instruction	$ 39,728,292	$ 38,120,652	$1,607,640	4.2%
Support services	6,098,452	5,303,559	794,893	15.0%
General administration	3,354,316	3,157,891	196,425	6.2%
Building administration	4,547,063	4,275,820	271,243	6.3%
Operations and maintenance	6,557,277	6,222,557	334,720	5.4%
Student transportation	-	83	(83)	-100.0%
Food services	12,821	10,833	1,988	18.4%
Extracurricular activities	1,801,699	1,799,679	2,020	0.1%
Capital outlay	78,554	180,452	(101,898)	-56.5%
Debt service	-	44,178	(44,178)	-100.0%
Total general fund expenditures	$ 62,178,474	$ 59,115,704	$ 3,062,770	5.2%

Total General fund expenditures increased by $3,062,770 or 5.2% from the previous year. This overall increase is due to compensation increases of 2% for certified staff and 5% for classified employees, an increase to employer paid health insurance contributions, and other inflationary increases on operating expenses.

General fund budgetary highlights

The ending budgeted general fund balance reserves maintained a level equal to 10.0% of the 2025-2026 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 $444,333 (0.7%). 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 2.8% 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 10.10% 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 27.3% 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 through 2025 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 9-12 is 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 and grades 6-8 experienced a decline in 2025 as the smaller K-5 classes moved into the middle school. Enrollment is projected to increase for grades 9-12 in fiscal year 2026, however with time, the District anticipates that the lower K-5 enrollment numbers will affect enrollment at the high school.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested roughly $334.1 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 $1.3 million over 2024. Total depreciation and amortization expense for the year was $10,148,085. The following schedule presents capital asset balances net of depreciation and amortization for the fiscal year ended June 30, 2025. 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	24,710,107
Buildings and improvements	191,432,679
Machinery and equipment	2,265,450
Construction in progress	1,477,716
Right to use assets	466,164
Total	$233,450,944

Debt Administration

At year-end, the District had $215,681,766 in general obligation bonds and other long-term liabilities outstanding, of which $13,644,924, is due within one year. A summary of the District's outstanding long-term liabilities for the year ended June 30, 2025, is presented below:

	Amount
General obligation bonds	$ 138,262,710
Compensated absences	6,684,792
Voluntary termination benefits	3,250
Net pension liability	66,469,697
Other postemployment benefits	4,196,391
Subscription liability	64,926
Total	$ 215,681,766

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, 2025, the current elementary legal debt margin is $354,949,106 and the high school legal debt margin is $449,514,920 (as shown on Table 15).

Additional information on the District's long-term debt can be found in Note III E 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 2025-2026 budget. The primary factors were the District's student population, collective bargaining agreements, recruitment and retention of staffing, inflation rates, and legislative changes. Budgeted expenditures in the General Fund increased by 7.2% to $66,785,107 in fiscal year 2025-2026. 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 Elementary General Fund is projected to be in a structural imbalance where the planned General Fund costs exceed the available spending authority.

Inflation for fiscal year 2024 (June to June) was 2.7%, 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, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 45,005,821
Investments	927,574
Property taxes receivable (net of allowances for uncollectibles)	1,536,040
Due from other governments	3,221,095
Accounts receivable	185,675
Inventory, at cost	67,435
Prepaid items	206,017
Flexible accounts deposit	36,056
Total current assets	51,185,713
Noncurrent assets:	
Land	13,098,828
Land improvements	39,668,941
Buildings and improvements	270,877,293
Machinery and equipment	9,012,748
Construction in progress	1,477,716
Less accumulated depreciation	(101,150,746)
Right to use leased assets	376,429
Right to use subscription assets	1,311,017
Less accumulated amortization	(1,221,282)
Total noncurrent assets	233,450,944
Total assets	284,636,657
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment health benefits deferred contributions	409,330
Contribution to pension plans in current fiscal year	7,791,936
Excess reacquisition costs due to bond refunding	350,194
Total deferred outflows of resources	8,551,460
Total assets and deferred outflows of resources	$ 293,188,117

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable and other accrued liabilities	$ 1,498,746
Accrued interest payable	415,033
Retainage payable	51,457
Unearned revenue	1,656,246
Bonds payable - due within one year	12,730,000
Compensated absences - due within one year	666,292
Other postemployment health benefits - due within one year	180,706
Voluntary termination benefits - due within one year	3,000
Subscription liability - due within one year	64,926
Total current liabilities	17,266,406
Noncurrent liabilities:	
Bonds payable	125,532,710
Compensated absences	6,018,500
Voluntary termination benefits	250
Net pension liability	66,469,697
Other postemployment health benefits	4,015,685
Total noncurrent liabilities	202,036,842
Total liabilities	219,303,248
DEFERRED INFLOWS OF RESOURCES	
Other postemployment health benefits assumption changes	1,203,724
Pension deferrals	3,323,194
Total deferred inflows of resources	4,526,918
NET POSITION	
Net investment in capital assets	95,422,045
Restricted for:	
Building	1,916,501
Building reserve	13,942,488
Debt service	1,611,103
Bus depreciation	684,955
Retirement	2,989,709
Restricted endowment:	
Nonexpendable portion	287,147
Expendable portion	644,155
Technology acquisition	360,244
Transportation	1,615,685
Tuition	936,190
Grant purposes	346,099
Adult education	402,406
Unrestricted	(51,800,776)
Total net position	69,357,951
Total liabilities, deferred inflows of resources and net position	$ 293,188,117

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 54,143,045	$ 1,045,420	$ 5,586,887	$ 6,365	$ (47,504,373)
Support services	12,045,862	267,694	1,795,351	-	(9,982,817)
General administration	5,285,952	34,488	274,396	-	(4,977,068)
Building administration	6,404,932	152,548	333,664	-	(5,918,720)
Operations and maintenance	10,940,591	556,706	131,599	160,540	(10,091,746)
Student transportation	4,574,538	-	661,740	-	(3,912,798)
Food services	3,556,431	1,927,165	832,975	-	(796,291)
Extracurricular activities	5,489,992	606,074	2,594,073	-	(2,289,845)
Unallocated depreciation *	9,224,135	-	-	-	(9,224,135)
Interest charges	4,319,144	-	-	-	(4,319,144)
Total governmental activities	$ 115,984,622	$ 4,590,095	$ 12,210,685	$ 166,905	$ (99,016,937)

General revenues:	
District property taxes	56,100,140
Investment earnings	1,397,325
Tax Increment Financing proceeds	2,268,449
Unrestricted:	
County distribution - retirement	9,379,902
State equalization	24,784,869
State guaranteed tax base subsidy	5,917,585
State quality educator	1,990,821
State on-behalf pension	1,774,909
Other state revenue	107,020
Compensation of capital assets	56,266
Total general revenues	103,777,286
Change in net position	4,760,349
Net position, beginning of year	64,597,602
Net position, end of year	$ 69,357,951

* 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.


QUALITY
BOZEMAN
EDUCATION

Fund Financial Statements

BOZEMAN SCHOOL DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 14,220,515	$ -	$ 10,697,389	$ 15,956,071	$ 40,873,975
Investments	-	-	-	927,574	927,574
Property taxes receivable	728,944	337,689	89,869	397,205	1,553,707
Due from other funds	62,021	-	-	-	62,021
Due from other governments	507,017	1,017,676	2,221	1,694,181	3,221,095
Accounts receivable	21,323	-	-	164,352	185,675
Inventory, at cost	-	-	-	66,769	66,769
Prepaid items	474,100	-	-	154,016	628,116
Total assets	$ 16,013,920	$ 1,355,365	$ 10,789,479	$ 19,360,168	$ 47,518,932
LIABILITIES					
Accounts payable and other accrued liabilities	$ 118,252	$ -	$ 58,775	$ 133,903	$ 310,930
Retainages payable	-	-	25,459	25,998	51,457
Due to other funds	-	62,021	-	-	62,021
Unearned revenue	5,076	-	-	149,451	154,527
Total liabilities	123,328	62,021	84,234	309,352	578,935
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	728,944	337,689	89,869	397,205	1,553,707
Total deferred inflows of resources	728,944	337,689	89,869	397,205	1,553,707
FUND BALANCES					
Nonspendable	474,100	-	-	507,932	982,032
Restricted	-	955,655	10,615,376	13,750,652	25,321,683
Committed	7,454,013	-	-	4,395,027	11,849,040
Assigned	597,829	-	-	-	597,829
Unassigned	6,635,706	-	-	-	6,635,706
Total fund balances	15,161,648	955,655	10,615,376	18,653,611	45,386,290
Total liabilities, deferred inflows of resources, and fund balances	$ 16,013,920	$ 1,355,365	$ 10,789,479	$ 19,360,168	$ 47,518,932

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, 2025

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

Fund balances - total governmental funds		$ 45,386,290
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 $335,693,147 and the accumulated depreciation and amortization is $102,242,729.		233,450,418
Deferred inflows of resources (unavailable property taxes) are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		1,553,707
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.		4,818,936
Property taxes receivable is reported "net of the allowances for uncollectibles" on the statement of net position.		(17,667)
Prepaid expenditures related to SBITAs are reported as intangible subscription assets on the statement of net position		(422,099)
Accrued interest payable on bonds is reported on the statement of net position.		(415,033)
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	$138,262,710	
Compensated absences	6,684,792	
Voluntary termination benefits	3,250	
Net pension liability	66,469,697	
Subscription liability	64,926	
		(211,485,375)
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.		(3,511,226)
Net position - governmental activities		$ 69,357,951

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, 2025

	General	Elementary Retirement	Elementary Grants	High School Retirement	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
District property taxes	$ 26,525,690				$ 11,372,013	$ 3,102,936	$ 14,830,585	$ 55,831,224
Tuition and fees	2,050				-	-	1,864,349	1,866,399
Investment earnings	419,468				37,956	402,075	427,677	1,287,176
Other district revenue	680,614				1,017,908	-	5,626,918	7,325,440
Gallatin County	-				-	-	9,698,867	9,698,867
State of Montana	35,383,476				-	47,711	3,409,204	38,840,391
Federal	-				-	-	4,104,352	4,104,352
Total revenues	63,011,298				12,427,877	3,552,722	39,961,952	118,953,849
Expenditures:								
Current -								
Instruction	39,728,292				-	-	12,247,685	51,975,977
Support services	6,098,452				-	978,073	4,632,966	11,709,491
General administration	3,354,316				-	25,365	1,579,200	4,958,881
Building administration	4,547,063				-	31,051	1,538,159	6,116,273
Operations and maintenance	6,557,277				96,900	1,253,560	2,683,364	10,591,101
Student transportation	-				-	-	4,557,580	4,557,580
Food services	12,821				-	-	3,175,936	3,188,757
Extracurricular activities	1,801,699				-	-	3,631,298	5,432,997
Capital outlay	78,554				-	1,371,046	1,166,595	2,616,195
Debt service -								
Principal retirement - bonds	-				7,980,000	-	4,225,000	12,205,000
Interest and fiscal charges	-				4,132,100	-	1,301,129	5,433,229
Lease and subscription principal payments	-				-	-	191,962	191,962
Total expenditures	62,178,474				12,209,000	3,659,095	40,930,874	118,977,443
Excess (deficiency) of revenues over expenditures	832,824				218,877	(106,373)	(968,922)	(23,594)
Other financing sources (uses):								
Proceeds from sale of assets	17,544				-	13,563	25,160	56,267
Total other financing sources (uses)	17,544				-	13,563	25,160	56,267
Net changes in fund balances	850,368				218,877	(92,810)	(943,762)	32,673
Fund balances, beginning of year, as previously presented	14,311,280	1,816,554	1,517,791	1,280,043	736,778	10,708,186	14,982,985	45,353,617
Change within financial reporting entity (major to nonmajor fund)	-	(1,816,554)	(1,517,791)	(1,280,043)	-	-	4,614,388	-
Fund balances, beginning of year, as adjusted	14,311,280	-	-	-	736,778	10,708,186	19,597,373	45,353,617
Fund balances, end of year	$ 15,161,648				$ 955,655	$ 10,615,376	$ 18,653,611	$ 45,386,290

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, 2025

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

Net change in fund balances - total governmental funds	$	32,673
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.		(314)
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 ($9,670,022), amortization ($477,011) exceeded capital outlays ($2,616,195) in the current period. Additionally, the receipt of donated capital assets ($166,905) is not reported in the governmental funds, but is reported in the statement of activities.		(7,363,933)
Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements.		269,229
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.		670,955
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.		13,319,085
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.		350,423
The current period net increase in compensated absences and voluntary termination benefits payable did not require the use of current financial resources.		(1,928,976)
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.		(588,793)
Change in net position of governmental activities	$	4,760,349

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, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
District property taxes	$ 26,764,692	$ 26,525,690	$ (239,002)
Tuition and fees	-	2,050	2,050
Investment earnings	139,774	144,125	4,351
Other district revenue	-	676,934	676,934
State of Montana	35,383,476	35,383,476	-
Total revenues	62,287,942	62,732,275	444,333
Expenditures:			
Current -			
Instruction	37,193,918	38,221,021	(1,027,103)
Support services	6,486,696	5,831,396	655,300
General administration	3,069,202	3,176,798	(107,596)
Building administration	4,353,553	4,341,903	11,650
Operations and maintenance	7,780,719	5,658,480	2,122,239
Extracurricular activities	1,812,822	1,798,395	14,427
Total expenditures	60,696,910	59,027,993	1,668,917
Other financing sources (uses):			
Transfers out	(1,591,032)	(3,259,949)	(1,668,917)
Proceeds from sale of assets	-	17,544	17,544
Total other financing sources (uses)	(1,591,032)	(3,242,405)	(1,651,373)
Net change in fund balances	-	461,877	461,877
Fund balances, beginning of year	6,228,795	6,228,795	-
Fund balances, end of year	$ 6,228,795	$ 6,690,672	$ 461,877

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

BOZEMAN SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Governmental Activities: Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	$ 4,131,847
Inventory, at cost	666
Flexible accounts deposit	36,056
Total current assets	4,168,569
Noncurrent assets:	
Capital assets:	
Machinery and equipment	129,825
Less accumulated depreciation	(129,299)
Net capital assets	526
Total assets	4,169,095
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment health benefits deferred contributions	409,330
Total deferred outflows of resources	409,330
Total assets and deferred outflows of resources	$ 4,578,425
LIABILITIES	
Current liabilities:	
Accounts payable	$ 1,187,817
Unearned revenue	1,501,719
Other postemployment health benefits - due within one year	180,706
Total current liabilities	2,870,242
Noncurrent liabilities:	
Other postemployment health benefits	4,015,685
Total noncurrent liabilities	4,015,685
Total liabilities	6,885,927
DEFERRED INFLOWS OF RESOURCES	
Other postemployment health benefits assumption changes	1,203,724
Total deferred inflows of resources	1,203,724
NET POSITION	
Net investment in capital assets	526
Unrestricted	(3,511,752)
Total net position	(3,511,226)
Total liabilities, deferred inflows of resources, and net position	$ 4,578,425

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, 2025

	Governmental Activities: Internal Service Funds
Operating revenues:	
Charges for services	$ 9,989,654
Charges for wellness services	56,491
Stop-loss insurance revenue	400,701
Other district revenue	3,535
Total operating revenues	10,450,381
Operating expenses:	
Administrative expenses	836,032
Communications	16,444
Contracted Medicare supplement	585,369
Depreciation	1,053
Health, dental and vision claims	9,269,524
Minor equipment	9,576
Minor technology equipment	3,496
Other expenses	5,277
Other postemployment health benefits	311,241
Repairs and maintenance	133,132
Salaries and benefits	(136,099)
Wellness	114,276
Total operating expenses	11,149,321
Operating loss	(698,940)
Nonoperating revenues:	
Investment earnings	110,147
Total nonoperating revenues	110,147
Change in net position	(588,793)
Net position, beginning of year	(2,922,433)
Net position, end of year	$ (3,511,226)

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, 2025

	Governmental Activities: Internal Service Funds
Cash flows from operating activities:	
Receipts from users	$ 10,095,941
Receipts from stop-loss insurance claims	400,701
Receipts from donors	3,535
Payments for insurance claims	(9,269,524)
Payments to employees	136,099
Payments to suppliers	(1,813,045)
Net cash flows used for operating activities	(446,293)
Cash flows from investing activities:	
Interest received	110,147
Net cash flows from investing activities	110,147
Net change in cash and cash equivalents	(336,146)
Cash and cash equivalents - beginning of the year	4,467,993
Cash and cash equivalents - end of the year	$ 4,131,847
Reconciliation of operating loss to net cash flows used for operating activities:	
Operating loss	$ (698,940)
Adjustments to reconcile operating loss to net cash flows used for operating activities:	
Depreciation	1,053
(Increase) decrease in inventories	1,677
Increase (decrease) in accounts payable	147,071
Increase (decrease) in unearned insurance premiums	49,796
Increase (decrease) in pension related deferred inflows, deferred outflows and net pension liability	(136,099)
Increase (decrease) in other postemployment benefits	189,149
Total adjustments	252,647
Net cash flows used for operating activities	$ (446,293)

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


QUALITY
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EDUCATION

Notes to Financial Statements

BOZEMAN SCHOOL DISTRICT NO. 7
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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:

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. This Statement is effective for fiscal years beginning after December 15, 2023. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

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. 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, 2025, the Elementary Retirement, Elementary Grants, and High School Retirement funds were reclassified from major to nonmajor 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 Retirement Fund	Elementary Grants Fund	High School Retirement Fund	Nonmajor Governmental
Fund balances 6/30/24, as previously reported	$ 1,816,554	$ 1,517,791	$ 1,280,043	$ 14,982,985
Change from major to nonmajor fund	(1,816,554)	(1,517,791)	(1,280,043)	4,614,388
Fund balances 6/30/24, as adjusted	$ -	$ -	$ -	$ 19,597,373

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, 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 a*vailable* 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 *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, 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, 2025, 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 1st with the taxes generally being levied in August and billed as of November 1st. 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 30th and May 31st. Unpaid taxes become delinquent on December 1st and June 1st. 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, 2025. 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, 2025, this voluntary termination benefit cost the District $3,750 and had 2 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 2025 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 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, 2025, fund balances are comprised of the following:

	General	High School Debt Service	High School Building Reserve	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	$ -	$ -	$ -	$ 66,769	$ 66,769
Prepaid Items	474,100	-	-	154,016	628,116
Endowment	-	-	-	287,147	287,147
Restricted:					
Federal, State, & Local Grants	-	-	-	346,099	346,099
Building construction, repair & renovation	-	-	10,615,376	5,214,067	15,829,443
Debt Service	-	955,655	-	580,644	1,536,299
Student Transport.	-	-	-	1,602,720	1,602,720
Replacing Buses	-	-	-	684,955	684,955
Student Tuition	-	-	-	933,817	933,817
Retirement taxes	-	-	-	2,989,709	2,989,709
Tech acquisition	-	-	-	355,967	355,967
Adult Education	-	-	-	398,519	398,519
Endowment	-	-	-	644,155	644,155
Committed:					
Food services	-	-	-	1,247,240	1,247,240
Special services	-	-	-	118,794	118,794
Business services	-	-	-	1,092,077	1,092,077
Extracurricular activities	-	-	-	899,237	899,237
Drivers education	-	-	-	184,360	184,360
Interlocal agreements	7,454,013	-	-	-	7,454,013
Misc. district ops	-	-	-	853,319	853,319
Assigned:					
Comp. absences	597,829	-	-	-	597,829
Unassigned	6,635,706	-	-	-	6,635,706
Total fund balances	$15,161,648	$ 955,655	$10,615,376	$18,653,611	$ 45,386,290

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 30th 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	$ 233,450,944
Less: capital related debt	(138,262,710)
Less: capital related lease and subscription liabilities	(116,383)
Plus: capital related deferred outflows of resources	350,194
Net investment in capital assets	$ 95,422,045

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	$ 850,368
Consolidating compensated absence fund activity	(141,649)
Consolidating K-12 interlocal fund activity	(246,842)
Budget Basis	$ 461,877

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 and change cash	$ 9,414
First Interstate Bank	22,124,593
County Treasurer's Investment Pool	2,803,322
Short-term investment in STIP	20,064,764
Cash in D.A. Davidson bank insured deposits	3,728
Total	$ 45,005,821

Investments consist of:

			Credit Risk	
	Investment Mkt Value	Maturities	Standard & Poor's Corporate Bond Rating	Fair Value Measurement
Mutual Funds	$ 927,574	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, 2025, 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	High School Debt Service	High School Building Reserve	Nonmajor and Other Funds	Total
Receivables:					
Accounts	$ 21,323	$ -	$ -	$ 164,352	$ 185,675
Property taxes	728,944	337,689	89,869	397,205	1,553,707
Gross receivables	750,267	337,689	89,869	561,557	1,739,382
Less: allowance for uncollectibles (government-wide only)	(8,288)	(3,840)	(1,022)	(4,517)	(17,667)
Net total receivables	$741,979	$ 333,849	$ 88,847	$ 557,040	$1,721,715

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)	$ 728,944	$ -
Delinquent property taxes receivable (High school debt service fund)	337,689	-
Delinquent property taxes receivable (High school building reserve fund)	89,869	-
Delinquent property taxes receivable (Nonmajor governmental funds)	397,205	-
Interlocal agreement fund (General fund)	-	5,076
Food services, elementary, and high school grants funds (nonmajor gov'tl funds)	-	149,451
	$ 1,553,707	$154,527

The Self-Insurance internal service fund had unearned revenue of $1,501,719 as of June 30, 2025, 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	446,617	2,412,325	(1,381,226)	1,477,716
Total capital assets, not being depreciated	13,545,445	2,412,325	(1,381,226)	14,576,544
Capital assets, being depreciated:				
Land improvements	38,501,459	1,167,482	-	39,668,941
Buildings and improvements	270,499,874	377,419	-	270,877,293
Machinery and equipment	8,901,396	111,352	-	9,012,748
Total capital assets being depreciated	317,902,729	1,656,253	-	319,558,982
Less accumulated depreciation for;				
Land improvements	(13,096,872)	(1,861,962)	-	(14,958,834)
Buildings and improvements	(72,082,441)	(7,362,173)	-	(79,444,614)
Machinery and equipment	(6,300,359)	(446,939)	-	(6,747,298)
Total accumulated depreciation	(91,479,672)	(9,671,074)	-	(101,150,746)
Total capital assets, being depreciated, net	226,423,057	(8,014,821)	-	218,408,236
Right to use assets, being amortized:				
Leased equipment	376,429	-	-	376,429
Subscription IT assets	972,329	338,687	-	1,311,016
Total right to use assets being amortized	1,348,758	338,687	-	1,687,445
Less accumulated amortization for;				
Leased equipment	(250,952)	(125,477)	-	(376,429)
Subscription IT assets	(493,318)	(351,534)	-	(844,852)
Total accumulated amortization	(744,270)	(477,011)	-	(1,221,281)
Total right to use assets, being amortized, net	604,488	(138,324)	-	466,164
Governmental activities capital assets and right-to-use assets, net	$ 240,572,990	$ (5,740,820)	$ (1,381,226)	$ 233,450,944

Depreciation and amortization expense for the year ended June 30, 2025 was charged to functions of the primary government as follows:

Governmental Activities:	
Instruction	$ 588,933
Support services	84,952
General administration	74,890
Operations and maintenance	97,260
Student transportation	8,577
Food services	52,493
Extracurricular activities	15,792
Unallocated depreciation (buildings and land improvements)	9,224,135
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	$ 10,148,085

Construction commitments - The District has active construction projects as of June 30, 2025. At year-end the District's commitments with contractors were as follows:

	Spent-to-Date	Remaining Commitment
Construction contract for Emily Dickinson shade structure	$ 33,250	$ 41,650
Architect & construction contracts for Emily Dickinson library remodel	27,739	192,338
Architect & construction contracts for Morning Star classroom renovation	317,227	260,774
Architect contract for Gallatin High School solar array	4,500	3,700
Architect & construction contracts for Willson day school and gym improvements	586,794	141,249
Architect & construction contract for Willson exterior improvements	114,831	102,369
Total	$ 1,084,341	$ 742,080

The elementary building reserve fund is paying for the Emily Dickinson shade structure and library remodel, and the Morning Star classroom renovation. The high school building reserve is paying for the Gallatin High School solar array. 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, 2025 the District has recognized a right to use asset of $376,429, less accumulated amortization of $376,429 and fulfilled its lease obligation 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. There are no future lease payments under the lease agreement.

The District has entered into several SBITA contracts for software. As of June 30, 2025 the District has recognized a right to use subscription asset of $1,311,016, less accumulated amortization of $844,852, and a subscription liability of $118,193. During the fiscal year, the District recorded $351,534 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:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2026	64,926	2,530	67,456

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 $2,969,949 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, 2025 the District reported the following:

	Due from
Due to	K-12 Interlocal Agreements General Subfund
High School Debt Service Fund	62,021
Total	$ 62,021

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

E. 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, 2025	Due Within One Year
2012 Elementary	10,000,000	20	1.00 - 3.00%	$ 4,055,000	$ 530,000
2014 Elementary	9,500,000	11	1.00 - 4.00%	1,400,000	1,400,000
2015 Elementary	8,935,000	13	2.00 - 5.00%	3,610,000	1,155,000
2016 Elementary	21,500,000	20	2.00 - 5.00%	13,235,000	1,115,000
2022 Elementary	9,075,000	8	4.00%	7,680,000	185,000
Subtotal				29,980,000	4,385,000
2014 High School	9,150,000	11	1.00 - 4.00%	2,115,000	2,115,000
2017 High School	5,900,000	9	2.00 - 3.00%	680,000	680,000
2017 High School	100,000,000	20	3.00 - 5.00%	72,390,000	4,720,000
2019 High School	25,000,000	16	2.00 - 5.00%	21,365,000	830,000
Subtotal				96,550,000	8,345,000
Total general obligation bonds				126,530,000	$12,730,000
Bond premiums				11,732,710	
Total bonds payable				$138,262,710	

Annual debt service requirements to maturity on general obligation bonds at June 30, 2025 to be paid out of the elementary and high school debt service funds, are summarized as follows:

	Governmental Activities		
Year ending June 30:	Principal	Interest	Total
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	10,910,000	2,859,000	13,769,000
2031-2035	51,230,000	8,420,050	59,650,050
2036-2037	15,740,000	765,850	16,505,850
Total	$ 126,530,000	$ 28,516,700	$ 155,046,700

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 $4,610,0000 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, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligations bonds	$ 138,735,000	$ -	$ (12,205,000)	$ 126,530,000	$ 12,730,000
Amortized amounts:					
Bond premiums	13,010,912	-	(1,278,202)	11,732,710	-
Total bonds payable	151,745,912	-	(13,483,202)	138,262,710	12,730,000
Compensated absences	4,752,065	2,453,085	(520,358)	6,684,792	666,292
Voluntary termination benefits	7,000	-	(3,750)	3,250	3,000
Net pension liability	68,122,346	-	(1,652,649)	66,469,697	-
Lease liability	125,358	-	(125,358)	-	-
Subscription liability	118,193	-	(53,267)	64,926	64,926
Other postemployment benefits	4,103,239	563,475	(470,323)	4,196,391	180,706
Total governmental activity Long-term liabilities	$ 228,974,113	$ 3,016,560	$ (16,308,907)	$ 215,681,766	$ 13,644,924

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, 2025, legal debt limitations were as follows:

	Taxing District	
	Elementary	High School
Legal Debt Service Limitation	$ 354,949,106	$ 449,514,920

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.

F. 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, 2025, are as follows:

Fund Name	Fund Type	Amount
Elementary building reserve	Capital Projects	$ 3,297,566
High School building reserve	Capital Projects	10,615,376
Elementary building	Capital Projects	1,916,309
High School building	Capital Projects	192
Elementary debt service	Debt Service	580,644
High School debt service	Debt Service	955,655
Elementary bus depreciation	Special Revenue	342,340
High School bus depreciation	Special Revenue	342,615
Elementary retirement	Special Revenue	1,698,738
High School retirement	Special Revenue	1,290,971
Elementary technology acquisition	Special Revenue	227,333
High School technology acquisition	Special Revenue	128,634
Elementary transportation	Special Revenue	836,013
High School transportation	Special Revenue	766,707
Elementary tuition	Special Revenue	210,496
High School tuition	Special Revenue	723,321
Elementary grants	Special Revenue	236,941
High School grants	Special Revenue	109,158
Adult education	Special Revenue	398,519
High school endowment	Special Revenue	644,155
Total restricted fund balances		$ 25,321,683

G. ***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
2023	$ 643,243	$8,866,131	$8,798,939	$ 710,435
2024	710,435	8,687,324	8,505,292	892,467
2025	892,467	10,180,512	10,009,616	1,063,363

As of June 30, 2025, 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, 2024, and a reporting date of June 30, 2025. 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	$57,028,461	$ 9,441,236	$66,469,697
Deferred Outflows of Resources	6,602,047	1,189,889	7,791,936
Deferred Inflows of Resources	3,113,247	209,947	3,323,194
Pension Expense	5,442,484	928,222	6,370,706

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, 2024 and June 30, 2025(reporting dates).

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
BOZEMAN SCHOOL DISTRICT NO. 7					
Proportionate Share	$57,028,461	$58,675,629	3.0435%	3.0285%	0.0150%
State of Montana Proportionate Share associated with employer	30,250,392	31,725,571	1.6144%	1.6375%	-0.0231%
Total	$87,278,853	$90,401,200	4.6579%	4.6660%	-0.0081%

At June 30, 2025, the employer recorded a liability of $57,028,461 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2025, the employer's proportion was 3.0435 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

	Pension Expense as of 6/30/2025
Bozeman School District No. 7 Proportionate Share	$ 3,815,324
State of Montana Proportionate Share associated with the Employer	1,627,160
Total	$ 5,442,484

At June 30, 2025, the employer recognized a Pension Expense of $5,442,484 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of $1,627,160 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, 2025, the employer reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,442,789	$ -
Changes in actuarial assumptions	-	1,895,574
Differences between projected and actual investment earnings	-	1,100,519
Changes in proportion & differences between actual and expected contributions	463,130	117,154
*Contributions paid to TRS subsequent to the measurement date - FY 2025 Contributions	4,696,128	-
Total	$ 6,602,047	$ 3,113,247

* 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, 2026.

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

Year Ended June 30	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) - (b)
2026	$ -	$3,353,504	$ (3,353,504)
2027	2,965,094	-	2,965,094
2028	-	444,860	(444,860)
2029		374,058	(374,058)

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.

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% x AFC x 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 x AFC x 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

	Members	Employers	General Fund	Total employee & employer
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	7.47%	2.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	7.47%	2.49%	17.11%
July 1, 2013 to June 30, 2014	8.15%	8.47%	2.49%	19.11%
July 1, 2014 to June 30, 2015	8.15%	8.57%	2.49%	19.21%
July 1, 2015 to June 30, 2016	8.15%	8.67%	2.49%	19.31%
July 1, 2016 to June 30, 2017	8.15%	8.77%	2.49%	19.41%
July 1, 2017 to June 30, 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

	Members	Employers	General Fund	Total employee & employer
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, 2024, measurement date, is based on the results of an actuarial valuation date of July 1, 2024. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2024 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 2134. 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

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Privat 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%
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

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.

	1.0% Decrease (6.30%)	Current Discount Rate (7.30%)	1.0% Increase (8.30%)
Bozeman School District No. 7's portion of Net Pension Liability	$81,963,978	$ 57,028,461	$ 36,194,595

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, 2024 measurement date for the 2025 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, 2025.

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, 2024, was determined from an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

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, 2025, and 2024, 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 $9,441,236 and the employer's proportionate share was 0.386024 percent.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Bozeman School District No. 7 Proportionate Share	$ 9,441,236	$ 9,446,717	0.386024%	0.387104%	-0.001080%
State of Montana Proportionate Share associated with employer	2,756,952	2,908,910	0.112724%	0.119200%	-0.006476%
Total	$12,198,188	$12,355,627	0.498748%	0.506304%	-0.007556%

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, 2025, the employer recognized a pension expense of $780,474 for its proportionate share of the Plan's pension expense. The employer also recognized grant revenue of $147,748 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	$ 780,474
State of Montana Proportionate Share associated with the Employer	147,748
Total	$ 928,222

Recognition of Deferred Inflows and Outflows

At June 30, 2025, 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	$ 477,109	$ -
Projected Investment Earnings vs Actual Investment Earnings	-	209,947
Changes in Assumptions	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	10,151	-
Employer contributions subsequent to the measurement date	702,629	-
Total	$ 1,189,889	$ 209,947

$702,629 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
2025	$ (97,288)
2026	612,612
2027	(147,594)
2028	(90,417)

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.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
2025	7.9000%	7.9000%	9.170%	9.070%	0.100%	8.800%	0.370%
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, 2025, 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.
  - 3% for members hired prior to July 1, 2007
  - 1.5% for members hired between July 1, 2007 and June 30, 2013
  - Members hired on or after July 1, 2013:
    (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
  - PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021
- Mortality among disabled retirees
  - PUBT-2010 Retiree mortality projected to 2021 with ages set forward one year for both males and females
- Mortality among contingent survivors
  - 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

- 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 2128. 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, 2024, 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	$ 13,763,275	$ 9,441,236	$ 5,816,994

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, 2024, 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 351 employers that have participants in the PERS-DCRP totaled $1,345,278.

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, 2025.

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 2024, the census valuation date, the following employees were covered by the benefit terms:

Category	Count
Active employees	806
Inactive employees entitled to but not yet receiving benefit payment	-
Inactive employees or beneficiaries currently receiving benefit payments	17
Total	823

Contributions

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

Total OPEB Liability (TOL)

The District's total OPEB liability of $4,196,391 was measured as of June 30, 2024, and was determined by an actuarial valuation as of September 1, 2024.

Changes in the TOL for the year ended June 30, 2024, are as follows:

Service cost	$ 289,032
Interest	157,863
Differences between expected and actual experience	(142,425)
Changes in assumptions	(76,823)
Benefit payments	(134,495)
Net change in total OPEB liability	93,152
Total OPEB liability, beginning of year	4,103,239
Total OPEB liability, end of year	$ 4,196,391

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 (2.93%) or one percentage point higher (4.93%) follows:

	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	$ 4,582,681	$ 4,196,391	$ 3,840,308

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 we recalculated using healthcare cost trend rates that are one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current healthcare cost trend rate follows:

	1% Decrease 5.00% decreasing to 2.90%	Trend Rate 6.00% decreasing to 3.90%	1% Increase 7.00% decreasing to 4.90%
Total OPEB liability	$ 3,703,105	$ 4,196,391	$ 4,779,446

For the year ended June 30, 2025, the District recognized OPEB expense of $311,241. At June 30, 2025, 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	$ 287,238	$ 726,807
Differences between expected and actual experience	-	476,917
Deferred contributions	122,092	-
Total	$ 409,330	$ 1,203,724

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date of $122,092 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. 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
2026	$ (122,612)
2027	(111,946)
2028	(105,348)
2029	(116,593)
2030	(112,326)
Thereafter	(347,661)

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, 2024 for fiscal year end June 30, 2025 financial reporting. This valuation was derived based on the 2024 actual costs and participants. As of September 1, 2024, the most recent valuation date, the District's total OPEB liability was determined using the following significant actuarial methods and assumptions:

Valuation Methods:

- Funding Method: Entry Age Normal Cost, level percent of pay
- Asset Valuation Method: Not applicable ($0; no OPEB trust has been established)
- Participants Value: Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
- 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								
	Male				Female			
Medical Plan	48	53	58	63	48	53	58	63
Basic Plan	$ 861	$1,138	$1,450	$1,798	$1,115	$1,314	$1,485	$1,745
Medium HDHP	588	776	989	1,226	760	896	1,013	1,190
Castastropihic HDHP	482	636	810	1,005	623	734	830	975

Economic Assumptions:

- Municipal Bond Index: Bond Buyer 20 Year High Grade Index
- Discount Rates: 3.65% as of June 30, 2023, and 3.93% as of June 30, 2024
- General Inflation Rate: 2.5% per year
- 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
- 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
2025	Actual	2044-2049	4.70%
2026	6.00%	2050-2059	4.60%
2027	5.50%	2060-2065	4.50%
2028	5.40%	2066-2067	4.40%
2029	5.30%	2068-2069	4.30%
2030	5.20%	2070	4.20%
2031	5.10%	2071-2072	4.10%
2032-2037	5.00%	2073-2074	4.00%
2038-2039	4.90%	2075	3.90%
2040-2043	4.80%	& 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:

- 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.
- 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).

- Mortality Before Retirement: PERS members – PUB 2010 General Amount Weighted Employee mortality; TRS members – PUBT-2010 General Employee mortality
- 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
- 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:

- Discount Rates: Changed from a rate of 3.65% on June 30, 2023 to a rate of 3.93% on June 30, 2024.

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, 2025, the District portion of the property taxes abated by Gallatin County is immaterial to the financial statements.

E. Contingencies

As of June 30, 2025, 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, 2025

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 289,032	$ 285,942	$ 349,680	$ 336,651	$ 309,832	$ 283,632	$ 259,481	$ 277,808
Interest	157,863	144,168	103,389	99,616	151,336	153,908	136,187	110,781
Differences between expected and actual experience	(142,425)	-	(83,834)	-	(504,848)	-	(230,765)	-
Change of assumptions	(76,823)	(40,397)	(843,754)	20,093	421,574	121,038	164,113	(200,330)
Benefit payments	(134,495)	(146,150)	(205,322)	(175,398)	(242,166)	(258,165)	(210,219)	(187,798)
Net changes in total OPEB liability	93,152	243,563	(679,841)	280,962	135,728	300,413	118,797	461
Total OPEB liability, beginning of year	4,103,239	3,859,676	4,539,517	4,258,555	4,122,827	3,822,414	3,703,617	3,703,156
Total OPEB liability, end of year	$ 4,196,391	$ 4,103,239	$ 3,859,676	$ 4,539,517	$ 4,258,555	$ 4,122,827	$ 3,822,414	$ 3,703,617
Plan Fiduciary Net Position								
Contributions - employer	$ 134,495	$ 146,150	$ 205,322	$ 175,398	$ 242,166	$ 258,165	$ 210,219	$ 187,798
Benefit payments	(134,495)	(146,150)	(205,322)	(175,398)	(242,166)	(258,165)	(210,219)	(187,798)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position, beginning of year	-	-	-	-	-	-	-	-
Plan fiduciary net position, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB liability, end of year	$ 4,196,391	$ 4,103,239	$ 3,859,676	$ 4,539,517	$ 4,258,555	$ 4,122,827	$ 3,822,414	$ 3,703,617
Covered employee payroll	$ 56,446,797	$ 51,991,356	$ 53,061,908	$ 50,902,086	$ 46,106,420	$ 44,043,978	$ 40,152,427	$ 38,468,195
District's total OPEB liability as a percentage of covered-employee payroll	7.43%	7.89%	7.27%	8.92%	9.24%	9.36%	9.52%	9.63%

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, 2025

Schedule of Proportionate Share of the Net Pension Liability:

As of Measurement Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Employer's proportion of the net pension liability	3.0435%	3.0285%	2.9873%	2.9068%	2.7352%	2.7798%	2.7143%	2.6295%	2.5335%	2.4641%
Employer's proportionate share of the net pension liability associated with the Employer	$ 57,028,461	$ 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
State of Montana's proportionate share of the net pension liability associated with the Employer	$ 30,250,392	$ 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
Total	$ 87,278,853	$ 90,401,200	$91,212,883	$75,629,495	$97,912,448	$86,053,702	$81,670,188	$72,478,498	$76,438,182	$67,593,185
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
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	124.64%	130.27%	133.99%	116.31%	163.35%	142.13%	139.46%	127.83%	140.74%	128.75%
Plan fiduciary net position as a percentage of the total pension liability	73.33%	71.75%	70.61%	75.54%	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%

Schedule of Contributions:

As of Reporting Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Contractually required contributions	$ 4,696,128	$ 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
Contributions in relation to the contractually required contributions	$ 4,696,128	$ 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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 48,608,263	$ 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
Contributions of covered payroll (as a percentage)	9.66%	10.03%	9.70%	9.73%	9.96%	9.64%	9.61%	9.54%	9.42%	9.15%

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, 2025

Schedule of Proportionate Share of the Net Pension Liability:

As of Measurement Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Employer's proportionate share of the net pension liability (percentage)	0.3860%	0.3871%	0.3836%	0.3499%	0.3442%	0.3368%	0.3300%	0.4258%	0.4178%	0.4064%
Employer's proportion of the net pension liability (amount)	$ 9,441,236	$ 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
State of Montana's proportionate share of the net pension liability (amount)	$ 2,756,952	$ 2,908,910	$ 3,025,571	$ 2,084,792	$ 3,176,134	$ 2,539,413	$ 2,569,818	$ 435,070	$ 332,565	$ 266,953
Total	$ 12,198,188	$ 12,355,627	$ 12,147,429	$ 8,428,760	$ 12,258,145	$ 9,580,449	$ 9,457,620	$ 8,727,497	$ 7,448,442	$ 5,948,025
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
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	121.28%	127.43%	131.37%	99.85%	152.34%	122.70%	122.87%	151.93%	137.56%	115.85%
Plan fiduciary net position as a percentage of the total pension liability	74.77%	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%

Schedule of Contributions:

As of Reporting Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Contractually required defined benefit contributions	$ 702,630	$ 689,164	$ 650,947	$ 599,568	$ 547,674	$ 506,048	$ 478,012	$ 459,685	$ 442,087	$ 418,263
Plan Choice Rate Required Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,924
Contributions in relation to the contractually required contributions	$ 702,630	$ 689,164	$ 650,947	$ 599,568	$ 547,674	$ 506,048	$ 478,012	$ 459,685	$ 442,087	$ 437,187
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 7,984,432	$ 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
Contributions of covered payroll (as a percentage)	8.80%	8.85%	8.78%	8.63%	8.62%	8.49%	8.33%	8.20%	8.10%	8.45%

BOZEMAN SCHOOL DISTRICT NO. 7
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

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, wit 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.

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	24 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, 2024, which were based on the results of the June 30, 2023 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, 2023 valuation, were developed in the five year experience study for the period ending 2021.


QUALITY
BOZEMAN
EDUCATION

Combining Financial Statements


QUALITY
BOZEMAN
EDUCATION

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 the District's *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, 2025

	Elementary General Fund	Elementary Compensated Absence Fund	High School General Fund	High School Compensated Absence Fund	K-12 Interlocal Agreement	Totals
ASSETS						
Cash and cash equivalents	$ 3,678,570	$ 343,503	$ 2,506,140	$ 254,326	$ 7,437,976	$ 14,220,515
Property taxes receivable	416,078	-	312,866	-	-	728,944
Due from other funds	-	-	-	-	62,021	62,021
Due from other governments	300,901	-	206,116	-	-	507,017
Accounts receivable	9,756	-	11,385	-	182	21,323
Prepaid items	45,000	-	9,966	-	419,134	474,100
Total assets	$ 4,450,305	$ 343,503	$ 3,046,473	$ 254,326	$ 7,919,313	$ 16,013,920
LIABILITIES						
Accounts payable and other accrued liabilities	$ 65,107	$ -	$ 12,055	$ -	$ 41,090	$ 118,252
Unearned revenue	-	-	-	-	5,076	5,076
Total liabilities	65,107	-	12,055	-	46,166	123,328
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	416,078	-	312,866	-	-	728,944
Total deferred inflows of resources	416,078	-	312,866	-	-	728,944
FUND BALANCES						
Nonspendable	45,000	-	9,966	-	419,134	474,100
Committed	-	-	-	-	7,454,013	7,454,013
Assigned	-	343,503	-	254,326	-	597,829
Unassigned	3,924,120	-	2,711,586	-	-	6,635,706
Total fund balances	3,969,120	343,503	2,721,552	254,326	7,873,147	15,161,648
Total liabilities, deferred inflows of resources, and fund balances	$ 4,450,305	$ 343,503	$ 3,046,473	$ 254,326	$ 7,919,313	$ 16,013,920

BOZEMAN SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GENERAL SUBFUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Elementary General Fund	Elementary Compensated Absence Fund	High School General Fund	High School Compensated Absence Fund	K-12 Interlocal Agreement	Totals
Revenues:						
District property taxes	$ 15,721,138	$ -	$ 10,804,552	$ -	$ -	$ 26,525,690
Tuition and fees	2,050	-	-	-	-	2,050
Investment earnings	83,534	2,392	60,591	1,620	271,331	419,468
Other district revenue	384,028	-	292,906	-	3,680	680,614
State of Montana	21,229,502	-	14,153,974	-	-	35,383,476
Total revenues	37,420,252	2,392	25,312,023	1,620	275,011	63,011,298
Expenditures:						
Current -						
Instruction	24,638,288	22,425	13,582,733	1,276	1,483,570	39,728,292
Support services	4,309,093	7,189	1,522,303	7,003	252,864	6,098,452
General administration	1,625,307	12,069	1,551,491	12,078	153,371	3,354,316
Building administration	2,691,135	21,164	1,650,768	16,986	167,010	4,547,063
Operations and maintenance	2,592,875	28,020	3,065,605	11,332	859,445	6,557,277
Food services	-	-	-	12,821	-	12,821
Extracurricular activities	231,711	-	1,566,684	-	3,304	1,801,699
Capital outlay	-	-	-	-	78,554	78,554
Total expenditures	36,088,409	90,867	22,939,584	61,496	2,998,118	62,178,474
Other financing sources (uses):						
Transfers in	-	160,000	-	130,000	2,969,949	3,259,949
Transfers out	(1,079,516)	-	(2,180,433)	-	-	(3,259,949)
Proceeds from sale of assets	-	-	17,544	-	-	17,544
Total other financing sources (uses)	(1,079,516)	160,000	(2,162,889)	130,000	2,969,949	17,544
Net change in fund balances	252,327	71,525	209,550	70,124	246,842	850,368
Fund balances, beginning of year	3,716,793	271,978	2,512,002	184,202	7,626,305	14,311,280
Fund balances, end of year	$ 3,969,120	$ 343,503	$ 2,721,552	$ 254,326	$ 7,873,147	$ 15,161,648

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, 2025

	Elementary General Subfund			High School General Subfund			Elementary and High School General Subfunds		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:									
District property taxes	$ 15,853,942	$ 15,721,138	$ (132,804)	$ 10,910,750	$ 10,804,552	$ (106,198)	$ 26,764,692	$ 26,525,690	$ (239,002)
Tuition and fees	-	2,050	2,050	-	-	-	-	2,050	2,050
Investment earnings	84,481	83,534	(947)	55,293	60,591	5,298	139,774	144,125	4,351
Other district revenue	-	384,028	384,028	-	292,906	292,906	-	676,934	676,934
State of Montana	21,229,502	21,229,502	-	14,153,974	14,153,974	-	35,383,476	35,383,476	-
Total revenues	37,167,925	37,420,252	252,327	25,120,017	25,312,023	192,006	62,287,942	62,732,275	444,333
Expenditures:									
Current -									
Instruction	22,603,098	24,638,288	(2,035,190)	14,590,820	13,582,733	1,008,087	37,193,918	38,221,021	(1,027,103)
Support services	5,056,087	4,309,093	746,994	1,430,609	1,522,303	(91,694)	6,486,696	5,831,396	655,300
General administration	1,611,398	1,625,307	(13,909)	1,457,804	1,551,491	(93,687)	3,069,202	3,176,798	(107,596)
Building administration	2,860,864	2,691,135	169,729	1,492,689	1,650,768	(158,079)	4,353,553	4,341,903	11,650
Operations and maintenance	3,829,319	2,592,875	1,236,444	3,951,400	3,065,605	885,795	7,780,719	5,658,480	2,122,239
Extracurricular activities	287,643	231,711	55,932	1,525,179	1,566,684	(41,505)	1,812,822	1,798,395	14,427
Total expenditures	36,248,409	36,088,409	160,000	24,448,501	22,939,584	1,508,917	60,696,910	59,027,993	1,668,917
Other financing sources (uses):									
Transfers out	(919,516)	(1,079,516)	(160,000)	(671,516)	(2,180,433)	(1,508,917)	(1,591,032)	(3,259,949)	(1,668,917)
Proceeds from sale of assets	-	-	-	-	17,544	17,544	-	17,544	17,544
Total other financing sources (uses)	(919,516)	(1,079,516)	(160,000)	(671,516)	(2,162,889)	(1,491,373)	(1,591,032)	(3,242,405)	(1,651,373)
Net change in fund balances	-	252,327	252,327	-	209,550	209,550	-	461,877	461,877
Fund balances, beginning of year	3,716,793	3,716,793	-	2,512,002	2,512,002	-	6,228,795	6,228,795	-
Fund balances, end of year	$ 3,716,793	$ 3,969,120	$ 252,327	$ 2,512,002	$ 2,721,552	$ 209,550	$ 6,228,795	$ 6,690,672	$ 461,877

Nonmajor Governmental Funds – By Fund Type

BOZEMAN SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 10,667,530	$ 7,042	$ 5,281,499	$ 15,956,071
Investments	927,574	-	-	927,574
Property taxes receivable	170,170	126,583	100,452	397,205
Due from other governments	1,117,787	573,602	2,792	1,694,181
Accounts receivable	164,352	-	-	164,352
Inventory, at cost	66,769	-	-	66,769
Prepaid items	154,016	-	-	154,016
Total assets	$ 13,268,198	$ 707,227	$ 5,384,743	$ 19,360,168
LIABILITIES				
Accounts payable and other accrued liabilities	$ 89,677	$ -	$ 44,226	$ 133,903
Retainages payable	-	-	25,998	25,998
Unearned revenue	149,451	-	-	149,451
Total liabilities	239,128	-	70,224	309,352
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	170,170	126,583	100,452	397,205
Total deferred inflows of resources	170,170	126,583	100,452	397,205
FUND BALANCES				
Nonspendable	507,932	-	-	507,932
Restricted	7,955,941	580,644	5,214,067	13,750,652
Committed	4,395,027	-	-	4,395,027
Total fund balances	12,858,900	580,644	5,214,067	18,653,611
Total liabilities, deferred inflows of resources, and fund balances	$ 13,268,198	$ 707,227	$ 5,384,743	$ 19,360,168

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, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
District property taxes	$ 6,235,610	$ 4,750,784	$ 3,844,191	$ 14,830,585
Tuition and fees	1,864,349	-	-	1,864,349
Investment earnings	243,248	43,492	140,937	427,677
Other district revenue	5,053,311	573,607	-	5,626,918
Gallatin County	9,698,867	-	-	9,698,867
State of Montana	3,325,702	-	83,502	3,409,204
Federal	4,104,352	-	-	4,104,352
Total revenues	30,525,439	5,367,883	4,068,630	39,961,952
Expenditures:				
Current -				
Instruction	12,247,685	-	-	12,247,685
Support services	3,097,757	-	1,535,209	4,632,966
General administration	1,530,464	-	48,736	1,579,200
Building administration	1,297,701	-	240,458	1,538,159
Operations and maintenance	1,141,627	91,283	1,450,454	2,683,364
Student transportation	4,557,580	-	-	4,557,580
Food services	3,175,936	-	-	3,175,936
Extracurricular activities	3,631,298	-	-	3,631,298
Capital outlay	96,586	-	1,070,009	1,166,595
Debt service -				
Principal retirement - bonds	-	4,225,000	-	4,225,000
Interest and fiscal charges	-	1,301,129	-	1,301,129
Lease and subscription principal payments	191,962	-	-	191,962
Total expenditures	30,968,596	5,617,412	4,344,866	40,930,874
Excess (deficiency) of revenues over expenditures	(443,157)	(249,529)	(276,236)	(968,922)
Other financing sources (uses):				
Proceeds from sale of assets	25,160	-	-	25,160
Total other financing sources (uses)	25,160	-	-	25,160
Net changes in fund balances	(417,997)	(249,529)	(276,236)	(943,762)
Fund balances, beginning of year, as previously presented	8,662,509	830,173	5,490,303	14,982,985
Change within financial reporting entity (nonmajor to major fund)	4,614,388	-	-	4,614,388
Fund balances, beginning of year, as adjusted	13,276,897	830,173	5,490,303	19,597,373
Fund balances, end of year	$ 12,858,900	$ 580,644	$ 5,214,067	$ 18,653,611


QUALITY
BOZEMAN
EDUCATION

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 – (Elementary and 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, 2025

	Elementary Transportation	Elementary Bus Depreciation	Elementary Tuition	Elementary Retirement	Elementary Grants	Elementary Technology Acquisition	Elementary Flexibility	Elementary Student Club Extracurricular
ASSETS								
Cash and cash equivalents	$ 834,046	$ 342,340	$ 210,279	$ 1,695,290	$ 272,093	$ 242,389	$ 6,155	$ 74,052
Investments	-	-	-	-	-	-	-	-
Property taxes receivable	71,838	-	7,943	-	-	18,334	-	-
Due from other governments	1,993	-	217	-	924,873	501	-	-
Accounts receivable	-	-	-	3,448	99,900	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	1,650	119,887	-	-
Total assets	$ 907,877	$ 342,340	$ 218,439	$ 1,698,738	$ 1,298,516	$ 381,111	$ 6,155	$ 74,052
LIABILITIES								
Accounts payable and other accrued liabilities	$ 26	$ -	$ -	$ -	$ 15,652	$ 15,557	$ -	$ 739
Unearned revenue	-	-	-	-	415	-	-	-
Total liabilities	26	-	-	-	16,067	15,557	-	739
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	71,838	-	7,943	-	-	18,334	-	-
Total deferred inflows of resources	71,838	-	7,943	-	-	18,334	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	1,650	119,887	-	-
Restricted	836,013	342,340	210,496	1,698,738	236,941	227,333	-	-
Committed	-	-	-	-	1,043,858	-	6,155	73,313
Total fund balances	836,013	342,340	210,496	1,698,738	1,282,449	347,220	6,155	73,313
Total liabilities, deferred inflows of resources, and fund balances	$ 907,877	$ 342,340	$ 218,439	$ 1,698,738	$ 1,298,516	$ 381,111	$ 6,155	$ 74,052

(Continued)

BOZEMAN SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	High School Transportation	High School Bus Depreciation	High School Food Services	High School Tuition	High School Retirement	High School Grants	High School Adult Education
ASSETS							
Cash and cash equivalents	$ 766,036	$ 342,615	$ 1,257,007	$ 724,809	$ 1,289,022	$ 1,067,957	$ 398,177
Investments	-	-	-	-	-	-	-
Property taxes receivable	28,325	-	-	8,007	-	-	23,509
Due from other governments	697	-	132,480	200	-	404	587
Accounts receivable	-	-	-	-	1,949	57,180	-
Inventory, at cost	-	-	63,544	-	-	3,225	-
Prepaid items	-	-	-	-	-	4,833	-
Total assets	$ 795,058	$ 342,615	$ 1,453,031	$ 733,016	$ 1,290,971	$ 1,133,599	$ 422,273
LIABILITIES							
Accounts payable and other accrued liabilities	$ 26	$ -	$ 1,111	$ 1,688	$ -	$ 6,442	$ 245
Unearned revenue	-	-	141,136	-	-	7,900	-
Total liabilities	26	-	142,247	1,688	-	14,342	245
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	28,325	-	-	8,007	-	-	23,509
Total deferred inflows of resources	28,325	-	-	8,007		-	23,509
FUND BALANCES							
Nonspendable	-	-	63,544	-	-	8,058	-
Restricted	766,707	342,615	-	723,321	1,290,971	109,158	398,519
Committed	-	-	1,247,240	-	-	1,002,041	-
Total fund balances	766,707	342,615	1,310,784	723,321	1,290,971	1,119,257	398,519
Total liabilities, deferred inflows of resources, and fund balances	$ 795,058	$ 342,615	$ 1,453,031	$ 733,016	$ 1,290,971	$ 1,133,599	$ 422,273

(Continued)

BOZEMAN SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	High School Drivers Education	High School Technology Acquisition	High School Flexibility	High School Student Club Extracurricular	Nonexpendable High School Endowment	Totals
ASSETS						
Cash and cash equivalents	$ 128,501	$ 143,886	$ 13,097	$ 856,051	$ 3,728	$ 10,667,530
Investments	-	-	-	-	927,574	927,574
Property taxes receivable	-	12,214	-	-	-	170,170
Due from other governments	55,530	305	-	-	-	1,117,787
Accounts receivable	1,875	-	-	-	-	164,352
Inventory, at cost	-	-	-	-	-	66,769
Prepaid items	-	27,551	-	95	-	154,016
Total assets	$ 185,906	$ 183,956	$ 13,097	$ 856,146	$ 931,302	$ 13,268,198
LIABILITIES						
Accounts payable and other accrued liabilities	$ 1,546	$ 15,557	$ 961	$ 30,127	$ -	$ 89,677
Unearned revenue	-	-	-	-	-	149,451
Total liabilities	1,546	15,557	961	30,127	-	239,128
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	12,214	-	-	-	170,170
Total deferred inflows of resources	-	12,214	-	-	-	- 170,170
FUND BALANCES						
Nonspendable	-	27,551	-	95	287,147	507,932
Restricted	-	128,634	-	-	644,155	7,955,941
Committed	184,360	-	12,136	825,924	-	4,395,027
Total fund balances	184,360	156,185	12,136	826,019	931,302	12,858,900
Total liabilities, deferred inflows of resources, and fund balances	$ 185,906	$ 183,956	$ 13,097	$ 856,146	$ 931,302	$ 13,268,198

(Concluded)

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, 2025

	Elementary Transportation	Elementary Bus Depreciation	Elementary Tuition	Elementary Retirement	Elementary Grants	Elementary Technology Acquisition	Elementary Flexibility	Middle School Student Club Extracurricular
Revenues:								
District property taxes	$ 2,744,032	$ -	$ 299,363	$ -	$ -	$ 690,673	$ -	$ -
Tuition and fees	-	-	-	-	40	-	-	-
Investment earnings	16,509	15,100	4,714	6,167	-	415	69	-
Other district revenue	19,793	-	-	-	1,061,290	12,023	-	125,029
Gallatin County	210,398	-	-	5,621,945	-	-	-	-
State of Montana	210,398	-	-	1,100,692	621,722	27,440	67,882	-
Federal	-	-	-	-	3,116,457	-	-	-
Total revenues	3,201,130	15,100	304,077	6,728,804	4,799,509	730,551	67,951	125,029
Expenditures:								
Current -								
Instruction	-	-	431,979	4,529,308	2,960,663	135,555	61,796	-
Support services	-	-	-	1,044,820	1,098,439	15,629	-	-
General administration	64,893	-	-	238,838	184,839	274,126	-	-
Building administration	-	-	-	545,564	124,032	-	-	-
Operations and maintenance	1,315	-	-	394,032	516,635	-	-	-
Student transportation	3,307,267	-	-	24,131	158	-	-	-
Food services	-	-	-	11,093	669	-	-	-
Extracurricular activities	-	-	-	58,834	149,416	-	-	134,875
Capital outlay	-	-	-	-	-	8,591	-	-
Debt Service -								
Lease and subscription principal payments	-	-	-	-	-	95,981	-	-
Total expenditures	3,373,475	-	431,979	6,846,620	5,034,851	529,882	61,796	134,875
Other financing sources (uses):								
Proceeds from sale of assets	-	-	-	-	-	3,349	-	-
Total other financing sources (uses)	-	-	-	-	-	3,349	-	-
Net change in fund balances	(172,345)	15,100	(127,902)	(117,816)	(235,342)	204,018	6,155	(9,846)
Fund balances, beginning of year, as previously presented	1,008,358	327,240	338,398	-	-	143,202	-	83,159
Change within financial reporting entity (major to nonmajor fund)	-	-	-	1,816,554	1,517,791	-	-	-
Fund balances, beginning of year, as adjusted	1,008,358	327,240	338,398	1,816,554	1,517,791	143,202	-	83,159
Fund balances, end of year	$ 836,013	$ 342,340	$ 210,496	$ 1,698,738	$ 1,282,449	$ 347,220	$ 6,155	$ 73,313

(Continued)

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, 2025

	High School Transportation	High School Bus Depreciation	High School Food Services	High School Tuition	High School Retirement	High School Grants	High School Adult Education
Revenues:							
District property taxes	$ 977,857	$ -	$ -	$ 278,798	$ -	$ -	$ 819,258
Tuition and fees	-	-	1,709,539	-	-	-	-
Investment earnings	10,826	15,102	56,040	8,225	4,569	-	5,024
Other district revenue	19,793	-	3,729	-	-	1,451,831	-
Gallatin County	108,567	-	-	-	3,757,957	-	-
State of Montana	108,567	-	-	-	666,175	175,950	-
Federal	-	-	832,975	-	-	154,920	-
Total revenues	1,225,610	15,102	2,602,283	287,023	4,428,701	1,782,701	824,282
Expenditures:							
Current -							
Instruction	-	-	-	181,883	2,608,471	393,816	502,114
Support services	-	-	-	-	484,691	340,853	29,281
General administration	64,893	-	900	-	240,285	185,283	-
Building administration	-	-	-	-	402,161	195	196,111
Operations and maintenance	1,315	-	-	-	228,305	25	-
Student transportation	1,217,760	-	-	-	8,258	6	-
Food services	-	-	2,925,240	-	238,924	10	-
Extracurricular activities	-	-	-	-	206,678	659,378	-
Capital outlay	-	-	-	-	-	62,052	-
Debt Service -							
Lease and subscription principal payments	-	-	-	-	-	-	-
Total expenditures	1,283,968	-	2,926,140	181,883	4,417,773	1,641,618	727,506
Other financing sources (uses):							
Proceeds from sale of assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	(58,358)	15,102	(323,857)	105,140	10,928	141,083	96,776
Fund balances, beginning of year, as previously presented	825,065	327,513	1,634,641	618,181	-	978,174	301,743
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	1,280,043	-	-
Fund balances, beginning of year, as adjusted	825,065	327,513	1,634,641	618,181	1,280,043	978,174	301,743
Fund balances, end of year	$ 766,707	$ 342,615	$ 1,310,784	$ 723,321	$ 1,290,971	$ 1,119,257	$ 398,519

(Continued)

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, 2025

	High School Drivers Education	High School Technology Acquisition	High School Flexibility	High School Student Club Extracurricular	Nonexpendable High School Endowment	Totals
Revenues:						
District property taxes	$ -	$ 425,629	$ -	$ -	$ -	$ 6,235,610
Tuition and fees	154,770	-	-	-	-	1,864,349
Investment earnings	1,476	251	765	-	97,996	243,248
Other district revenue	-	12,023	-	2,347,800	-	5,053,311
Gallatin County	-	-	-	-	-	9,698,867
State of Montana	71,935	18,588	256,353	-	-	3,325,702
Federal	-	-	-	-	-	4,104,352
Total revenues	228,181	456,491	257,118	2,347,800	97,996	30,525,439
Expenditures:						
Current -						
Instruction	166,299	30,819	244,982	-	-	12,247,685
Support services	-	6,044	-	-	78,000	3,097,757
General administration	-	276,407	-	-	-	1,530,464
Building administration	29,638	-	-	-	-	1,297,701
Operations and maintenance	-	-	-	-	-	1,141,627
Student transportation	-	-	-	-	-	4,557,580
Food services	-	-	-	-	-	3,175,936
Extracurricular activities	-	-	-	2,422,117	-	3,631,298
Capital outlay	-	25,943	-	-	-	96,586
Debt Service -						
Lease and subscription principal payments	-	95,981	-	-	-	191,962
Total expenditures	195,937	435,194	244,982	2,422,117	78,000	30,968,596
Other financing sources (uses):						
Proceeds from sale of asset	-	21,811	-	-	-	25,160
Total other financing sources (uses)	-	21,811	-	-	-	25,160
Net change in fund balances	32,244	43,108	12,136	(74,317)	19,996	(417,997)
Fund balances, beginning of year, as previously presented	152,116	113,077	-	900,336	911,306	8,662,509
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	4,614,388
Fund balances, beginning of year, as adjusted	152,116	113,077	-	900,336	911,306	13,276,897
Fund balances, end of year	$ 184,360	$ 156,185	$ 12,136	$ 826,019	$ 931,302	$ 12,858,900

(Concluded)

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, 2025

	Elementary Transportation			Elementary Bus Depreciation		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 2,767,007	$ 2,744,032	$ (22,975)	$ -	$ -	$ -
Investment earnings	1,500	16,509	15,009	500	15,100	14,600
Other district revenue	-	19,793	19,793	-	-	-
Gallatin County	243,729	210,398	(33,331)	-	-	-
State of Montana	243,729	210,398	(33,331)	-	-	-
Total revenues	3,255,965	3,201,130	(54,835)	500	15,100	14,600
Expenditures:						
Current -						
General administration	63,646	64,893	(1,247)	-	-	-
Operations and maintenance	100,315	1,315	99,000	-	-	-
Student transportation	3,389,641	3,307,267	82,374	327,740	-	327,740
Total expenditures	3,553,602	3,373,475	180,127	327,740	-	327,740
Net change in fund balances	(297,637)	(172,345)	125,292	(327,240)	15,100	342,340
Fund balances, beginning of year	1,008,358	1,008,358	-	327,240	327,240	-
Fund balances, end of year	$ 710,721	$ 836,013	$ 125,292	$ -	$ 342,340	$ 342,340

BOZEMAN SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
ELEMENTARY TUITION AND ELEMENTARY RETIREMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Elementary Tuition			Elementary Retirement		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 302,592	$ 299,363	$ (3,229)	$ -	$ -	$ -
Investment earnings	-	4,714	4,714	1,500	6,167	4,667
Gallatin County	-	-	-	5,621,945	5,621,945	-
Total revenues	302,592	304,077	1,485	5,623,445	5,628,112	4,667
Expenditures:						
Current -						
Instruction	610,990	431,979	179,011	4,098,820	3,743,357	355,463
Support services	30,000	-	30,000	917,600	899,094	18,506
General administration	-	-	-	282,720	209,482	73,238
Building administration	-	-	-	478,020	467,597	10,423
Operations and maintenance	-	-	-	294,500	367,568	(73,068)
Student transportation	-	-	-	28,520	21,372	7,148
Food Services	-	-	-	71,920	111	71,809
Extracurricular activities	-	-	-	27,900	37,347	(9,447)
Total expenditures	640,990	431,979	209,011	6,200,000	5,745,928	454,072
Net change in fund balances	(338,398)	(127,902)	210,496	(576,555)	(117,816)	458,739
Fund balances, beginning of year	338,398	338,398	-	1,816,554	1,816,554	-
Fund balances, end of year	$ -	$ 210,496	$ 210,496	$ 1,239,999	$ 1,698,738	$ 458,739

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, 2025

	Elementary Technology Acquisition			Elementary Flexibility		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 694,488	$ 690,673	$ (3,815)	$ -	-	$ -
Investment earnings	1,500	415	(1,085)	-	69	69
Other district revenue	-	12,023	12,023	-	-	-
State of Montana	27,440	27,440	-	67,883	67,882	(1)
Total revenues	723,428	730,551	7,123	67,883	67,951	68
Expenditures:						
Current -						
Instruction	861,531	135,555	725,976	67,883	61,796	6,087
Support services	14,457	15,629	(1,172)	-	-	-
General administration	-	274,126	(274,126)	-	-	-
Capital outlay	-	8,591	(8,591)	-	-	-
Debt Service -						
Lease and subscription principal payments	-	95,981	(95,981)	-	-	-
Total expenditures	875,988	529,882	346,106	67,883	61,796	6,087
Other financing sources (uses):						
Proceeds from sale of assets	-	3,349	3,349	-	-	-
Total other financing sources (uses)	-	3,349	3,349	-	-	-
Net change in fund balances	(152,560)	204,018	356,578	-	6,155	6,155
Fund balances, beginning of year	143,202	143,202	-	-	-	-
Fund balances, end of year	$ (9,358)	$ 347,220	$ 356,578	$ -	$ 6,155	$ 6,155

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, 2025

	High School Transportation			High School Bus Depreciation		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 982,500	$ 977,857	$ (4,643)	$ -	$ -	$ -
Investment earnings	500	10,826	10,326	500	15,102	14,602
Other district revenue	-	19,793	19,793	-	-	-
Gallatin County	133,622	108,567	(25,055)	-	-	-
State of Montana	133,622	108,567	(25,055)	-	-	-
Total revenues	1,250,244	1,225,610	(24,634)	500	15,102	14,602
Expenditures:						
Current -						
General administration	63,121	64,893	(1,772)	-	-	-
Operations and maintenance	1,315	1,315	-	-	-	-
Student transportation	1,664,988	1,217,760	447,228	328,013	-	328,013
Total expenditures	1,729,424	1,283,968	445,456	328,013	-	328,013
Net change in fund balances	(479,180)	(58,358)	420,822	(327,513)	15,102	342,615
Fund balances, beginning of year	825,065	825,065	-	327,513	327,513	-
Fund balances, end of year	$ 345,885	$ 766,707	$ 420,822	$ -	$ 342,615	$ 342,615

BOZEMAN SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
HIGH SCHOOL TUITION AND HIGH SCHOOL RETIREMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	High School Tuition			High School Retirement		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 280,857	$ 278,798	$ (2,059)	$ -	$ -	$ -
Investment earnings	-	8,225	8,225	2,000	4,569	2,569
Gallatin County	-	-	-	3,757,957	3,757,957	-
Total revenues	280,857	287,023	6,166	3,759,957	3,762,526	2,569
Expenditures:						
Current -						
Instruction	860,000	181,883	678,117	2,457,840	2,157,340	300,500
Support services	39,038	-	39,038	481,740	398,007	83,733
General administration	-	-	-	282,240	215,237	67,003
Building administration	-	-	-	373,800	352,855	20,945
Operations and maintenance	-	-	-	325,080	201,181	123,899
Student transportation	-	-	-	7,560	6,353	1,207
Food services	-	-	-	51,240	227,419	(176,179)
Extracurricular activities	-	-	-	220,500	193,206	27,294
Total expenditures	899,038	181,883	717,155	4,200,000	3,751,598	448,402
Net change in fund balances	(618,181)	105,140	723,321	(440,043)	10,928	450,971
Fund balances, beginning of year	618,181	618,181	-	1,280,043	1,280,043	-
Fund balances, end of year	$ -	$ 723,321	$ 723,321	$ 840,000	$ 1,290,971	$ 450,971

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, 2025

	High School Adult Education			High School Technology Acquisition		
	Original and Final Budget	Actual	Variance - Positive (Negative)	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:						
District property taxes	$ 828,414	$ 819,258	$ (9,156)	$ 428,396	$ 425,629	$ (2,767)
Tuition and fees	10,500	-	(10,500)	-	-	-
Investment earnings	500	5,024	4,524	1,500	251	(1,249)
Other district revenue	-	-	-	-	12,023	12,023
State of Montana	-	-	-	18,588	18,588	-
Total revenues	839,414	824,282	(15,132)	448,484	456,491	8,007
Expenditures:						
Current -						
Instruction	616,121	502,114	114,007	565,137	30,819	534,318
Support services	23,700	29,281	(5,581)	5,783	6,044	(261)
General administration	1,000	-	1,000	-	276,407	(276,407)
Building administration	204,481	196,111	8,370	-	-	-
Capital outlay	-	-	-	-	25,943	(25,943)
Debt Service -						
Lease and subscription principal payments	-	-	-	-	95,981	(95,981)
Total expenditures	845,302	727,506	117,796	570,920	435,194	135,726
Other financing sources (uses):						
Proceeds from sale of assets	-	-	-	-	21,811	21,811
Total other financing sources (uses)	-	-	-	-	21,811	21,811
Net change in fund balances	(5,888)	96,776	102,664	(122,436)	43,108	165,544
Fund balances, beginning of year	301,743	301,743	-	113,077	113,077	-
Fund balances, end of year	$ 295,855	$ 398,519	$ 102,664	$ (9,359)	$ 156,185	$ 165,544

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, 2025

	High School Flexibility		
	Original and Final Budget	Actual	Variance - Positive (Negative)
Revenues:			
Investment earnings	$ -	$ 765	$ 765
State of Montana	256,353	256,353	-
Total revenues	256,353	257,118	765
Expenditures:			
Current -			
Instruction	256,353	244,982	11,371
Total expenditures	256,353	244,982	11,371
Net change in fund balances	-	12,136	12,136
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ 12,136	$ 12,136

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, 2025

	Elementary Debt Service
ASSETS	
Cash and cash equivalents	$ 7,042
Property taxes receivable	126,583
Due from other governments	573,602
Total assets	$ 707,227
LIABILITIES	
Total liabilities	-
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	$ 126,583
Total deferred inflows of resources	126,583
FUND BALANCE	
Restricted	580,644
Total fund balance	580,644
Total liabilities, deferred inflows of resources, and fund balances	$ 707,227

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, 2025

	Elementary Debt Service
Revenues:	
District property taxes	$ 4,750,784
Investment earnings	43,492
Other district revenue	573,607
Total revenues	5,367,883
Expenditures:	
Current -	
Operations and maintenance	91,283
Debt service -	
Principal retirement	4,225,000
Interest and fiscal charges	1,301,129
Total expenditures	5,617,412
Excess (deficiency) of revenues over expenditures	(249,529)
Net change in fund balances	(249,529)
Fund balances, beginning of year	830,173
Fund balances, end of year	$ 580,644

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, 2025

	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)
Revenues:						
District property taxes	$ 4,789,544	$ 4,750,784	$ (38,760)	$ 11,475,000	$ 11,372,013	$ (102,987)
Investment earnings	4,000	43,492	39,492	3,000	37,956	34,956
Other district revenue	-	573,607	573,607	-	1,017,908	1,017,908
Total revenues	4,793,544	5,367,883	574,339	11,478,000	12,427,877	949,877
Expenditures:						
Current -						
Operations and maintenance	130,000	91,283	38,717	235,000	96,900	138,100
Debt service -						
Principal retirement	4,225,000	4,225,000	-	7,980,000	7,980,000	-
Interest and fiscal charges	1,300,800	1,301,129	(329)	4,133,000	4,132,100	900
Total expenditures	5,655,800	5,617,412	38,388	12,348,000	12,209,000	139,000
Excess (deficiency) of revenues over expenditures	(862,256)	(249,529)	612,727	(870,000)	218,877	1,088,877
Net change in fund balances	(862,256)	(249,529)	612,727	(870,000)	218,877	1,088,877
Fund balances, beginning of year	830,173	830,173	-	736,778	736,778	-
Fund balances, end of year	$ (32,083)	$ 580,644	$ 612,727	$ (133,222)	$ 955,655	$ 1,088,877

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, 2025

	Elementary Building	Elementary Building Reserve	High School Building	Totals
ASSETS				
Cash and cash equivalents	$ 1,916,309	$ 3,364,998	$ 192	$ 5,281,499
Property taxes receivable	-	100,452	-	100,452
Due from other governments	-	2,792	-	2,792
Total assets	$ 1,916,309	$ 3,468,242	$ 192	$ 5,384,743
LIABILITIES				
Accounts payable and other accrued liabilities	-	44,226	-	44,226
Retainages payable	-	25,998	-	25,998
Total liabilities	-	70,224	-	70,224
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	100,452	-	100,452
Total deferred inflows of resources	-	100,452	-	100,452
FUND BALANCES				
Restricted	1,916,309	3,297,566	192	5,214,067
Total fund balances	1,916,309	3,297,566	192	5,214,067
Total liabilities, deferred inflows of resources, and fund balances	$ 1,916,309	$ 3,468,242	$ 192	$ 5,384,743

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, 2025

	Elementary Building	Elementary Building Reserve	High School Building	Totals
Revenues:				
District property taxes	$ -	$ 3,844,191	$ -	$ 3,844,191
Investment earnings	58,827	82,108	2	140,937
State of Montana	-	83,502	-	83,502
Total revenues	58,827	4,009,801	2	4,068,630
Expenditures:				
Current -				
Support services	-	1,535,209	-	1,535,209
General administration	31,546	17,190	-	48,736
Building administration	-	240,458	-	240,458
Operations and maintenance	-	1,450,454	-	1,450,454
Capital outlay	-	1,070,009	-	1,070,009
Total expenditures	31,546	4,313,320	-	4,344,866
Excess (deficiency) of revenues over expenditures	27,281	(303,519)	2	(276,236)
Net change in fund balances	27,281	(303,519)	2	(276,236)
Fund balances, beginning of year	1,889,028	3,601,085	190	5,490,303
Fund balances, end of year	$ 1,916,309	$ 3,297,566	$ 192	$ 5,214,067

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, 2025

	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)
Revenues:						
District property taxes	$ 3,869,730	$ 3,844,191	$ (25,539)	$ 3,121,851	$ 3,102,936	$ (18,915)
Investment earnings	4,000	82,108	78,108	7,500	402,075	394,575
State of Montana	83,502	83,502	-	47,711	47,711	-
Total revenues	3,957,232	4,009,801	52,569	3,177,062	3,552,722	375,660
Expenditures:						
Current -						
Instruction	-	-	-	3,272,224	-	3,272,224
Support services	1,494,614	1,535,209	(40,595)	914,224	978,073	(63,849)
General administration	17,017	17,190	(173)	17,017	25,365	(8,348)
Building administration	231,600	240,458	(8,858)	32,164	31,051	1,113
Operations and maintenance	5,815,086	1,450,454	4,364,632	9,593,462	1,253,560	8,339,902
Capital outlay	-	1,070,009	(1,070,009)	56,157	1,371,046	(1,314,889)
Total expenditures	7,558,317	4,313,320	3,244,997	13,885,248	3,659,095	10,226,153
Excess (deficiency) of revenues over expenditures	(3,601,085)	(303,519)	3,297,566	(10,708,186)	(106,373)	10,601,813
Other financing sources (uses):						
Proceeds from sale of assets	-	-	-	-	13,563	13,563
Total other financing sources (uses)	-	-	-	-	13,563	13,563
Net change in fund balances	(3,601,085)	(303,519)	3,297,566	(10,708,186)	(92,810)	10,615,376
Fund balances, beginning of year	3,601,085	3,601,085	-	10,708,186	10,708,186	-
Fund balances, end of year	$ -	$ 3,297,566	$ 3,297,566	$ -	$ 10,615,376	$ 10,615,376

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, 2025

	Purchasing	Self-Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 713,156	$ 3,418,691	$ 4,131,847
Inventory, at cost	666	-	666
Flexible accounts deposit	-	36,056	36,056
Total current assets	713,822	3,454,747	4,168,569
Noncurrent assets:			
Capital assets:			
Machinery and equipment	104,895	24,930	129,825
Less accumulated depreciation	(104,369)	(24,930)	(129,299)
Net capital assets	526	-	526
Total assets	714,348	3,454,747	4,169,095
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment health benefits deferred contributions	-	409,330	409,330
Total deferred outflows of resources	-	409,330	409,330
Total assets and deferred outflows of resources	$ 714,348	$ 3,864,077	$ 4,578,425
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	$ 3,034	$ 1,184,783	$ 1,187,817
Unearned revenue	-	1,501,719	1,501,719
Other postemployment health benefits - due within one year	-	180,706	180,706
Total current liabilities	3,034	2,867,208	2,870,242
Noncurrent liabilities:			
Other postemployment health benefits	-	4,015,685	4,015,685
Total noncurrent liabilities	-	4,015,685	4,015,685
Total liabilities	3,034	6,882,893	6,885,927
DEFERRED INFLOWS OF RESOURCES			
Other postemployment health benefits assumption changes	-	1,203,724	1,203,724
Total deferred inflows of resources	-	1,203,724	1,203,724
NET POSITION			
Net investment in capital assets	526	-	526
Unrestricted	710,788	(4,222,540)	(3,511,752)
Total net position	711,314	(4,222,540)	(3,511,226)
Total liabilities, deferred inflows of resources, and net position	$ 714,348	$ 3,864,077	$ 4,578,425

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, 2025

	Purchasing	Self-Insurance	Totals
Operating revenues:			
Charges for services	$ 258,811	$ 9,730,843	$ 9,989,654
Charges for wellness services	-	56,491	56,491
Stop-loss insurance revenue	-	400,701	400,701
Other district revenue	-	3,535	3,535
Total operating revenues	258,811	10,191,570	10,450,381
Operating expenses:			
Administrative expenses	-	836,032	836,032
Communications	14,392	2,052	16,444
Contracted Medicare supplement	-	585,369	585,369
Depreciation	1,053	-	1,053
Health, dental and vision claims	-	9,269,524	9,269,524
Minor equipment	9,576	-	9,576
Minor technology equipment	3,496	-	3,496
Other expenses	5,277	-	5,277
Other postemployment health benefits	-	311,241	311,241
Repairs and maintenance	133,132	-	133,132
Salaries and benefits	-	(136,099)	(136,099)
Wellness	-	114,276	114,276
Total operating expenses	166,926	10,982,395	11,149,321
Operating income (loss)	91,885	(790,825)	(698,940)
Nonoperating revenues (expenses):			
Investment earnings	7,327	102,820	110,147
Total nonoperating revenues (expenses)	7,327	102,820	110,147
Change in net position	99,212	(688,005)	(588,793)
Net position, beginning of year	612,102	(3,534,535)	(2,922,433)
Net position, end of year	$ 711,314	$ (4,222,540)	$ (3,511,226)

BOZEMAN SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Purchasing	Self-Insurance	Totals
Cash flows from operating activities:			
Receipts from users	$ 258,811	$ 9,837,130	$ 10,095,941
Receipts from stop-loss insurance claims	-	400,701	400,701
Receipts from donors	-	3,535	3,535
Payments for insurance claims	-	(9,269,524)	(9,269,524)
Payments to employees	-	136,099	136,099
Payments to suppliers	(199,799)	(1,613,246)	(1,813,045)
Net cash flows from operating activities	59,012	(505,305)	(446,293)
Cash flows from investing activities:			
Interest received	7,327	102,820	110,147
Net cash flows from investing activities	7,327	102,820	110,147
Net change in cash and cash equivalents	66,339	(402,485)	(336,146)
Cash and cash equivalents - beginning of the year	646,817	3,821,176	4,467,993
Cash and cash equivalents - end of the year	$ 713,156	$ 3,418,691	$ 4,131,847
Reconciliation of operating income to net cash flows from operating activities:			
Operating income (loss)	$ 91,885	$ (790,825)	$ (698,940)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	1,053	-	1,053
(Increase) decrease in inventories	1,677	-	1,677
Increase (decrease) in accounts payable	(35,603)	182,674	147,071
Increase (decrease) in other postemployment benefits	-	189,149	189,149
Net increase (decrease) in pension related deferred inflows, deferred outflows and net pension liability	-	(136,099)	(136,099)
Increase (decrease) in unearned insurance premiums	-	49,796	49,796
Total adjustments	(32,873)	285,520	252,647
Net cash from operating activities	$ 59,012	$ (505,305)	$ (446,293)

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, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
Art Club	$ 3,231	$ 737	$ 240	$ 3,728
Drama Club	1	299	-	300
MBI Club	2,080	-	600	1,480
Knitting Corner Club	156	-	-	156
Forensics Club	279	-	242	37
Yearbook Club	6,123	620	-	6,743
Student Council - 6th Grade Club	1,492	1,776	2,851	417
Student Council - 7th Grade Club	5,366	1,178	3,778	2,766
Student Council - 8th Grade Club	3,833	703	2,197	2,339
Miscellaneous Fundraising Club	1,738	2,750	2,729	1,759
Tech. Ed Club	280	-	-	280
Bird/Science Club	1,883	434	1,977	340
Science Club	815	-	-	815
Student Projects Club	906	-	-	906
Music Club	13,409	94,823	98,173	10,059
Horizons Club	3,795	636	350	4,081
Leo Club	1,583	703	233	2,053
Friends of Reading Club	244	840	96	988
Total	$ 47,214	$ 105,499	$ 113,466	$ 39,247

BOZEMAN SCHOOL DISTRICT NO. 7
SACAJAWEA MIDDLE SCHOOL STUDENT EXTRACURRICULAR FUND
ACTIVITY DETAIL
YEAR ENDED JUNE 30, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
Art Club	$ 911	$ -	$ -	$ 911
Travel Club	1,007	9,581	10,588	-
Drama Club	212	-	-	212
MBI Club	573	-	-	573
Knitting Club	281	-	-	281
Peer Mediation Club	1,192	-	-	1,192
Speech and Debate Club	1,043	275	205	1,113
Yearbook Club	8,941	1,727	3,821	6,847
Lego Robotics Club	1,764	-	-	1,764
Student Council Club	11,481	5,232	4,671	12,042
Select Choir Club	4,655	1,600	1,124	5,131
Honors Orchestra Club	11	-	-	11
Outdoor Club	1,805	-	-	1,805
Computer Club	172	-	-	172
Science Olympiad Club	171	915	789	297
Book Buddy Club	695	-	-	695
Archery Club	171	200	212	159
Bike Club	861	-	-	861
Total	$ 35,946	$ 19,530	$ 21,410	$ 34,066

BOZEMAN SCHOOL DISTRICT NO. 7
BOZEMAN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND
ACTIVITY DETAIL
YEAR ENDED JUNE 30, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
BHS Basketball Club	$ 7,160	$ 38,980	$ 37,092	$ 9,048
BHS Cheerleading Club	6,613	27,395	21,990	12,018
BHS Dance Club	24,998	16,039	3,654	37,383
BHS Fastpitch Club	27	2,000	258	1,769
BHS Football Club	23,634	93,052	94,492	22,194
BHS Golf Club	1,544	9,260	7,853	2,951
BHS Lady Hawk B-Ball Club	10,423	42,710	38,227	14,906
BHS Boys Soccer Club	3,989	17,262	13,360	7,891
BHS Girls Soccer Club	20,919	21,384	27,839	14,464
BHS Speech Club	107,154	130,943	189,683	48,414
BHS Gils Volleyball Club	7,941	51,967	42,665	17,243
BHS Swimming Club	4,449	9,684	12,274	1,859
BHS Tennis Club	5,457	18,253	5,376	18,334
BHS Track Club	20,278	13,377	11,121	22,534
BHS Wrestling Club	2,282	-	2,258	24
BHS Cross Country Club	10,043	500	568	9,975
BHS Engineering Club	226	-	-	226
BHS Woodworking Club	251	-	-	251
BHS Deca Club	20,451	160,223	151,379	29,295
BHS Photo Club	698	-	-	698
BHS Robotics Club	1,426	-	-	1,426
BHS Skills USA Club	1,039	-	-	1,039
BHS Art Club	3,155	519	115	3,559
BHS Drama Club	3,590	34,110	23,248	14,452
BHS Costa Rica Science Trip Fund Club	25	4,000	-	4,025
BHS Solar Panel Club	38,700	4,355	1,598	41,457
BHS FCCLA Club	3,615	1,587	3,479	1,723
BHS Spanish Honor Society Club	500	1,241	1,264	477
BHS French Club	1,098	-	80	1,018
BHS German Club	1,811	82,305	77,247	6,869
BHS HOSA Club	4,872	2,055	980	5,947
BHS Latin Club	36	-	-	36
Subtotal	$ 338,404	$ 783,201	$ 768,100	$ 353,505

(Continued)

BOZEMAN SCHOOL DISTRICT NO. 7
BOZEMAN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND
ACTIVITY DETAIL
YEAR ENDED JUNE 30, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
BHS MUN Club	$ 107	$ 3,041	$ 2,729	$ 419
BHS Native American Club	740	1,388	1,650	478
BHS Advanced Culinary Club	2,230	-	1,084	1,146
BHS Project Excel Club Club	3,364	-	51	3,313
BHS Science Olympiad Club	469	-	166	303
BHS Spanish Club	94	-	-	94
BHS Youth Legislature Club	1,784	-	-	1,784
BHS Wildlife Biology Club	495	-	-	495
BHS Ski Club	189	-	-	189
BHS Travel Club	-	501	501	-
BHS Class of 2024 Club	56	-	56	-
BHS Class of 2025 Club	8,304	-	6,026	2,278
BHS Prom Club	2,995	13,740	4,019	12,716
BHS Student Council Club	8,295	28,890	17,527	19,658
BHS Bridger Charter Academy Club	113	-	-	113
BHS Key Club	2,181	4,177	2,577	3,781
BHS Leo Club	2,296	752	528	2,520
BHS Human Rights Club	49	-	-	49
BHS National Honor Society Club	1,636	1,220	199	2,657
BHS Project X2 Club	4,689	1,248	1,381	4,556
BHS Welding Club	60	180	-	240
BHS Partners Club	5,210	1,881	2,426	4,665
BHS SAGA Club	3,914	1,178	2,070	3,022
BHS Interact Club	730	1,188	280	1,638
BHS Band Club	49,332	39,891	43,452	45,771
BHS Choir Club	132	29,108	27,295	1,945
BHS Orchestra Club	80,613	313,369	379,296	14,686
BHS Aerie Club	16,237	2,645	763	18,119
BHS Hawk Tawk Club	1,144	-	-	1,144
BHS Hawk TV Club	37	-	-	37
BHS Scribblings Club	351	-	-	351
BHS Academic Olympics Club	847	2,156	2,216	787
BHS Academic Worldquest Club	858	1,350	1,987	221
BHS American Sign Language Club	-	125	-	125
BHS Plant Club	-	96	-	96
Total	$ 537,955	$ 1,231,325	$ 1,266,379	$ 502,901

(Concluded)

BOZEMAN SCHOOL DISTRICT NO. 7
GALLATIN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND
ACTIVITY DETAIL
YEAR ENDED JUNE 30, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
GHS Boys Basketball Club	$ 6,728	$ 45,974	$ 34,656	$ 18,046
GHS Cheerleading Club	6,244	25,224	31,468	-
GHS Dance Club	871	1,937	1,250	1,558
GHS Fastpitch Club	417	13,379	13,104	692
GHS Football Club	-	91,534	89,724	1,810
GHS Golf Club	17,014	14,318	20,249	11,083
GHS Girls Basketball Club	11,689	33,673	35,230	10,132
GHS Boys Soccer Club	14,593	22,503	15,799	21,297
GHS Girls Soccer Club	26,534	35,543	22,895	39,182
GHS Speech Club	3,432	37,057	24,311	16,178
GHS Volleyball Club	45,617	30,511	51,441	24,687
GHS Swimming Club	592	11,666	11,376	882
GHS Tennis Club	3,484	22,893	23,395	2,982
GHS Track Club	3,936	6,641	7,438	3,139
GHS Wrestling Club	12,901	40,698	44,984	8,615
GHS Cross Country Club	3,728	1,480	2,459	2,749
GHS Rotary Interact Club	795	1,305	474	1,626
GHS Anime Club	244	-	147	97
GHS Engineering Club	939	181	6	1,114
GHS Woodworking Club	145	426	132	439
GHS DECA Club	13,402	176,276	151,536	38,142
GHS Art Club	2,884	4,265	5,007	2,142
GHS Drama Club	7,025	11,124	12,557	5,592
GHS FCCLA Club	608	1,145	1,405	348
GHS Spanish Honor Society Club	1,094	1,063	1,445	712
GHS German Club	628	289	454	463
GHS HOSA Club	3,715	2,400	2,524	3,591
GHS MUN Club	229	3,253	2,722	760
GHS Native American Club	77	-	-	77
GHS Project Excel Club	155	-	-	155
GHS Science Olympiad Club	1,227	413	771	869
GHS Spanish Club	273	317	-	590
GHS Class of 2025 Club	-	11,735	7,565	4,170
GHS Prom Club	15,835	15,765	17,823	13,777
Subtotal	$ 207,055	$ 664,988	$ 634,347	$ 237,696

(Continued)

BOZEMAN SCHOOL DISTRICT NO. 7
GALLATIN HIGH SCHOOL STUDENT EXTRACURRICULAR FUND
ACTIVITY DETAIL
YEAR ENDED JUNE 30, 2025

Activity	Fund Balance at 7/01/24	Additions	Deductions	Fund Balance at 6/30/25
GHS Student Council Club	$ 33,000	$ 19,552	$ 36,453	$ 16,099
GHS Key Club	8,194	10,331	8,741	9,784
GHS Environmental Club	898	303	14	1,187
GHS National Honor Society Club	2,139	3,336	2,496	2,979
GHS Project X2 Club	1,302	-	(80)	1,382
GHS International Exchange Club	-	74,822	74,822	-
GHS Partners Club	3,992	1,905	645	5,252
GHS SAGA Club	1,320	-	520	800
GHS Band Club	2,402	40,126	34,411	8,117
GHS Choir Club	9,689	40,915	39,581	11,023
GHS Orchestra Club	59,939	248,272	298,237	9,974
GHS Yearbook Club	8,486	2,883	1,452	9,917
GHS Raptor Report Club	1,976	2,590	1,436	3,130
GHS Raptor Rods Club	300	993	671	622
GHS Jewelry Guild Club	256	1,743	282	1,717
GHS Book Club	408	917	303	1,022
GHS Academic Worldquest Club	339	612	722	229
GHS Plant Club	789	-	-	789
GHS Democracy Club	19,896	-	19,896	-
GHS Climbing Club	-	677	300	377
GHS Latino Project Club	-	1,275	398	877
GHS UNICEF Club	-	230	84	146
Total	$ 362,380	$ 1,116,470	$ 1,155,731	$ 323,119

(Concluded)

Appendix A

Enrollment Schedule

Fiscal Year 2025

Other Supplemental Information

School District Name:	**Bozeman School District 7**	**Note:** **If the District has multiple schools, please indicate the school and grade level where the variance occurs.**
Legal Entity (LE) Name:	**0350/0351**	
School Code (SC) Name:	**Multiple**	

Students Grade K – 8

Full-Time Students:

Fall Enrollment-EI District	MAEFAIRS	DISTRICT REPORTS	Difference
Kindergarten	463	463	0
Grades 1-6	3038	3038	0
Grades 7-8	1052	1052	0
Classroom Based Early Literacy	72	72	0
Jumpstart			0
Kindergarten	34	34	0
1st Grade	45	45	0
2nd Grade	60	60	0
3rd Grade	53	53	0
Spring Enrollment-EI District	**MAEFAIRS**	**DISTRICT REPORTS**	**Difference**
Kindergarten	463	463	0
Grades 1-6	3070	3070	0
Grades 7-8	1046	1046	0
Classroom Based Early Literacy	71	71	0

Part Time Students:

Fall Enrollment EI	Per MAEFAIRS Enrollment Reports				Per District Reports				
	<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
Early Childhood Literacy	1	0	2	0	1	0	2	0	0
Transition 1-6	1	1	1	0	1	1	1	0	0
Kindergarten	0	0	0	2	0	0	0	2	0
1-6	0	0	0	0	0	0	0	0	0
7-8	2	1	0	3	2	1	0	3	0
Extra Curricular Previous Year	0	0	0	0	0	0	0	0	0
Spring Enrollment EI	**Per MAEFAIRS Enrollment Reports**				**Per District Reports**				
	<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
Early Childhood Literacy	0	0	1	0	0	0	1	0	0
Transition 1-6	0	2	1	1	0	2	1	1	0
Kindergarten	0	0	1	0	0	0	1	0	0
1-6	0	0	0	0	0	0	0	0	0
7-8	3	0	0	2	3	0	0	2	0

Students Grade 9 – 12:

Full-Time Students:

Fall Enrollment-HS District	MAEFAIRS	DISTRICT REPORTS	Difference
Grade 9 - 12	2884	2884	0
19-year olds included	6	6	0
Job Corps	0	0	0
Youth challenge	5	5	0
Spring Enrollment-HS District	**MAEFAIRS**	**DISTRICT REPORTS**	**Difference**
Grade 9 - 12	2851	2851	0
19-year olds included	6	6	0
Job Corps	0	0	0
Youth challenge	1	1	0
Early Graduates	14	14	0

Part Time Students:

Fall Enrollment HS	Per MAEFAIRS Enrollment Reports				Per District Reports				
	<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
9 - 12	28	31	99	30	28	31	99	30	0
Extra Curricular Previous Year	0	0	0	0	0	0	0	0	0
Spring Enrollment HS	**Per MAEFAIRS Enrollment Reports**				**Per District Reports**				
	<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
9 - 12	29	39	98	38	29	39	98	38	0


QUALITY
BOZEMAN
EDUCATION

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.

Contents **Page**

Financial Trends **155**

These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.

Revenue Capacity **160**

These schedules contain information to help the reader assess the District's most significant local revenue source – the property tax.

Debt Capacity **167**

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.

Demographic and Economic Information **172**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activity takes place.

Operating Information **174**

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)

	2016	2017	2018	2019	2020 [1]	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	$ 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	$ 95,422,045
Restricted	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	25,736,682
Unrestricted	(38,114,429)	(37,468,356)	(41,542,617)	(35,496,544)	(39,221,049)	(43,132,633)	(44,268,534)	(49,177,486)	(50,534,151)	(51,800,776)
Total governmental activities net position	$ 25,830,331	$ 29,517,221	$ 28,404,869	$ 43,516,755	$ 48,769,040	$ 50,159,256	$ 57,055,168	$ 58,064,097	$ 64,597,602	$ 69,357,951

[1] 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)

Expenses	**2016**	**2017**	**2018**	**2019**	**2020 [1]**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities:										
Instruction	$ 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	$ 54,143,045
Support services	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	12,045,862
General administration	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	5,285,952
Building administration	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	6,404,932
Operations and maintenance	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	10,940,591
Student transportation	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	4,574,538
Food services	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	3,556,431
Extracurricular activities	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	5,489,992
Unallocated depreciation	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	9,224,135
Interest and fiscal charges	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	4,319,144
Total governmental activities expenses	$ 73,318,109	$ 80,104,370	$ 86,547,830	$ 92,094,527	$ 98,967,054	$ 106,341,208	$ 103,445,249	$ 109,510,870	$ 113,249,305	$ 115,984,622
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	$ 710,250	$ 688,342	$ 703,800	$ 787,185	$ 773,257	$ 843,154	$ 932,191	$ 975,296	$ 1,012,218	$ 1,045,420
Food services	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	1,927,165
Other functional activities	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	1,617,510
Operating grants and contributions	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	12,210,685
Capital grants and contributions	133,064	231,315	156,003	207,756	322,874	-	14,800	-	8,000	166,905
Total governmental activities program revenues	$ 13,779,453	$ 14,138,429	$ 14,128,822	$ 16,174,917	$ 18,669,183	$ 18,888,125	$ 21,033,877	$ 16,630,175	$ 16,708,143	$ 16,967,685
Total governmental activities net expense	$ (59,538,656)	$ (65,965,941)	$ (72,419,008)	$ (75,919,610)	$ (80,297,871)	$ (87,453,083)	$ (82,411,372)	$ (92,880,695)	$ (96,541,162)	$ (99,016,937)
General Revenues										
Governmental activities:										
General Revenues:										
District property taxes	$ 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	$ 56,100,140
Investment earnings	228,192	378,296	665,974	2,820,120	1,675,145	443,336	41,470	527,449	1,562,130	1,397,325
Tax increment funding proceeds	-	-	-	-	-	-	1,794,637	2,023,252	2,413,188	2,268,449
Unrestricted county distribution - retirement	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	9,379,902
Unrestricted state equalization	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	24,784,869
Unrestricted state guaranteed tax base subsidy	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	5,917,585
Unrestricted state motor vehicle fee reimbursement	1,969,511	1,969,511	65,255	-	-	-	-	-	-	-
Unrestricted state quality educator	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	1,990,821
Unrestricted state on-behalf pension	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	1,774,909
Unrestricted other state revenue	582,126	718,249	242,837	95,770	94,091	93,925	90,735	106,879	116,304	107,020
Gain(loss) on sale of capital assets	(28,781)	-	2,273,272	-	1,500	500	355,350	8,612	10,188	56,266
Total governmental activities general revenues	$ 64,818,048	$ 69,652,831	$ 74,014,899	$ 83,719,147	$ 85,550,156	$ 88,843,299	$ 89,307,284	$ 93,889,624	$ 103,074,667	$ 103,777,286
Change in Net Position										
Governmental activities	$ 5,279,392	$ 3,686,890	$ 1,595,891	$ 7,799,537	$ 5,252,285	$ 1,390,216	$ 6,895,912	$ 1,008,929	$ 6,533,505	$ 4,760,349

[1] 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 7,729	$ 54,643	$ 46,382	$ 50,758	$ 113,556	$ 119,803	$ 147,859	$ 188,156	$ 149,465	$ 474,100
Committed	-	-	-	5,831,274	7,745,442	8,625,613	8,831,015	6,760,535	7,507,742	7,454,013
Assigned	291,534	347,273	485,825	583,467	500,928	437,357	422,520	450,096	456,180	597,829
Unassigned	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	6,635,706
Total general fund	$ 4,869,247	$ 5,053,014	$ 5,359,493	$ 11,361,959	$ 13,624,599	$ 14,562,935	$ 14,948,532	$ 13,171,450	$ 14,311,280	$ 15,161,648
All other governmental funds										
Nonspendable	$ 99,959	$ 122,183	$ 106,636	$ 128,609	$ 501,141	$ 558,093	$ 432,501	$ 757,377	$ 727,552	$ 507,932
Restricted	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	25,321,683
Committed	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	4,395,027
Unassigned	(183,186)	(508,704)	-	(157,274)	(211,981)	(218,104)	-	-	(70,814)	-
Total all other governmental funds	$ 35,818,633	$ 22,157,607	$ 116,822,833	$ 65,228,427	$ 56,760,562	$ 32,940,685	$ 27,100,766	$ 28,073,105	$ 31,042,337	$ 30,224,642

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)

	2016	2017	2018	2019	2020 [1]	2021	2022	2023	2024	2025
Revenues										
District property taxes	$ 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	$ 55,831,224
Tuition and fees	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	1,866,399
Investment earnings	187,590	350,335	620,149	2,751,824	1,608,500	431,256	29,216	494,692	1,435,263	1,287,176
Other district revenue	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	7,325,440
Gallatin County	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	9,698,867
State of Montana	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	38,840,391
Federal	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	4,104,352
Total revenues	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	118,953,849
Expenditures										
Instruction	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	51,975,977
Support services	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	11,709,491
General administration	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	4,958,881
Building administration	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	6,116,273
Operations and maintenance	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	10,591,101
Student transportation	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	4,557,580
Food services	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	3,188,757
Extracurricular activities	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	5,432,997
Capital outlay	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	2,616,195
Debt service										
Principal	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	12,205,000
Interest and fiscal charges	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	5,433,229
Bond issuance costs	191,730	101,814	589,540	-	146,326	-	78,588	-	-	-
Lease and subscription payments	-	-	-	-	-	-	-	145,593	208,490	191,962
Total expenditures	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	118,977,443
Excess of revenues over (under) expenditures	(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	(23,594)
Other financing sources (uses)										
Sale of capital assets	-	-	2,274,779	500	1,500	500	-	39,800	10,188	56,267
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	-	-	-	-	-	-	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	-	10,510,000	-	-	-	-	9,075,000	-	-	-
Premium on bonds issued	3,037,614	576,318	12,195,590	-	3,112,062	-	592,115	-	-	-
Payments to refunded bond escrow agent	-	(10,974,298)	-	-	-	-	(9,585,235)	-	-	-
Total other financing sources (uses)	24,537,614	112,020	114,470,369	500	28,113,562	500	437,230	514,402	136,634	56,267
Net change in fund balances	$ 23,587,461	$ (13,477,259)	$ 94,971,705	$ (51,792,244)	$ (6,205,225)	$ (22,881,541)	$ (5,454,322)	$ (804,744)	$ 4,109,062	$ 32,673
Debt service as a percentage of noncapital expenditures	10.7%	11.5%	15.7%	18.1%	17.6%	17.4%	16.5%	16.3%	15.7%	15.2%

[1] 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
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
2025	$ 38,221,020	$ 5,831,395	$ 3,176,798	$ 4,341,903	$ 5,658,480	$ -	$ -	$ 1,798,395	$ -	$ -	$ 59,027,991

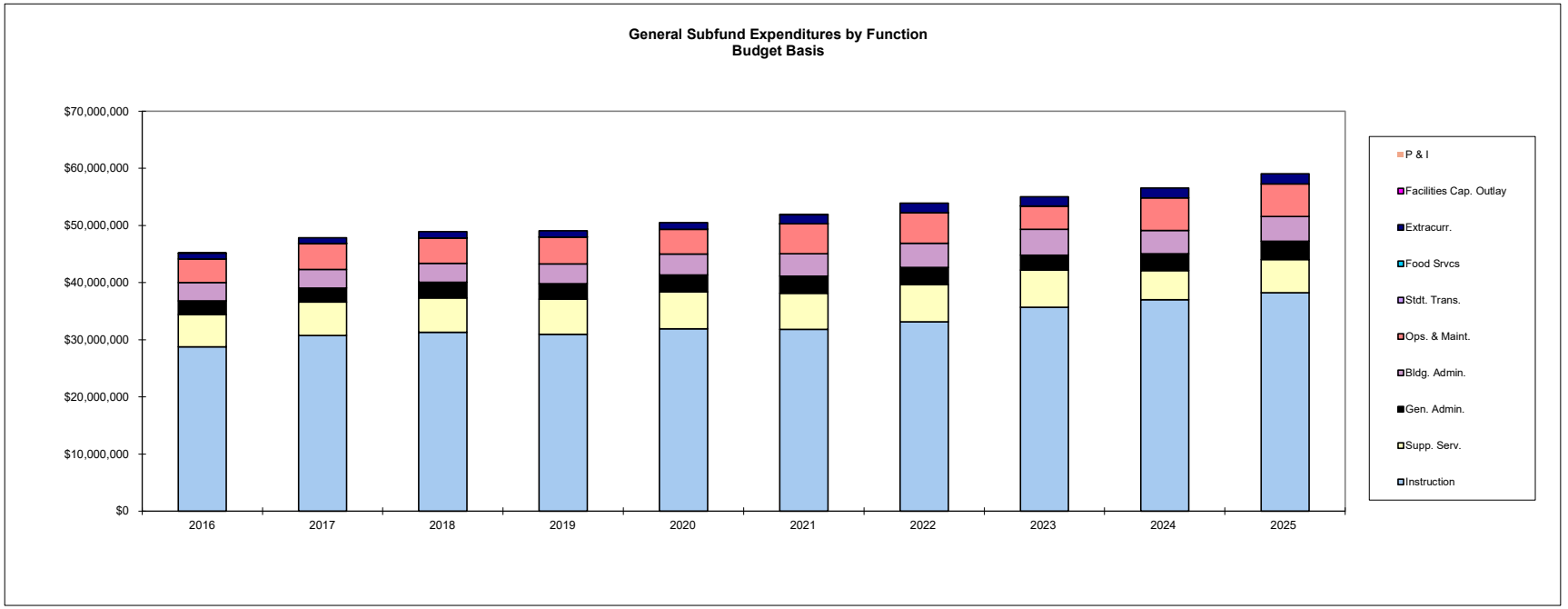


Table 6

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

Fiscal Year	Assessed Valuation [1]	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 [2]	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
Elementary District:											
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%	428,812	22,278,736	100.00%
2020	186,201,043	12,458,677,049	1.5%	125.90	0.12590	23,441,401	22,778,868	97.17%	660,303	23,439,171	99.99%
2021	191,687,364	12,789,728,194	1.5%	121.74	0.12174	23,332,115	22,658,949	97.11%	668,301	23,327,250	99.98%
2022	224,085,702	15,196,810,073	1.5%	101.99	0.10199	22,855,572	22,509,396	98.49%	341,567	22,850,963	99.98%
2023	231,009,258	15,622,410,596	1.5%	102.09	0.10209	23,671,069	23,132,856	97.73%	526,522	23,659,378	99.95%
2024	357,169,589	25,115,336,696	1.4%	77.21	0.07721	27,459,813	26,956,209	98.17%	482,170	27,438,379	99.92%
2025	$ 354,949,106	$ 25,007,857,543	1.4%	79.68	0.07968	$ 28,262,809	$ 27,566,411	97.54%	$ -	$ 27,566,411	97.54%
High School District:											
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%	451,580	20,842,722	100.00%
2020	223,747,892	14,859,975,953	1.5%	92.77	0.09277	21,163,524	20,539,429	97.05%	621,993	21,161,422	99.99%
2021	230,172,095	15,249,296,508	1.5%	97.61	0.09761	22,882,232	22,182,821	96.94%	693,963	22,876,784	99.98%
2022	269,441,207	18,141,112,579	1.5%	84.86	0.08486	23,323,415	22,940,504	98.36%	377,274	23,317,778	99.98%
2023	278,036,597	18,672,952,333	1.5%	86.05	0.08605	24,499,874	23,897,278	97.54%	587,432	24,484,710	99.94%
2024	433,828,230	30,267,810,327	1.4%	62.51	0.06251	27,573,569	27,029,767	98.03%	519,539	27,549,306	99.91%
2025	$ 432,722,400	$ 30,255,235,206	1.4%	63.43	0.06343	$ 28,013,045	$ 27,253,181	97.29%	$ -	$ 27,253,181	97.29%
Total District:											
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%	880,392	43,121,458	100.00%
2020	223,747,892	14,859,975,953	1.5%	218.67	0.21867	44,604,925	43,318,297	97.12%	1,282,296	44,600,593	99.99%
2021	230,172,095	15,249,296,508	1.5%	219.35	0.21935	46,214,347	44,841,770	97.03%	1,362,263	46,204,033	99.98%
2022	269,441,207	18,141,112,579	1.5%	186.85	0.18685	46,178,987	45,449,899	98.42%	718,841	46,168,740	99.98%
2023	278,036,597	18,672,952,333	1.5%	188.14	0.18814	48,170,943	47,030,134	97.63%	1,113,954	48,144,087	99.94%
2024	433,828,230	30,267,810,327	1.4%	139.72	0.13972	55,033,382	53,985,976	98.10%	1,001,709	54,987,685	99.92%
2025	$ 432,722,400	$ 30,255,235,206	1.4%	143.11	0.14311	$ 56,275,854	$ 54,819,593	97.41%	$ -	$ 54,819,593	97.41%

[1] Assessed valuation is per the Montana Department of Revenue and calculated as of January (i.e. assessed value used for 2024-25 fiscal year is calculated as of January 2024).

[2] 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 DISTIRCT 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: Bozeman Elementary District	Bozeman High School District	City of Bozeman	Gallatin County	State of Montana	Total
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
2025	79.68	63.43	158.23	158.48	46.00	505.82

Tax Levies

Fiscal Year	Bozeman Elementary District	Bozeman High School District	City of Bozeman	Gallatin County	State of Montana	Total
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
2025	$ 28,262,809	$ 28,013,045	$ 38,610,440	$ 113,102,564	$ 32,828,861	$ 240,817,719

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

	2025			2016		
Taxpayer	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	$ 15,025,671	1	4.23%	$ 8,993,003	1	7.04%
Arrow I PropCo LLC	1,441,254	2	0.41%			
Bozeman Apartment Group Owners LLC	979,189	3	0.28%			
Straightaway Bozeman Investors LLC	859,094	4	0.24%			
Cannery District Partners LLC	858,298	5	0.24%			
Charter Communications Inc	813,008	6	0.23%			
Verizon Inc	810,843	7	0.23%			
GKT Bozeman Gateway LLC	781,852	8	0.22%	687,236	4	0.54%
NB Stadium View Dst	780,225	9	0.22%			
Costco Wholesale Corporation	750,859	10	0.21%			
Centurylink, Inc.				1,013,196	2	0.79%
Bresnan Communications, LLC				948,197	3	0.74%
Harry Duam (Gallatin Mall)				444,051	5	0.35%
Stone Ridge Partners LLC				417,262	6	0.33%
Mitchell Development & Investment LLC				390,752	7	0.31%
First Security Bank of Bozeman				362,625	8	0.28%
J & D Family Limited Partnership				349,579	9	0.27%
Bridger Peaks Holdings LLC				348,926	10	0.27%
Total	$ 23,100,293		6.51%	$ 13,954,827		10.92%

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

	2025			2016		
Taxpayer	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	$ 17,436,051	1	4.03%	$ 10,664,715	1	7.01%
Arrow I PropCo LLC	1,441,254	2	0.33%			
HF Gateway Village LLC	1,171,403	3	0.27%			
Bozeman Apartment Group Owners LLC	979,189	4	0.23%			
BNSF Railway Co.	920,421	5	0.21%			
Straightaway Bozeman Investors LLC	859,094	6	0.20%			
Cannery District Partners LLC	858,298	7	0.20%	717,631	4	0.47%
Verizon Inc	840,369	8	0.19%			
Charter Communications Inc	813,008	9	0.19%			
GKT Bozeman Gateway LLC	781,852	10	0.18%			
Centurylink, Inc.				1,054,489	2	0.69%
Bresnan Communications, LLC				948,197	3	0.62%
Zoot Properties LLC				470,114	5	0.31%
Black Bull Owner LLC				454,214	6	0.30%
Harry Daum (Gallatin Mall)				444,051	7	0.29%
Stone Ridge Partners LLC				417,262	8	0.27%
Mitchell Development & Investment LLC				390,752	9	0.26%
First Security Bank of Bozeman				362,625	10	0.24%
Total	$ 26,100,939		6.03%	$ 15,924,050		10.46%

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, 2025
(modified accrual basis of accounting)

Source	Actual Revenue	Percent of Total Revenue
Revenue from local and intermediate source:		
District taxes	$ 55,831,224	46.94%
Tuition and fees	1,866,399	1.57%
Investment earnings	1,287,176	1.08%
Other district revenue	7,325,440	6.16%
County retirement	9,379,902	7.89%
County transportation	318,965	0.27%
Total revenue from local and intermediate sources	76,009,106	63.91%
Revenue from State sources:		
State equalization	24,784,869	20.84%
State special education allowable costs	2,159,787	1.82%
State guarantee tax base subsidy	5,917,585	4.97%
State transportation	318,965	0.27%
State on-behalf pension revenue	1,847,912	1.55%
State quality educator	1,990,821	1.67%
State medicaid, medicaid admin, CSCT	533,542	0.45%
State other grant revenue	1,286,910	1.08%
Total revenue from State sources	38,840,391	32.65%
Revenue from Federal sources:		
Federal Title I Part A, Schoolwide and Targeted Support	1,001,043	0.84%
Federal IDEA Part B and Preschool	1,764,783	1.48%
Federal food service	832,975	0.70%
Federal other grant revenue	505,551	0.42%
Total revenue from Federal sources	4,104,352	3.44%
Total governmental funds revenue	**$ 118,953,849**	**100.00%**

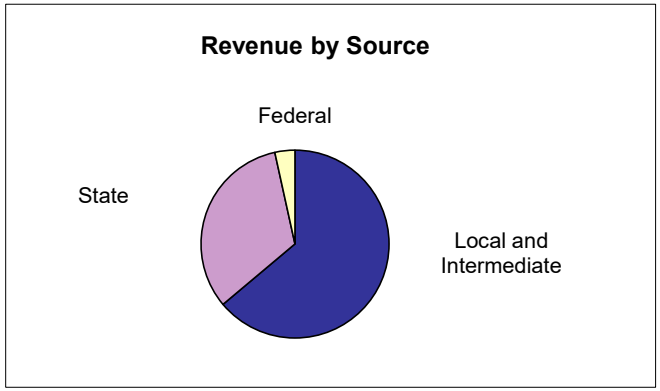


Table 11

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
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
2025	$ 26,525,690	$ 2,050	$ 144,125	$ 676,934	$ 35,383,476	$ -	$ 62,732,275

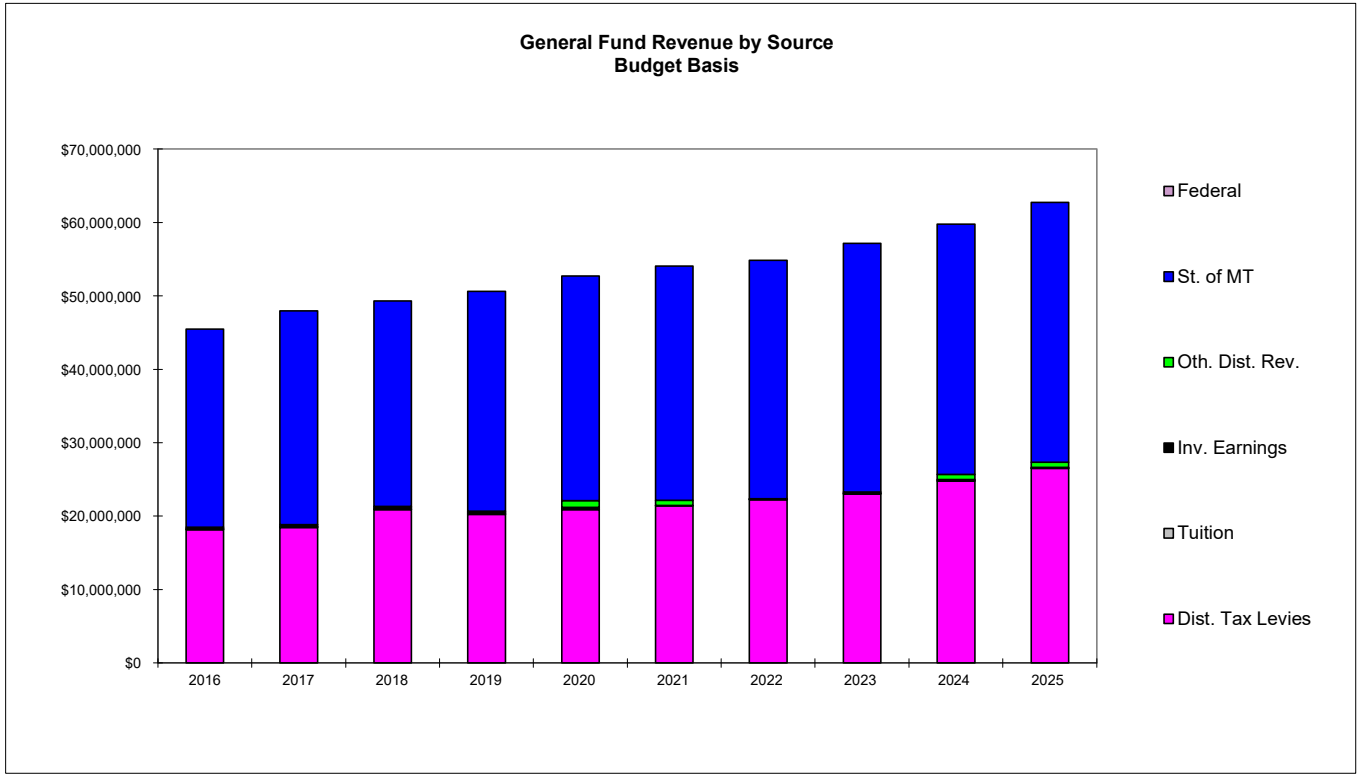


Table 12

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
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
2025	$ 27,348,799	$ 35,383,476	$ -	$ 62,732,275	7,509	$ 3,642	$ 4,712	$ -	$ 8,354

Source: District Records

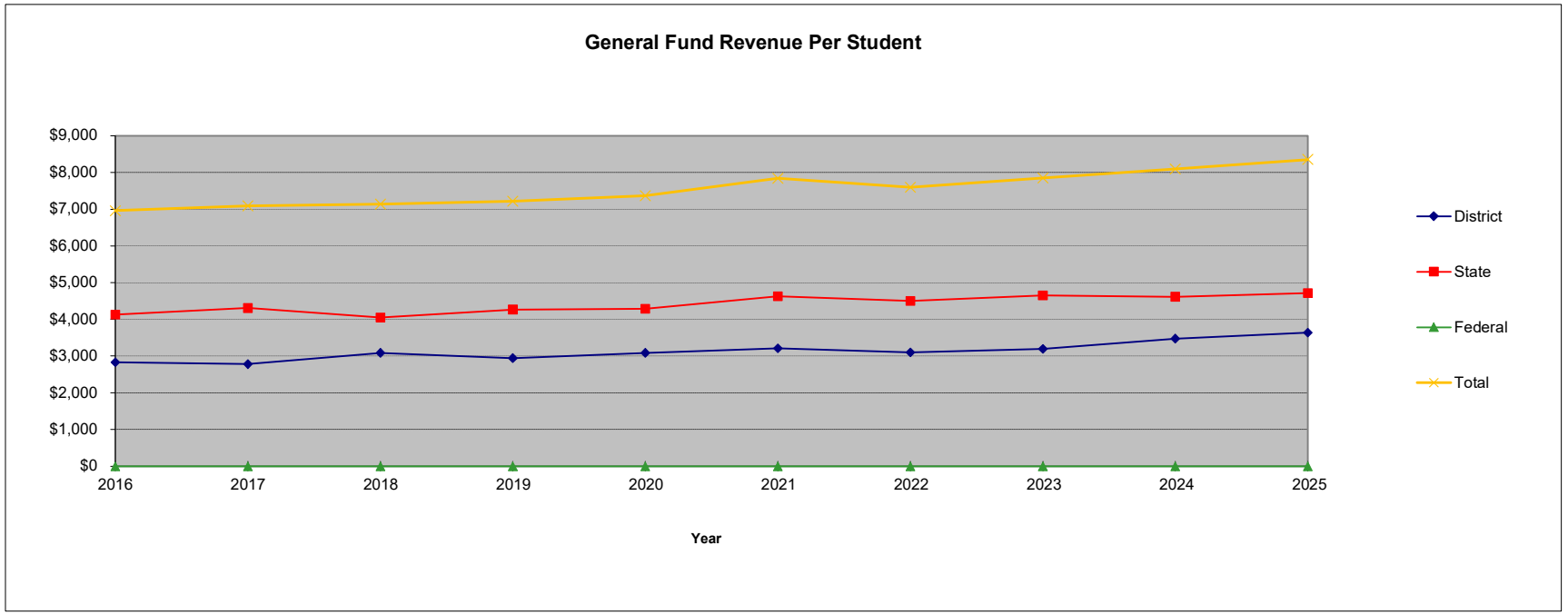


Table 13

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
Elementary District:								
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	0.57%
2025	76,442	$ 354,949,106	$ 32,333,508	$ -	$ 32,333,508	9.11%	$ 423	Not Available
High School District:								
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	1.58%
2025	86,137	$ 432,722,400	$ 105,929,202	$ -	$ 105,929,202	24.48%	$ 1,230	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

Fiscal Year	General Obligation Bonded Debt	Limited Obligation Bonded Debt	Leases and Subscriptions [2]	Total Outstanding Debt	Percentage of Personal Income [1]	Population	Debt per Capita
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	2.09%	83,312	1,824
2025	$ 138,262,710	$ -	$ 64,926	$ 138,327,636	Not available	86,137	$ 1,606

Note:

[1] Personal income is disclosed on Table 18

[2] 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, 2025

Elementary District:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 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	$ 354,949,106
Total net debt applicable to limit	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	29,980,000
Legal debt margin	$ 83,498,145	$ 96,089,088	$ 108,297,588	$ 126,328,120	$ 135,751,043	$ 152,565,720	$ 181,900,702	$ 192,734,258	$ 322,964,589	$ 324,969,106
Total net debt applicable to the limit as a percentage of debt limit	44.91%	39.68%	35.13%	30.21%	27.09%	23.20%	18.83%	16.57%	9.58%	8.45%

High School District:

Debt limit	$ 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	$ 449,514,920
Total net debt applicable to limit	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	96,550,000
Legal debt margin	$ 135,296,059	$ 30,888,125	$ 44,206,414	$ 65,976,320	$ 90,432,892	$ 109,159,220	$ 149,966,207	$ 171,194,110	$ 329,298,230	$ 352,964,920
Total net debt applicable to the limit as a percentage of debt limit	15.19%	82.64%	76.63%	67.85%	59.58%	53.68%	44.34%	39.58%	24.09%	21.48%

Legal Debt Margin Calculation for Fiscal Year 2025	Elementary District	High School District
District taxable valuation	$ 354,949,106	$ 432,722,400
Times: 100%	1.00	1.00
District taxable valuation legal debt service limit	354,949,106	432,722,400
District guaranteed mill value per ANB X 1,000	$ 71,830	$ 156,680
Times: Student ANB	4,861	2,869
Times: 100%	1.00	1.00
District guaranted mill taxable valuation debt service limit	349,165,630	449,514,920
Legal Debt Service Limit *	**$ 354,949,106**	**$ 449,514,920**
General Obligation Bonds Payable	29,980,000	96,550,000
Less: Cash Available for Retirement of Bonds	-	-
Net Amount of Bonds Payable Applicable to Limit	29,980,000	96,550,000
Margin Above Bonds Payable	324,969,106	352,964,920
Less: General Obligation Bonds Authorized but Unused	-	-
Legal Debt Margin	**$ 324,969,106**	**$ 352,964,920**

* 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 2025 fiscal year, the Elementary District utilized the taxable valuation method (#1) and the High School District utilized the mill value method (#2) 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, 2025

Governmental Unit	Debt	Applicable to Elementary District		Applicable to Portion of High School District Lying Outside Elementary District	
		Percent	Amount	Percent	Amount
Bozeman Elementary District:					
G.O. Issue 2012 (originally $10,000,000)	$ 4,170,573	100.0%	$ 4,170,573	0.0%	$ -
G.O. Issue 2014 (originally $ 9,500,000)	1,438,837	100.0%	1,438,837	0.0%	-
G.O. Issue 2015 (originally $8,935,000)	3,844,120	100.0%	3,844,120	0.0%	-
G.O. Issue 2016 (orginally $21,500,000)	14,836,073	100.0%	14,836,073	0.0%	-
G.O. Issue 2022 (orginally $9,075,000)	8,043,905	100.0%	8,043,905	0.0%	-
Subscription liability (originally $111,653)	32,463	100.0%	32,463	0.0%	-
Bozeman High School District:					
G.O. Issue 2014 (originally $ 9,150,000)	2,181,177	82.0%	1,789,154	18.0%	392,023
G.O. Issue 2017 (originally $5,900,000)	705,978	82.0%	579,092	18.0%	126,886
G.O. Issue 2017 (originally $100,000,000)	79,717,600	82.0%	65,389,938	18.0%	14,327,662
G.O. Issue 2019 (originally $25,000,000)	23,324,447	82.0%	19,132,339	18.0%	4,192,108
Subscription liability (originally $111,653)	32,463	82.0%	26,628	18.0%	5,835
Total Direct Debt	$ 138,327,636		$ 119,283,122		$ 19,044,514
OVERLAPPING BONDED INDEBTEDNESS					
Gallatin County:					
Various Issues	$ 49,737,644	47.7%	$ 23,748,936	10.5%	$ 5,203,656
City of Bozeman:					
Various Issues	71,516,610	100.0%	71,516,610	0.0%	-
Total Overlapping Debt	$ 121,254,254		$ 95,265,546		$ 5,203,656
Total Direct and Overlapping debt			**$ 214,548,668**		**$ 24,248,170**

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. Totaling the Elementary and Outyling 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:					
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%
2025	$ 4,225,000	$ 1,301,129	5,526,129	$ 36,088,408	15.31%
High School:					
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%
2025	$ 7,980,000	$ 4,132,100	12,112,100	$ 22,939,583	52.80%

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)
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	87,254	6,524,854,120	7,269,305,248	2.3%
2025	76,442	86,137	Not available	Not available	Not available	2.2%

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 2025

Private Employers By Size, Alphabetically	Employer Size	Employer's % of Total Employment
Bozeman Deaconess Hospital	9	2.61%
Yellowstone Club	9	1.79%
Big Sky Resort LLC	8	0.96%
Town Pump Inc	7	0.52%
Town & Country Foods	7	0.52%

Public Employers By Class, Alphabetically	Employer Class Size	Employer's % of Total Employment
Montana State University	9	6.32%
Bozeman School District #7	9	1.49%
Gallatin County	8	0.76%
City of Bozeman	8	0.74%
Belgrade School District #44	7	0.38%

June 2016

Private Employers By Size, Alphabetically	Employer Size	Employer's % of Total Employment
Bozeman Deaconess Hospital	9	2.66%
Yellowstone Club	8	1.07%
Oracle America Inc.	8	0.99%
Wal-Mart	7	0.68%
Town Pump Convenience Stores	7	0.55%

Public Employers By Class, Alphabetically	Employer Class Size	Employer's % of Total Employment
Montana State University	9	6.92%
Bozeman School District #7	8	1.27%
City of Bozeman	7	0.82%
Gallatin County	7	0.79%
Belgrade School District #44	7	0.67%

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)

Fiscal Year	Expenses [1]	Enrollment	Cost per Pupil	Percentage Change	Certified Staff (FTE) [2]	Pupil/ Certified Staff Ratio
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
2025	$ 115,984,622	7,509	$ 15,446	0.74%	518.0	14.5

[1] Expenses are from Statement of Activities.

[2] 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Certified Teaching Staff	395.3	413.0	421.7	424.1	431.9	448.4	476.3	481.7	468.4	447.1
Classified & Prof. Employees	82.9	84.7	85.5	82.0	76.1	66.4	71.8	75.2	58.5	72.6
Support Services										
Administrators	1.0	1.0	1.0	1.0	1.0	-	-	0.5	0.3	0.5
Certified Teaching Staff	48.0	51.4	51.4	50.9	52.3	52.3	53.2	56.7	68.4	69.7
Classified & Prof. Employees	90.6	89.7	86.4	87.5	81.4	69.8	68.4	61.2	56.3	59.6
General Administration										
Administrators	5.0	5.0	5.0	5.0	5.0	6.0	4.9	5.9	5.9	5.7
Certified Teaching Staff	-	-	-	-	-	-	-	-	-	-
Classified & Prof. Employees	25.5	26.5	27.9	26.9	28.1	27.4	27.6	26.0	26.8	26.2
Building Administration										
Administrators	18.0	18.0	18.0	20.0	19.0	21.0	21.2	21.0	20.1	20.1
Certified Teaching Staff	0.5	-	-	-	-	-	-	-	-	-
Classified & Prof. Employees	29.1	28.3	28.3	28.5	29.8	34.9	34.6	36.8	33.9	32.9
Operations and Maintenance										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.7	0.7
Classified & Prof. Employees	53.9	54.4	58.4	54.1	59.1	65.4	61.3	61.2	53.3	55.8
Student Transportation										
Classified & Prof. Employees	4.5	5.1	5.1	5.4	5.1	5.0	5.4	4.8	5.0	4.5
Food Services										
Classified & Prof. Employees	33.9	34.5	31.9	30.5	29.5	26.3	26.6	31.0	34.3	32.3
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	0.4	0.4	0.4	0.4	0.4	0.8	0.8	0.8	1.4	1.2
Classified & Prof. Employees	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	793.6	817.0	826.0	821.3	823.7	828.7	857.1	867.5	837.3	832.9

Fiscal 2025 Summary	Admin.	Certified Staff	Classified & Professional Employees	Total FTE
Instruction	-	447.1	72.6	519.7
Support Services	0.5	69.7	59.6	129.8
General Administration	5.7	-	26.2	31.9
Building Administration	20.1	-	32.9	53.0
Operations and Maintenance	0.7	-	55.8	56.5
Student Transportation	-	-	4.5	4.5
Food Services	-	-	32.3	32.3
Extracurricular Activities	1.0	1.2	3.0	5.2
Total	28.0	518.0	286.9	832.9

Source: District Records

Table 22

BOZEMAN SCHOOL DISTRICT NO. 7
Certified Staff Education and Salary Levels
June 2025

Educational Attainment	Full Time Equivalent	Percent of Total
Bachelor's Degree	52.6	10.0%
Bachelor's Degree + 15 Credits	17.7	3.4%
Bachelor's Degree + 30 Credits	7.0	1.4%
Bachelor's Degree + 45 Credits	13.0	2.5%
Bachelor's Degree + 60 Credits	4.0	0.8%
Bachelor's Degree + 75 Credits	6.0	1.2%
Bachelor's Degree + 90 Credits	23.1	4.5%
Subtotal: Bachelor's Degree	123.4	23.8%
Master's Degree BA + 45 Credits	40.7	7.9%
Master's Degree BA + 60 Credits	35.6	6.9%
Master's Degree BA + 75 Credits	46.5	9.0%
Master's Degree BA + 90 Credits	43.7	8.4%
Master's Degree BA + 105 Credits	228.1	44.0%
Subtotal: Master's Degree	394.6	76.2%
TOTAL	518.0	100.0%

Annual Salary	Full Time Equivalent	Percent of Total
$0 - $40,000	36.0	6.8%
$40,001- $50,000	36.1	7.0%
$50,001 - $60,000	65.5	12.6%
$60,001 - $70,000	105.7	20.4%
$70,001 - $80,000	128.7	24.8%
$80,001 and Over	146.0	28.2%
TOTAL	518.0	99.8%

Source: District Records

Table 23

BOZEMAN SCHOOL DISTRICT NO. 7
Educational Building Data
For the Fiscal Year Ended June 30, 2025

	Year Built	Square Footage	Functional Capacity	Enrollment	Percentage of Capacity Used
Elementary Schools:					
K-5 Schools					
Longfellow	1939	39,086	332	288	86.7%
Irving	1939	33,893	293	173	59.0%
Whittier	1958	34,700	327	258	78.9%
Hawthorne	1939	46,622	390	348	89.2%
Morning Star	1992	56,010	528	458	86.7%
Emily Dickinson	1992	56,012	528	529	100.2%
Hyalite	2009	66,000	549	518	94.4%
Meadowlark	2013	71,719	549	488	88.9%
6-8 Schools					
Chief Joseph	2008	129,500	780	754	96.7%
Sacajawea	1996	134,857	1,023	811	79.3%
High Schools:					
Bozeman High School	1957	346,178	1,500	1,346	89.7%
Gallatin High School	2020	300,239	1,500	1,437	95.8%
Bridger Charter Academy	N/A	N/A	N/A	101	N/A

Table 24

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary Schools:										
K-5 Schools										
Longfellow	14%	11%	8%	7%	9%	9%	8%	10%	19%	19%
Irving	44%	41%	44%	39%	42%	38%	42%	37%	53%	53%
Whittier	43%	51%	46%	37%	46%	40%	39%	38%	50%	50%
Hawthorne	15%	10%	9%	6%	7%	5%	5%	5%	9%	9%
Morning Star	6%	6%	6%	4%	7%	5%	5%	5%	10%	15%
Emily Dickinson	16%	16%	16%	15%	14%	10%	10%	16%	25%	26%
Hyalite	42%	36%	36%	23%	28%	25%	24%	27%	42%	40%
Meadowlark	13%	16%	15%	10%	11%	10%	11%	11%	21%	21%
6-8 Schools										
Chief Joseph	24%	22%	20%	13%	16%	16%	16%	13%	19%	19%
Sacajawea	20%	19%	20%	14%	16%	15%	14%	17%	26%	28%
K-8 Schools										
Bozeman Online Charter School	N/A	N/A	N/A	N/A	N/A	N/A	0%	6%	3%	N/A
High Schools:										
Bozeman High School	20%	16%	13%	5%	11%	9%	11%	9%	12%	16%
Gallatin High School	N/A	N/A	N/A	N/A	N/A	10%	7%	12%	21%	20%
Bridger Charter School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35%

Source: Title I portion of ESEA consolidated applications

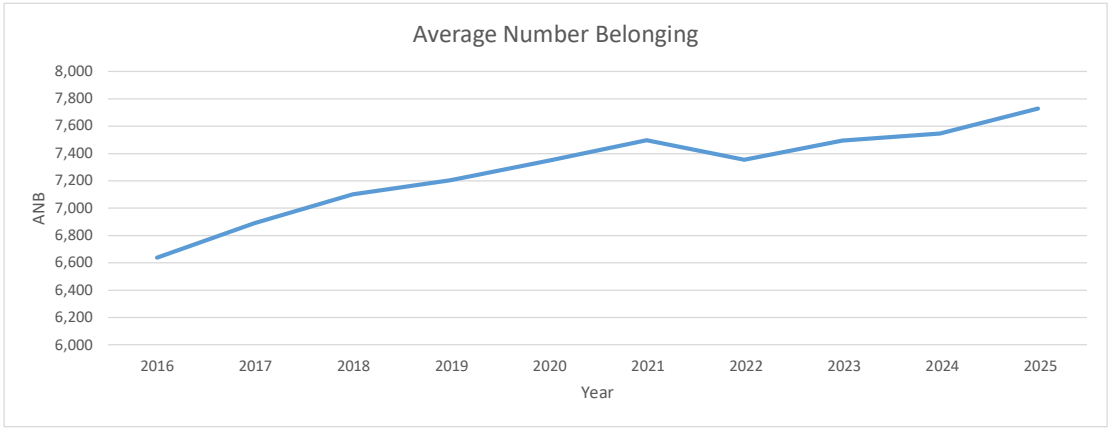
Table 25

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
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
2025	7,509	1.7	7,730	2.4	104.7

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:	7/1/2024-7/1/2025	
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-474623-014
B. Carrier:	Liberty Mutual
C. Policy Period:	7/1/24 - 7/1/25
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 #:	PK1036824	
B. Carrier:	BRIT Global Specialty USA/Ambridge	
C. Policy Period:	7/1/24 - 7/1/25	
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 emloyee dishonesty
		$500,000 loss inside and outside
		$500,000 forgery & alteration

IV. Boiler and Machinery Policy

A. Policy #:	BME18156L884TIL24
B. Carrier:	Travelers Boiler
C. Policy Period:	7/1/24 - 7/1/25
D. Limits:	$200,000,000

V. Cyber Liability

A. Policy #:	NPL006890401
B. Carrier:	Arch Specialty Insurance Company
C. Policy Period:	7/1/24 - 7/1/25
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 #:	SR0082824
B. Carrier:	Lloyd's Syndicate 510
C. Policy Period:	7/1/24 - 7/1/25
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:	7/1/24 - 7/1/25
D. Limits:	$100,000 maximum principal sum per person
	$1,000,000 aggregate limit benefit per occurrence


QUALITY
BOZEMAN
EDUCATION

SINGLE AUDIT SECTION

BOZEMAN SCHOOL DISTRICT NO. 7
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Grantors Number	Program or Award Amount	Revenues	Expenditures
U.S. Department of Education Pass-Through					
Pass-through Montana Office of Public Instruction:					
Title I, Part A	84.010A	16-0350-31-2025	$ 645,912	$ 636,502	$ 636,502
Title I, Part A - Schoolwide	84.010A	16-0350-31-2025	370,000	364,541	364,541
Subtotal Title I			1,015,912	1,001,043	1,001,043
Special Education (IDEA) Cluster					
IDEA-B	84.027A	16-0350-77-2025	1,727,819	1,725,466	1,725,466
IDEA-B Prickly Pear Co-op	84.027	N/A	2,000	2,000	2,000
IDEA-B Preschool	84.173A	16-0350-79-2025	37,317	37,317	37,317
Subtotal Special Education (IDEA) Cluster			1,767,136	1,764,783	1,764,783
Title III, Part A (Non ESEA consolidated)	84.365A	16-0350-41-2025	10,000	10,000	10,000
Title III, Part A	84.365A	16-0350-41-2025	30,948	30,948	30,948
Subtotal Title III			40,948	40,948	40,948
ARP II - Homeless Children and Youth	84.425W	16-0350-97-2021	98,812	58,878	58,878
Title II, Part A	84.367A	16-0350-14-2025	280,594	215,660	215,660
Carl Perkins - Basic	84.048A	16-0351-81-2025	126,178	116,700	116,700
Title IX McKinney-Vento for Homeless Children and Youth	84.196A	16-0350-57-2025	16,388	16,388	16,388
School Resource Officer and Law Enforcement Training Grant	16.710	N/A	10,000	2,100	2,100
AWARE Enhancing Mental Health Awareness and Resiliency	93.243	N/A	10,020	10,020	10,020
Pass-through Montana Dept. of Health & Human Services:					
Pre-Employment Transition Services	84.126A	HHS-DETD-00000288	26,100	26,100	26,100
Total U.S. Department of Education Pass-Through			3,392,088	3,252,620	3,252,620
U.S. Department of Education Direct Programs:					
Title VI Indian Education	84.060A	S060A240430	18,757	18,757	18,757
Total U.S. Department of Education Direct			18,757	18,757	18,757

(continued)

BOZEMAN SCHOOL DISTRICT NO. 7
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Grantors Number	Program or Award Amount	Revenues	Expenditures
U.S. Department of Agriculture:					
Pass-through Montana Office of Public Instruction:					
Child Nutrition Cluster					
National School Lunch Program - Commodities	10.555	N/A	187,026	187,026	187,026
National School Lunch Program	10.555	N/A	694,372	694,372	694,372
National School Lunch Program - Fresh Fruit	10.555	N/A	20,629	20,629	20,629
National School Breakfast Program	10.553	N/A	117,081	117,081	117,081
Healthy Meals Incentive Recognition	10.574	218MT100N3503	1,000	893	893
Subtotal Child Nutrition Cluster			1,020,108	1,020,001	1,020,001
Total U.S. Department of Agriculture			1,020,108	1,020,001	1,020,001
TOTAL FEDERAL ASSISTANCE			$ 4,430,953	$ 4,291,378	$ 4,291,378

(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, 2025. 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 deminimis 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, 2025, 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bozeman School 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 Bozeman School District's internal control.

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

Our consideration of internal control 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 Bozeman School 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 Bozeman School 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 Bozeman School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ede Bailly LLP

Denver, Colorado December 15, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each 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 Bozeman School District's major federal programs for the year ended June 30, 2025. Bozeman School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bozeman School 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 programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Bozeman School 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 each major federal program. Our audit does not provide a legal determination of Bozeman School 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 Bozeman School 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 Bozeman School 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 Bozeman School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bozeman School 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 Bozeman School 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 Bozeman School 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.

Ede Bailly LLP

Denver, Colorado December 15, 2025

Bozeman School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for 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:

Name of Federal Program	Federal Financial Assistance Listing
Child Nutrition Cluster	10.553, 10.555
Title I	84.010

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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

Section IV – State of Montana Compliance Findings

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