

**LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES
REGULAR BOARD MEETING**

**LINCOLN BOARD ROOM
215 7th Ave South
Lewistown, MT 59457**

MONDAY, January 12, 2026

CALL TO ORDER (6:00pm)

1. Roll Call
2. Pledge of Allegiance
3. Motion to Set Agenda
4. Presentation – Educational Opportunities for Central Montana Board
5. Report – Student Representative to the Board
6. Report – Lewistown Education Association (LEA)
7. Report – Committees of the Board
8. Report – Election Information
9. Report – Budget
10. Report – Investments
11. Report – Superintendent

PUBLIC PARTICIPATION

12. Recognition of Parents, Patrons, and Others Who Wish to Address the Board on Non-Agenda Items

ACTION ITEMS – CONSENT AGENDA

13. Minutes
14. Claims
15. Personnel and Substitute Report

ACTION ITEMS – OLD BUSINESS

16. Second Reading of Policies
17. University of Providence – Request to Amend Building Use Agreement

ACTION ITEMS – NEW BUSINESS

18. First Reading of Policies
19. Approve Audit Report
20. Annual Transformational Learning Grant Report

EXECUTIVE SESSION – DISCUSSION

21. Superintendent Evaluation

ADJOURNMENT

PUBLIC PARTICIPATION

The Board of Education encourages participation at public School Board meetings. Under normal circumstances it is desirable to allow everyone to address the Board. However, when there are many persons who wish to address the Board, the following rules shall apply to protect the public's right to be heard:

- Speaker must first be recognized by the Chair and identify him/herself.
- Comments may not infringe on the rights to privacy of another.
- Each speaker shall be allowed a presentation not to exceed three (3) minutes at the appropriate time on the Agenda.
- There will be a limit of one presentation per person.
- The Board requests that organizations and groups be represented by a single spokesperson. The spokesperson for each group shall be limited to a presentation of three (3) minutes. To save repetition and time, the Board also requests that persons not speak if a previous speaker has expressed a similar position on the same issue.
- Appropriate comments are welcome but no action is likely to be taken at this time to ensure that others have the opportunity to address the same issue also. Items discussed may, at the discretion of the Board, be placed on a later agenda.
- The Board will accept comments from the public on each agenda item as it is discussed.

By a majority vote of the Board, these rules may be suspended for special reasons at any particular meeting. Further, the Board may reserve the right to adjust the length of time.

LEWISTOWN PUBLIC SCHOOLS

Lewistown, Montana

BOARD AGENDA ITEM

#4

MEETING DATE: January 12, 2026

ITEM TITLE: PRESENTATION – EDUCATIONAL OPPORTUNITIES FOR CENTRAL MONTANA BOARD

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

Representatives from the EOCM Board will present information regarding their efforts and role in the community.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#5

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT - STUDENT REPRESENTATIVE

PREPARED BY: Sophie Lark, Student Representative

SUMMARY:

The new representative, Sophie Lark, will be introduced.

Fergus High School Student Representative to the Board of Trustees will provide a report on upcoming activities at Fergus High School.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#6

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – LEWISTOWN EDUCATION ASSOCIATION

PREPARED BY: Luke Brandon, LEA President

SUMMARY:

The Lewistown Education Association (LEA) would like to update the Board of Trustees on the activities and happenings for their organization.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#7

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – COMMITTEES OF THE BOARD

PREPARED BY: Committees

SUMMARY:

The Board of Trustees has the opportunity to provide updates on their various committees.

Attached is the list for Standing Committees of the Board for the 2025-2026 School Year.

Committees Meetings since December Board Meeting:

12/10/25 at 5:00pm – Collective Bargaining
12/16/25 at 5:00pm – Collective Bargaining with LEA
12/23/25 at 2:00pm – Collective Bargaining
1/7/26 at 8:00pm – CTE Advisory
1/8/26 at 3:45pm – Safety
1/8/26 at 5:30pm – Activity

☒ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

STANDING COMMITTEES OF THE BOARD
2025-2026 School Year

Committee	Number on Comm.	Kris Birdwell	Whitney Brady	Lisa Koch	Mariah Shammel	Jeff Southworth	Carson Sweeney	Eric Vanderbeek
Building & Grounds	3	X	X			X		
Safety Committee	2				X			X

OTHER COMMITTEES WITH BOARD REPRESENTATION
2025-2026 School Year

Committee	Number on Comm.	Kris Birdwell	Whitney Brady	Lisa Koch	Mariah Shammel	Jeff Southworth	Carson Sweeney	Eric Vanderbeek
Activities	3	X	X			X		
Curriculum Committees:								
World Languages	2		X	X				
Health Insurance Program	2			X				X
School Calendar	1							X
Vocational Advisory Council	2					X	X	
Gaining	3				X	X	X	
Policy Review	3			X	X			X

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#8

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – ELECTION INFORMATION

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will report on the election calendar and procedures for 2026.

Attached are the Terms of Office Listing and the 2026 School Election Calendar.

Board members terms of office that are due to expire in 2026 include: Kris Birdwell, Lisa Koch and Carson Sweeney. It is important to note that the filing date has been moved back from previous years significantly.

☒ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD MEMBERS TERMS OF OFFICE

As currently exists, Board members terms of office are as follows:

	Expire 2026	Expire 2027	Expire 2028
SCHOOL DISTRICT #1	Kris Birdwell Carson Sweeney Lisa Koch	Eric VanderBeek Jeff Southworth	Whitney Brady Mariah Shammel

School District #1 -- Three (3) 3-Year Terms:

_____ 3-year term (to expire in 2029)
_____ 3-year term (to expire in 2029)
_____ 3-year term (to expire in 2029)

Declaration of Intents Filed for Nomination of School Board Trustee:

Serena Overcast
Carson Sweeney

**LEWISTOWN PUBLIC SCHOOLS
ELECTION HISTORY**

ELEMENTARY										
	1997	1998	1999	2000	2001	2002		2003	2004	2005
AMOUNT	\$268,571.05	\$169,267.06	\$165,301.94	\$27,075.62	NONE	\$29,997.63	\$46,533.25	\$15,336.91	\$31,500.00	\$98,000.00
MILLS	28.25	17.49	14.71	2.05			4.65	1.52		
FOR	560	569	497	510			786	661		
AGAINST	324	291	17	166			287	249		
PASS/FAIL	PASS	PASS	PASS	PASS		PASS	PASS	PASS	PASS	PASS
MAIL/POLL	POLL	POLL	POLL	POLL			POLL	POLL		
TYPE	GF LEVY	GF LEVY	GF LEVY	GF LEVY		TECH	GF LEVY	GF LEVY	TECH	BR LEVY (10YR)

	2006	2007	2008	2009	2010	SEPT 2010	2011	2012	2013	2014
AMOUNT	\$24,110.65	\$77,903.95	NONE	\$123,863.99	\$111,435.00	\$10,715,000.00	\$211,108.25	NONE	NONE	\$0.00
MILLS	2.09	7.23		10.88	9.48	N/A	17.49			0.00
FOR	703	689		478	958	1421	923			991
AGAINST	287	392		521	726	2143	1165			155
PASS/FAIL	PASS	PASS		FAIL	PASS	FAIL	FAIL			PASS
MAIL/POLL	POLL	POLL		POLL	POLL	MAIL	MAIL			POLL
TYPE	GF LEVY	GF LEVY		GF LEVY	GF LEVY	BOND	GF LEVY			BUS BARN LAND

	2015		2016	2017	2018	2019	2020	2021	2021	2022
AMOUNT	\$98,000.00	\$79,449.41	\$98,000.00	\$68,606.20	NONE	\$44,638.12	\$51,646.08	NONE	\$20,400,000.00	\$56,896.87
MILLS	8.33	6.58	8.17	5.54		3.46	3.82		N/A	3.99
FOR	1126	1157	845	966		1295	1576		1484	1112
AGAINST	1173	1146	542	703		1039	1052		1342	1193
PASS/FAIL	FAIL	PASS	PASS	PASS		PASS	PASS		PASS	FAIL
MAIL/POLL	MAIL	MAIL	POLL	POLL		MAIL	MAIL		MAIL	MAIL
TYPE	BR LEVY (10 YR)	GF LEVY	BR LEVY (10 YR)	GF LEVY		GF LEVY	GF LEVY		BOND	GF LEVY

	2023	2024	2025						
AMOUNT	\$89,710.14	\$115,427.63	\$95,855.00						
MILLS	6.20	6.28	5.26						
# of VOTERS									
FOR	1246	1192	1171						
AGAINST	1444	1431	1352						
PASS/FAIL	FAIL	FAIL	FAIL						
VOTER TURNOUT									
MAIL/POLL	MAIL	MAIL	MAIL						
TYPE	GF LEVY	GF LEVY	GF LEVY						

HIGH SCHOOL										
	1997	1998	1999	2000	2001	2002		2003	2004	2005
AMOUNT	\$32,867.01	\$107,066.90	\$69,582.16	NONE	NONE	\$51,165.05	\$87,613.29	\$55,318.87	\$101.00	\$98,000.00
MILLS	2.62	8.59	5.70				8.09	5.07	9.37	
FOR	696	673	517				758	641	514	
AGAINST	449	490	18				325	272	289	
PASS/FAIL	PASS	PASS	PASS			PASS	PASS	PASS	PASS	PASS
MAIL/POLL	POLL	POLL	POLL				POLL	POLL	POLL	
TYPE	GF LEVY	GF LEVY	GF LEVY			TECH	GF LEVY	GF LEVY	GF LEVY	BR LEVY (10YR)

	2006	2007	2008	2009	2010	SEPT 2010	2011	2012	2013	2014
AMOUNT	\$227,354.04	\$28,399.56	NONE	\$34,998.00	NONE	NONE	\$137,765.21	NONE	\$130,492.06	NONE
MILLS	19.93	2.44		2.85			10.58		9.68	
FOR	669	718		531			919		1486	
AGAINST	332	390		483			1201		1337	
PASS/FAIL	PASS	PASS		PASS			FAIL		PASS	
MAIL/POLL	POLL	POLL		POLL			MAIL		MAIL	
TYPE	GF LEVY	GF LEVY		GF LEVY			GF LEVY		GF LEVY	

	2015	2016	2017	2018	2019	2020	2021	2021	2022	2023
AMOUNT	\$98,000.00	\$98,000.00	NONE	NONE	NONE	\$44,713.54	NONE	\$8,600,000.00	NONE	NONE
MILLS	7.71	7.54				3.03		N/A		
FOR	1150	875				1589		1447		
AGAINST	1256	593				1168		1509		
PASS/FAIL	FAIL	PASS				PASS		FAIL		
MAIL/POLL	MAIL	POLL				MAIL		POLL		
TYPE	BR LEVY (10 YR)	BR LEVY (10 YR)				GF LEVY		BOND		

	2024	2025							
AMOUNT	NONE	NONE							
MILLS									
# of VOTERS									
FOR									
AGAINST									
PASS/FAIL									
VOTER TURNOUT									
MAIL/POLL									
TYPE									

VOTER STATUS BY DISTRICT AS OF DECEMBER 2025					
ELEMENTARY:			HIGH SCHOOL:		
# ABSENTEE VOTERS	3782	64%	# ABSENTEE VOTERS	177	65%
# POLL VOTERS	2148	36%	# POLL VOTERS	96	35%
TOTAL # OF ACTIVE VOTERS	5930		TOTAL # OF ACTIVE VOTERS	273	

VOTER STATUS BY DISTRICT AS OF DECEMBER 2024					
ELEMENTARY:			HIGH SCHOOL:		
# ABSENTEE VOTERS	4018	68%	# ABSENTEE VOTERS	179	65%
# POLL VOTERS	1860	32%	# POLL VOTERS	97	35%
TOTAL # OF ACTIVE VOTERS	5878		TOTAL # OF ACTIVE VOTERS	276	

School Election Calendar 2026

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not less than 145 days before*	Thursday, December 11	Trustees call for an election. The trustees must pass a resolution stating: 1) the date of the election; 2) the purpose of the election; 3) whether the election will be by mail or poll; 4) the voting locations and boundaries for each location, if there are multiple locations within a district (if changed from a previous school election the new locations must be specifically noted); and 5) the time the polls will open, if before noon. The trustees do NOT have to set levy amounts at this time; however, they must be set in time for the clerk to certify the ballot (not less than 30 days before the election). The resolution must be delivered to the county election administrator within 3 days of passage, but it need NOT be posted. The trustees must also appoint three election judges per precinct. Bond Elections are subject to additional requirements (see 20-9-422, MCA). Request for a mail ballot election must be sent from trustees to the election administrator. Exception: Even if no request is received, the election administrator could decide to request a mail ballot election. <i>*The deadline of 145 days ONLY applies to the regular school election. Special elections must be called at least 70 days before the election.</i>	13-19-202 13-19-203 20-9-422 20-20-201 20-20-203
At least 142 days before (within 3 days of passage of the election resolution)*	Monday, December 15	Last day to file resolutions for school election with county election administrator. To assist with the provisions of late registration, include the name and best contact number for the district's election administrator with the resolution. <i>*For special elections, the election resolution must be sent to the county election administrator within 3 days of passage (not later than 67 days before the election)</i>	20-20-201(2)(a)
No earlier than 145 days, or later than 85 days before	Thursday, December 11 through Monday, February 9	Trustee candidates file for election. A Declaration of Intent and Oath of Candidacy must be filed with district clerk (regardless of who is running the election). NO CANDIDATE MAY APPEAR ON THE BALLOT UNLESS THE CANDIDATE MEETS THIS DEADLINE. <i>Candidates must be registered to vote by the filing deadline (exception for candidates turning 18 after the filing deadline and prior to the election).</i>	13-10-201 20-3-305
85 th day before the election	Monday, February 9 (by 5 p.m.)	Last day trustee candidates may withdraw from the election. Any candidate that has already filed for election, but wishes to withdraw their name, may do so by sending a statement of withdrawal to the election administrator.	20-3-305(3)(a)
At least 70 days before	Tuesday, February 24	Deadline for amendments to election resolutions. The trustees may amend an election resolution passed at least 145 days prior to the election. Financial considerations not indicated in the initial resolution may be included in an amendment. <i>Special elections (elections held on a date other than the regular school election day) must be called at least 70 days before the election.</i>	20-20-201



School Election Calendar 2026

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not later than 5pm the 65 th day before the election	Monday, March 2 (by 5 p.m.)	Deadline for write-in candidate for a trustee position on a school board to file Declaration of Intent (must be filed with the district clerk, regardless of who is running the election). <i>*Votes only count for write-in candidates who file a Declaration of Intent.</i>	20-3-305(2)(b)
At least 60 days before	Friday, March 6	Election administrator posts mail ballot election plan/timetable/sample instructions. For elections conducted by the school district: publish the mail ballot plan in a newspaper of general circulation, if one in the district and/or in 3 public places AND publish on the school district website, if active. For elections conducted by the county election office: publish on the county election office website or other means of publication OR follow the publication instructions for elections conducted by school districts. <i>Failure to publish plans by this date and in this manner default to a polling place election. School districts conducting their own elections must send a copy of the plan to the county election administrator.</i>	13-19-205
4 weeks preceding the close of regular registration	Monday, March 9	Notice of close of regular registration. The county election administrator publishes the notice of close of regular registration for school districts at least 3 times in the 4 weeks preceding the close of regular registration. Contact the county election administrator to coordinate that publication.	13-2-301
Not less than 40 days before	Thursday, March 26	Election administrator certifies ballot. The election administrator prepares the final ballot form, listing all candidates and propositions to be voted upon. The ballot must then be delivered to the election administrator, if other than the clerk. <i>Trustees must pass a resolution stating exact levy amounts by this date for the clerk to certify the ballot. This resolution must include the durational limit, if any, on the levy.</i>	20-20-401
Not more than 35 days before	Tuesday, March 31	Deadline for mail ballot amendments. The plan may be amended by the election administrator at any time prior to the 35th day before election day by publishing in the same manner as the original mail ballot plan.	13-19-205
Not less than 30 days before	Friday, April 3	Election by Acclamation and Cancellation of Election - Notice. If the number of candidates filing a nomination petition or filing a declaration of intent to be a write-in candidate is equal to or less than the number of open trustee positions to be elected, the trustees cancel the trustee election. They must then give notice that a trustee election will not be held. The trustee election may not be declared by acclamation until all candidate filing deadlines have passed. Send a copy to the county election administrator to aid with the provisions of late registration. <i>**A trustee election held in single-member or trustee nominating district is considered a separate trustee election for declaring the election by acclamation.</i>	20-3-313



School Election Calendar 2026

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
30 days before any election	Monday, April 6	Close of regular voter registration. Registration forms postmarked by this date and received within 3 days are accepted for regular registration. Late registration must be completed at the county election office.	13-2-301
Not more than 30 days before	Monday, April 6	Contact your county election administrator for the absentee ballot list.	13-13-212 20-20-312
No later than the 30th day before	Friday, April 3	Deadline to notify election judges of appointment.	13-4-101
Not more than 30 days before	Monday, April 6	Performance Testing and Certification of Voting System. The election administrator must publicly test and certify that the system is performing properly.	13-17-212
Day after Close of Regular Registration	Tuesday, April 7	Start of Late Registration. Late voter registration starts and continues through election day. Late registration must be completed at the office of the county election administrator.	13-2-304
Not less than 10 days, or more than 40 days before	Thursday March 26 Through Saturday April 25	Notice of election is posted. The election notice must be published in a newspaper of general circulation in the district if available, posted in at least three public places in the district AND posted on the district's website for the 10 days prior to the election, if the district has an active website. Notice using any other recognized media may be used to supplement the posting. The notice must include: 1) the date and voting locations for the election; 2) voting location hours; 3) each proposition to be considered by the electorate; 4) the number of trustee positions, if any, subject to election and the length of the terms for those positions; 5) where and how absentee ballots may be obtained; and 6) where and how late registrants may obtain a ballot on election day. • If the polling place has changed from the previous school election, that change must be referred to in the notice. • If more than one proposition will be considered in the same district, each proposition must be set apart and identified or placed in separate notices.	20-20-204
At least 20 days before	Wednesday, April 15	Absentee ballots available. The election administrator prepares ballots for absentee voters. Remember to enclose four things in the absentee package. • The ballot, stamped official ballot (with stub removed); • Instructions for voting and returning the ballot; • A secrecy envelope, free of marks that would identify the voter; and • A self-addressed, return envelope with affirmation printed on the back of the envelope (affirmation must include a line for signature AND the elector's date of birth.	13-13-214 20-20-401
Not before the 20 th day or later than the 15 th day	Wednesday, April 15 through Monday, April 20	Mail ballots mailed. If conducting a mail ballot election, all ballots must be mailed on the same day (the day noted in the district's mail ballot plan). If an inactive elector reactivates after the ballots are mailed, the elector should be provided with or mailed a ballot. If the elector reactivates after noon on the day before election day, the elector must come in on election day to receive a ballot.	13-19-207



School Election Calendar 2026

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not more than 12 days or less than 2 days before	Thursday, April 23 through Sunday, May 3	Absentee/Mail Ballot Counting Notice. Districts must publish in a newspaper of general circulation in the county a notice indicating the method that will be used for counting absentee/mail ballots and the place and time that the absentee/mail ballots will be counted on election day. <i>This notice may be combined with the Publication of Information Concerning Voting Systems, the Polling Location Accessibility Notice and/or with the Notice of Election if the notice is published between the 12th and 10th day prior to the election.</i>	13-15-105
Not more than 12 days or less than 2 days before	Thursday, April 23 through Sunday, May 3	Publication of Information Concerning Voting Systems. Districts shall broadcast on radio or television or publish in a newspaper of general circulation in the county a diagram showing the voting system to be used by voters and a sample ballot (newspaper only), a statement of location of where the voting system to be used is on public display, and instructions on how to vote. <i>This notice may be combined with the Absentee/Mail Ballot Counting Notice, the Polling Location Accessibility Notice, and/or with the Notice of Election if the notice is published between the 12th and 10th day prior to the election.</i>	13-17-203
Not more than 10 days or less than 2 days before	Saturday, April 25 through Sunday, May 3	Polling Location Accessibility Notice. Districts must publish in a newspaper of general circulation in the county a statement of the location of the polling places and whether each location is accessible or inaccessible. <i>This notice may be combined with the Absentee/Mail Ballot Counting Notice, the Polling Location Accessibility Notice, and/or with the Notice of Election if the notice is published between the 12th and 10th day prior to the election.</i>	13-3-105 13-3-207
Day before (By Noon)	Monday, May 4	Deadline for absentee ballot requests. Voters who wish to vote absentee may request an absentee ballot in writing or in person until noon the day before the election.	13-13-211 13-13-214
Day before	Monday, May 4	Deliver certified copy of the lists of registered electors. Before the day of election, the county election administrator shall deliver a certified copy of the lists of registered electors for each voting location to the district. The district shall deliver them to the election judges prior to the opening of a voting location.	20-20-313
Election Day 	Tuesday, May 5	ELECTION DAY. The election administrator must prepare the polling places, printed ballots, ensure election judges are present, and conduct a fair and unbiased election. Notify election judges of the names of write-in candidates	Title 13 20-20-105 20-20-401 20-20-411



School Election Calendar 2026

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
No sooner than 3pm on the 6 th day after the election	Monday, May 12	The first date that provisional ballots may be counted. Following the election, unresolved provisional ballots are sealed. These ballots may not be opened until after 3pm on the 6 th day after election. The election judges convene, and a determination is made as to whether the ballots are counted. If there are provisional ballots in a school election, the canvass may not occur until after all provisional ballots are resolved.	13-15-107
Following receipt of the tally sheets from all polls and within 25 days after the election	By Friday, May 30	Trustees canvass the votes, issue certificates of election, and publish results. Trustees review the tally sheets compiled by the election judges to ascertain their accuracy. Recounts are ordered, if necessary. If tally is complete and accurate, trustees issue certificates of election to successful candidates. The canvassed results shall be published immediately in a newspaper that will give notice to the largest number of people in the district.	20-20-415 20-20-416
Within 5 days after the official canvass	Monday, May 12 through Wednesday, June 4	Deadline for filing a petition for recount. When a question submitted to a vote of the people is decided by a margin not exceeding $\frac{1}{4}$ of 1% of the total votes cast for and against the question, a petition for recount must be filed within 5 days after the official canvass.	13-16-201
Within 5 days of receipt of notice from the election administrator	Monday, May 12 through Monday, June 4	Deadline for convening the School Recount Board. When a tie vote has been certified to the election administrator or conditions have been met for filing a recount petition, the board shall convene at its usual meeting place to perform a recount. The recount must be completed within 5 days of receipt of official canvass or recount petition.	13-16-204 20-20-420
Within 25 days of election	By Friday, May 30	Deadline for trustees to hold organizational meeting to elect chair and appoint clerk.	20-3-321
By June 1	Friday, May 30	Deadline for trustees to request county election administrator to conduct school elections for next year. The school district clerk/election administrator is designated the election administrator for school elections. However, the trustees of any district may request the county election administrator (EA) to become the election administrator for school elections. The request must be made by a resolution of the board of trustees. If the county EA accepts, then he/she must perform all the duties the school clerk would have. The school district must assume all costs of the election.	20-20-417
Within 15 days after receipt of certificate of election	By Friday, June 13	Candidate completes and files Oath of Office with the County Superintendent. <i>*Newly elected trustees may not be seated until the oath is filed. The issuance and the oath may be administered at the organizational meeting (below) but must be completed within 15 days of issuance.</i> <i>**In the event of a recount, the deadline for a candidate to complete and file the oath is 15 days from receipt of the certificate of election.</i>	20-3-307 20-1-202 1-6-101



School Election Calendar 2026

[1-1-307](#), MCA. Postponement of day appointed for an action when it falls on a holiday or Saturday. Whenever any act of a secular nature, other than a work of necessity or mercy, is appointed by law or contract to be performed upon a particular day, which day falls upon a holiday or a Saturday, such act may be performed upon the next business day with the same effect as if it had been performed upon the day appointed.

If the deadline, as read in statute, is phrased "not later than..." the deadline does not move to a later date but an earlier one.

Additional References:

Sample forms can be found at this address: [School Finance Election Webpage](#)

Election Manual: [School Election Handbook](#)

MT Secretary of State's Office: [Secretary of State's Election Webpage](#)

Candidates for trustee positions in 1) a first-class district located in a county with populations of 15,000 or more; or 2) a county high school district with an enrollment of 2,000 or more are required to file a C-1-A Statement of Candidate within 5 days of becoming a candidate. For reporting dates and instructions contact the Montana Commissioner of Political Practices at: [Commissioner of Political Practices Webpage](#).



LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#9

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – BUDGET

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will report on Fiscal Year 2026-2027 budget projections and provide an update on legislation changes during the 2025 session that are impacting FY27 school budget calculations.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#10

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – INVESTMENT

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

Interest earned for November 2025 will be reported as follows:

Elementary - \$7,530.36

High School - \$7,060.43

Interest earned for December 2025 was not available at the time of posting.

SLGS Elementary bond interest accrued from August 2025 through December 2025 was \$142,006.76
December's portion of the interest accrued was \$3,257.64.

The bond projects are coming to a close, with the Lewis & Clark Parking lot project the only one remaining. Rebekah will be in contact with Causey to determine the IRS penalty owed and will be able to report back at the February Board Meeting.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#11

MEETING DATE: January 12, 2026

ITEM TITLE: REPORT – SUPERINTENDENT

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

Bridged Health Alliance Update

COPS Grant

Facility Planning Special Board Meeting- January 21 at 5:00 PM

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS

Lewistown, Montana

BOARD AGENDA ITEM

#12

MEETING DATE: January 12, 2026

ITEM TITLE: RECOGNITION OF PARENTS, PATRONS AND OTHERS WHO WISH TO ADDRESS THE BOARD ON NON-AGENDA ITEMS

PREPARED BY: _____

SUMMARY:

Time is provided on the agenda for anyone who wishes to address the Board on non-agenda items.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

ACTION ITEMS – CONSENT AGENDA

- 13. Minutes
- 14. Claims
- 15. Personnel and Substitute Report

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#13

MEETING DATE: January 12, 2026

ITEM TITLE: MINUTES OF THE DECEMBER 8, 2025, REGULAR BOARD MEETING

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

The following minutes are attached for your approval:

- Minutes of the December 8, 2025 Regular Board Meeting.
- Minutes of the December 8, 2025, Board Training

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

**MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

LINCOLN BOARD ROOM

215 7th Avenue South
Lewistown, Montana 59457

MONDAY, December 8, 2025

REGULAR BOARD MEETING

CALL TO ORDER (6:00 p.m.)

1. ROLL CALL

TRUSTEES PRESENT:

Kris Birdwell, Whitney Brady, Lisa Koch, Mariah Shammel, Jeff Southworth,
Carson Sweeney, Eric VanderBeek

TRUSTEES ABSENT:

2. PLEDGE OF ALLEGIANCE

The group recited the Pledge of Allegiance

3. MOTION TO SET THE AGENDA – Approved Unanimously (Sweeney/VanderBeek)

4. DISCUSSION – FACILITY STUDY REVIEW

Tony Houtz, Cushing Terrell, provided an overview of the Facility Study that was recently completed for Fergus High School and the Lincoln Building. The study focused on architectural, structural, electrical and mechanical systems. Tony explained the difference between the priority columns to the Board. The Infrastructure, High and Code columns all need to be addressed as priority.

The next Facility Planning Work Session with the Board will take place after the first of the year.

5. REPORT – STUDENT REPRESENTATIVE TO THE BOARD

Shoei Davis, Student Representative, was not available to report.

6. REPORT – LEWISTOWN EDUCATION ASSOCIATION (LEA)

Luke Brandon, LEA President, updated the Board on happenings within their organization. They are preparing for upcoming negotiations.

7. REPORT—COMMITTEES OF THE BOARD

The Safety Committee met on 11/12/2025. Mr. Moore shared that they are working to finalize the safety plan.

Trustee VanderBeek spoke with the City after the latest snowstorm and the safety issues that transpired as a result, especially on Airport Road and Brassey/Casino Creek. Mr. Brandon also shared his concerns regarding the sidewalk on Brassey leading up toward the walking path. Trustee Birdwell requested that Superintendent Moore take the lead in working with the City to improve the street conditions during and after snowfall. Trustee VanderBeek has also requested to add this to the Safety Committee discussions. Kendra Milfeldt recommended calling Public Works directly has been effective.

The Collective Bargaining Committee met on 11/12/2025 to prepare for upcoming negotiations.

The Curriculum Committee met on 11/19/25 to discuss World Languages.

Upcoming Meetings: December 10th Bargaining Planning Meeting and December 16th Bargaining Meeting with LEA.

8. **REPORT – ELECTION INFORMATION**
Rebekah Rhoades, Business Manager/Clerk, reported on the 2025-2026 election information to the Board of Trustees, noting that the call for election and the end to the Trustee Declaration of Intent are significantly earlier this year. The regular election will take place on Tuesday, May 5, 2026.
9. **REPORT – BUDGET**
Rebekah Rhoades, Business Manager/Clerk, reported on the 2026-2027 budget projections.
10. **REPORT—INVESTMENT**
Interest earned and distributed for October was \$6,122.31 in the Elementary and \$5,419.55 in the High School. November interest was not available to report. November Bond SLGS interest was reported at \$3,520.30 for a total of \$138,749.12 since August 2024.
11. **REPORT—SUPERINTENDENT**
Mr. Moore provided the Superintendent Evaluation to all Trustees to be discussed for the January Board Meeting. Trustee Birdwell requested that they be returned to him by January 5th. The Accreditation process with Cognia is in progress and will take 2 years to complete. The Board was updated on the status of the Bridge Health Insurance Trust. The deadline for qualification of the Trust is December 19th. Mr. Moore reported on the success of the recent Class B basketball tournament that was hosted by Fergus High School. The district is working on a controlled access system to the Lewis & Clark Elementary gym.

PUBLIC PARTICIPATION

12. **RECOGNITION OF PARENTS, PATRONS, AND OTHERS WHO WISH TO ADDRESS THE BOARD ON NON-AGENDA ITEMS**
There was no public participation.

ACTION ITEMS

CONSENT AGENDA ITEMS – approved unanimously (Shammel/Brady)

13. **MINUTES OF THE NOVEMBER 10, 2025, REGULAR BOARD MEETING**
14. **CLAIMS – approval of the claims referenced in the 2025-2026 Bill Schedule and submitted through December 5, 2025. The Finance Committee for October-December 2025 is Board Chair Kris Birdwell, Whitney Brady, Lisa Koch and Mariah Shammel. The finance committee for January-March 2026 will be Board Chair Kris Birdwell, Mariah Shammel, Whitney Brady and Lisa Koch.**
15. **APPROVE PERSONNEL/SUBSTITUTE REPORT – WITH THE AMENDMENT TO ADD COOPER BIRDWELL AS A VOLUNTEER WRESTLING COACH AND DREYGON REID AS A STUDENT CUSTODIAL WORKER**

INDIVIDUAL ITEMS – OLD BUSINESS

16. **APPROVE SECOND READING OF POLICIES – approved unanimously (VanderBeek/Koch)**

INDIVIDUAL ITEMS – OLD BUSINESS

17. **APPROVE FIRST READING OF POLICIES – approved unanimously (Shammel/VanderBeek)**

18. APPROVE TRUSTEE RESOLUTION CALLING FOR A LEWISTOWN ELEMENTARY SCHOOL ELECTION - approved unanimously (Brady/Shammel)
19. APPROVE TRUSTEE RESOLUTION CALLING FOR A FERGUS HIGH SCHOOL ELECTION - approved unanimously (Shammel/Sweeney)
20. POSTPONE ACTION ON UNIVERSITY OF PROVIDENCE REQUEST TO AMEND BUILDING USE AGREEMENT UNTIL JANUARY – approved unanimously (Brady/VanderBeek)
The Board acknowledges the 1 year notice provided in writing, per the Agreement, but will take action on the secondary request to reduce the building use obligation for calendar year 2026.
21. APPROVE LETTER TO BE SENT TO THE DEPARTMENT OF EDUCATION IN REGARDS TO THE USE OF THE CMEC PROPERTY – approved unanimously (Brady/Shammel)
AMEND MOTION TO INCLUDE A STATEMENT IN THE UNIVERSITY OF PROVIDENCE PARAGRAPH STATING THAT UNIVERSITY OF PROVIDENCE IS LEAVING THE BUILDING ON THEIR OWN ACCORD – approved unanimously (Brady/Sweeney)
22. APPROVE GIFTING SURPLUSSED BRIDGE LOCATED ON FERGUS HIGH PROPERTY TO THE CITY OF LEWISTOWN– approved unanimously (Southworth/Sweeney)
AMEND MOTION TO ADD THAT THE BRIDGE IS TO BE REMOVED, WITH ALL NECESSARY BANK RECLAMATION, WITHIN THE 2026 CALENDAR YEAR AT NO COST TO THE LEWISTOWN PUBLIC DISTRICT – approved unanimously (Southworth/Sweeney)

ADJOURNMENT

The meeting was adjourned at 7:35 p.m. (Brady). The next regular meeting will be held at 6:00 p.m. on Monday, January 12, 2026, at the Lincoln Board Room.

KRIS BIRDWELL
BOARD CHAIR

REBEKAH RHOADES
BUSINESS MANAGER/CLERK

**MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

LINCOLN BOARD ROOM

215 7th Avenue South
Lewistown, Montana 59457

MONDAY, December 8, 2025

BOARD OF TRUSTEES TRAINING

CALL TO ORDER (5:15 p.m.)

1. ROLL CALL

TRUSTEES PRESENT:

Kris Birdwell, Whitney Brady, Lisa Koch, Mariah Shammel, Jeff Southworth,
Carson Sweeney, Eric VanderBeek

TRUSTEES ABSENT:

2. TRAINING – JEFF WELDON, FELT MARTIN PC

Board Training Topics included the following:

- Collective Bargaining with the Union
- Negotiating with Non-Union Staff

ADJOURNMENT

The meeting was adjourned at 5:50 p.m. (Brady). The next Board Training will be determined at a later date.

**KRIS BIRDWELL
BOARD CHAIR**

**REBEKAH RHOADES
BUSINESS MANAGER/CLERK**

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#14

MEETING DATE: January 12, 2026

ITEM TITLE: CLAIMS

PREPARED BY: Chris Gobble, Purchasing

SUMMARY:

See attached claims paid through January 9, 2026, as approved by the Finance Committee.

Members of the Finance Committee for January – March 2026 include: Board Chair Kris Birdwell, Whitney Brady, Lisa Koch and Mariah Shammel.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#15

MEETING DATE: January 12, 2026

ITEM TITLE: PERSONNEL AND SUBSTITUTE REPORT

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

Attached is the Personnel Report for your review.

☒ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

**LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA**

Monday, January 12, 2026

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
EKEGREN, Deana	Substitute Food Server/Kitchen Aide	Central Office		1/13/2026		
JONES, Keya	Food Server/Kitchen Aide	Highland Park Elementary School	Approve appointment on schedule FOOD SERVER/KITCHEN AIDE, 2.5 hours per day (12.50 hours per week) for up to 91 days	1/13/2026	Amie Friesen	Replacing Hailey Martin - pending a successful background check
MOORE, Hunter	Substitute Teacher/Custodian	Central Office		1/13/2026		
RECOMMENDATIONS FOR ACTIVITIES AND ATHLETICS	EXTRA CURRICULAR ASSIGNMENTS	Fergus High School	Approve appointment on schedule as recommended - Names highlighted are being approved at the 1/15/25 Board Meeting		Derek Lear	See Attached List
TURNER, Logan	Teacher	Fergus High School	Approve out-of-state travel to attend The Sheridan College Border Wars competition at Sheridan, WY	3/1 - 3/2/2026	Matt Lewis	See Attached Letter

2025-2026 School Year					
				Starting Salary	\$41,615.00
FERGUS HIGH SCHOOL ACTIVITY AND ATHLETIC RECOMMENDATIONS					
Activity	Name	Positions	Index	Stipend	Date Approved
CMY MENTOR ADVISOR	<i>Yvette Hersel</i>	Advisor	0.0350	\$ 1,456.53	8/11/25
ANNUAL	<i>Diane Lewis</i>	Advisor	0.050	\$ 2,080.75	8/11/25
ATHLETIC DIRECTOR	<i>replaced with Admin AD</i>	Director	0.195	\$ 8,114.93	N/A
BASKETBALL	<i>Scott Sparks</i>	Boys Head Coach	0.150	\$ 6,242.25	5/12/25
	<i>Jim Daniels</i>	Boys First Assistant	0.110	\$ 4,577.65	8/11/25
	<i>Matt Plagenz</i>	Boys Assistant - 1	0.090	\$ 3,745.35	8/11/25
	<i>Tom Webb</i>	Girls Head Coach	0.150	\$ 6,242.25	5/12/25
	<i>Jimmy Graham</i>	Girls First Assistant	0.110	\$ 4,577.65	8/11/25
	<i>Jaymie Phillips</i>	Girls Assistant - 1	0.090	\$ 3,745.35	8/11/25
	<i>Vanessa Moen</i>	Volunteer			10/13/25
BUSINESS PROFESSIONALS OF AMERICA	<i>Diane Lewis</i>	Advisor	0.0350	\$ 1,456.53	8/11/25
CHEERLEADERS	<i>Rayna Phelps</i>	Head Coach	0.125	\$ 5,201.88	5/12/25
	<i>Holly Lower</i>	Assistant	0.074	\$ 3,079.51	8/11/25
CONCESSIONS	<i>paid as needed</i>	Club Advisor	\$17.50/hour		
	<i>Tim Painter</i>	Orders		\$ 500.00	8/11/25
CROSS COUNTRY -- B/G	<i>Susie Flentie</i>	Head Coach	0.125	\$ 5,201.88	5/12/25
	<i>Regan Ayelsworth</i>	Co-Assistant	0.043	\$ 1,768.64	8/11/25
	<i>Kimmie Briggs</i>	Co-Assistant	0.043	\$ 1,768.64	8/11/25
F CLUB	<i>Vic Feller</i>	Advisor	0.015	\$ 624.23	8/11/25
FFA	<i>Jared Long</i>	Advisor	0.110	\$ 4,577.65	8/11/25
	<i>Logan Turner</i>	Advisor	0.110	\$ 4,577.65	8/11/25
FCCLA	<i>Megan Vincent</i>	Advisor	0.035	\$ 1,456.53	8/11/25

FOOTBALL	<i>Derek Lear</i>	Head Coach	0.145	\$ 6,034.18	5/12/25
	<i>Troy Hudson</i>	First Assistant	0.105	\$ 4,369.58	8/11/25
	<i>Matthew Ventresca</i>	Assistant - 1	0.085	\$ 3,537.28	8/11/25
	<i>Danny Wirtzberger</i>	Assistant - 2	0.085	\$ 3,537.28	8/11/25
	<i>Orin Johnson</i>	Assistant - 3	0.085	\$ 3,537.28	8/11/25
	<i>TBD</i>	Field Preparation		\$ 700.00	
GOLF	<i>Sherry Breidenbach</i>	Co-Head Coach	0.073	\$ 3,017.09	5/12/25
	<i>Brett Thackeray</i>	Co-Head Coach	0.073	\$ 3,017.09	5/12/25
HONOR SOCIETY	<i>Meggan Cirrincione</i>	NHS Advisor	0.035	\$ 1,456.53	8/11/25
KEY CLUB	<i>Luke Brandon</i>	Advisor	0.0470	\$ 1,955.91	8/11/25
JUNIOR CLASS FUNDRAISER	<i>Douglas Braulick</i>	Coordinator	0.020	\$ 832.30	9/25/25
SPORTING EVENT MGMT	<i>as needed</i>	Holiday Classic - Basketball		\$ 75.00	N/A
	<i>as needed</i>	Class A Duals Wres		\$ 75.00	N/A
	<i>as needed</i>	Fall Classic XC (Div)		\$ 75.00	N/A
	<i>as needed</i>	Northeast Tn Div.		\$ 75.00	N/A
MUSIC	<i>not filled for several years</i>	FCPA Manager	0.065	\$ 2,704.98	
	<i>Chase Auger</i>	Instrumental Activities	0.110	\$ 4,577.65	8/11/25
	<i>Chase Auger</i>	Jazz Band Director	0.040	\$ 1,664.60	8/11/25
	<i>Rachael Grensten</i>	Choralaies - 2nd Semester	0.040	\$ 832.30	8/11/25
	<i>Rachael Grensten</i>	Vocal Activities	0.070	\$ 2,913.05	8/11/25
RENAISSANCE	<i>Michelle Trafton</i>	Advisor	0.047	\$ 1,955.91	8/11/25
SCHOOL PLAY	<i>not budgeted</i>	Co-Advisor	0.020	\$ 832.30	N/A
	<i>not budgeted</i>	Co-Advisor	0.020	\$ 832.30	N/A
SCIENCE BOWL/OLYMPIAD	<i>Mike Mangold</i>	Advisor	0.0550	\$ 2,288.83	8/11/25
SKI CLUB	<i>Brett Thackeray</i>	Advisor	0.015	\$ 624.23	8/11/25
SOFTBALL	<i>Mike Mangold</i>	Head Coach	0.125	\$ 5,201.88	8/11/25
	<i>Jeremy Long</i>	Assistant	0.085	\$ 3,537.28	
SPEECH & DRAMA	<i>Kristin Rutten</i>	Head Coach	0.110	\$ 4,577.65	9/25/25
	<i>Lora Poser-Brown</i>	Assistant	0.075	\$ 3,121.13	10/13/25
	<i>Austin Schilling</i>	Volunteer			10/13/25

STUDENT GOVERNMENT	<i>Luke Brandon</i>	Advisor	0.047	\$ 1,955.91	8/11/25
	<i>Austin Schilling</i>	Assistant	0.023	\$ 957.15	8/11/25
SkillsUSA	<i>replaced by 2nd FFA</i>	Advisor	0.035	\$ 1,456.53	
TENNIS	<i>Sherry Briedenbach</i>	Co-Head Coach	0.125	\$ 5,201.88	8/11/25
	<i>Melanie Smith</i>	Co-Head Coach	0.125	\$ 5,201.88	8/11/25
TRACK & FIELD	<i>Orin Johnson</i>	Head Coach	0.145	\$ 6,034.18	8/11/25
	<i>Vic Feller</i>	First Assistant	0.105	\$ 4,369.58	8/11/25
	<i>Gary Cecnle</i>	Assistant - 1	0.085	\$ 3,537.28	8/11/25
	<i>Justin Troutt</i>	Assistant - 2	0.085	\$ 3,537.28	8/11/25
VOLLEYBALL	<i>Gina Crawford</i>	Head Coach	0.145	\$ 6,034.18	5/12/25
	<i>Tasha Lahr</i>	First Assistant	0.105	\$ 4,369.58	8/11/25
	<i>Kylee Lucas</i>	Assistant	0.085	\$ 3,537.28	8/11/25
WEIGHT ROOM	<i>OPEN</i>	Co-Coordinator	\$15 / Hour up to	\$ 900.00	Dependent upon Booster Donation
	<i>OPEN</i>	Co-Coordinator	\$15 / Hour up to	\$ 900.00	
WEIGHT TRAINING COACH	<i>Vic Feller</i>	Advisor	0.040	\$ 1,664.60	8/11/25
WRESTLING	<i>Brendon DeCock</i>	Head Coach	0.145	\$ 6,034.18	5/12/25
	<i>Caleb Werner</i>	First Assistant	0.105	\$ 4,369.58	10/13/25
	<i>Robert Wallace</i>	Assistant	0.043	\$ 1,768.64	10/13/25
	<i>Brady Fiscus</i>	Assistant	0.043	\$ 1,768.64	10/13/25



FERGUS HIGH SCHOOL

1001 CASINO CREEK DRIVE, LEWISTOWN, MT 59457

Phone: (406) 535-2321

Fax: (406) 535-3835

fhs.lewistown.k12.mt.us

MATTHEW LEWIS
PRINCIPAL

DEREK LEAR
ACTIVITIES DIRECTOR

JESS BROOKS
ACTIVITIES SECRETARY

January 7th, 2026

Dear School Board Members,

The Fergus FFA Chapter is requesting approval for out-of-state travel to Sheridan College's Border Wars CDE competition on March 1st and 2nd. This competition includes vet science and sales. We traveled to this contest last year and it was a fantastic opportunity for students to not only compete but also explore the Wyoming junior college system. We have had multiple students attend Sheridan college because of their experience at this event.

Opportunities of this magnitude offer students an incredible opportunity to grow on a personal and professional level and I believe all of these students will gain an enormous amount of knowledge and perspective by attending. I hope that you all see it the same way I do, please reach out with any questions. We look forward to hearing from you!

Thank you for the consideration,

Logan Turner

Agricultural Education Teacher

Fergus High School- Lewistown, MT.

(406) 535-2321 ext. 6125

ACTION ITEMS – OLD BUSINESS

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#16

MEETING DATE: January 12, 2026

ITEM TITLE: SECOND READING OF POLICIES

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

The Board of Trustees needs to approve the attached list of policies that were reviewed previously by a Committee of the Board.

The full policy documents can be found at the following link:

https://drive.google.com/drive/folders/1UnnJXQJsHuUfzvwM8seZyT4ujtMdseoi?usp=drive_link

Each policy shows information that is new in **highlight** and text being removed in ~~strikethrough~~.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

LEWISTOWN PUBLIC SCHOOLS
2nd READING POLICIES
January 12, 2026

3416	Administering Medicines to Students
3420	Head Lice
5120P1	Federal Background Check

NEW POLICIES

~~POLICIES BEING REMOVED~~

POLICIES TO BE REVIEWED AT A LATER DATE

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#17

MEETING DATE: January 12, 2026

ITEM TITLE: UNIVERSITY OF PROVIDENCE – REQUEST TO AMEND BUILDING USE AGREEMENT

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

The University of Providence has sent a written request to amend the current Agreement, as per the attached letter. They will be running their last cohort in Lewistown during the 2026 calendar year and will no longer need to utilize the building.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

November 12, 2025

RE: CMEC Lease Agreement
To: Rebekah Rhoades
Cc: Brad Moore

Dear Rebekah,

On behalf of the University of Providence, I am writing to formally request an amendment to the existing agreement made between the University of Providence (lessee) and the Lewistown School District (lessor) regarding the use of the Central Montana Education Center (CMEC) located at 773 Airport Road, Lewistown, Montana, 59457.

The original agreement identifies Alexander Herr as the University's representative (page 6, item 14). Please note that Mr. Herr is no longer affiliated with the University, and responsibility for oversight of the CMEC agreement now falls under my purview.

As outlined on page 5, Item 8 of the agreement, *"District and the University may, at any time by written order, request to negotiate changes to the agreement."* In accordance with this provision, the University requests the following revisions effective January 1, 2026:

- Limiting the designated use of space to:
 - Skills / Simulation Lab
 - Classroom 1

Shared costs will be adjusted and prorated accordingly to reflect these changes.

Additionally, page 5, item 10 of the agreement states, *"Each party shall have the right to terminate this Agreement upon one year's written notice submitted to the other Party."* The University requests that the amended agreement remain in effect from January 1 through December 31, 2026, and terminate at that time.

We greatly value the opportunity to serve learners in the Lewistown region and sincerely appreciate the continued support of the Lewistown School District in these efforts. Thank you for your consideration of this request.

Sincerely,



Brittany Budeski
Chief Operating Officer | Title IX Coordinator | Primary Designated School Official
Phone: 406.791.5207 or 800-856-9544 | Fax: 406.791.5209

**UNIVERSITY OF PROVIDENCE
CMEC BUILDING USAGE
JANUARY 2026 REQUEST FOR REDUCTION IN BUILDING USE**

	Measurements in Feet		Sq Feet
Classroom 1	30	29	870
Nursing Lab	36.5	22	803
Infant Lab	13.5	22	297
Storage Closet	18	7.5	135
Main Hallway	5	75	375
Bathroom Hallway	5	20.5	102.5
Bathroom Hallway	3.5	26.5	92.75
Bathroom - Men's	9.5	14	133
Bathroom - Women's	9.5	14	133
Break Room	26	29	754
Total Square Footage			3695

Total Building Square Footage **13326**
% Usage **28%**

Average Monthly Bill	\$ 2,942.17
Proposed UP Portion	\$ 823.81
Job Service Portion	\$ 500.17
REO Portion	\$ 29.42
LPS Portion	\$ 1,588.77

Major Maintenance Monthly	\$ 1,050.00
Proposed UP Portion	\$ 225.00
Job Service Portion	\$ 200.00
REO Portion	\$ 50.00
Reduction of Major Maint	\$ 575.00

CMEC Invoices:

July 2025	\$ 1,443.47
August 2025	\$ 3,151.33
September 2025	\$ 3,187.91
October 2025	\$ 2,906.02
November 2025	\$ 4,022.14

Average \$ 2,942.17

Currently, University of Providence is responsible for the entire cost of the building, in addition to a major maintenance fee for upkeep of major maintenance. When other users are added to the building, such as REO and Job Service, the cost of percent of the building they utilize is deducted from University of Providence's full amount.

If University of Providence's request to reduce their monthly payment is honored, Lewistown Public Schools will be responsible for the remaining monthly amount through December 2026. University of Providence has given their 1 year notice, per the Agreement and will no longer be operating out of the building in January 2027.

ACTION ITEMS – NEW BUSINESS

LEWISTOWN PUBLIC SCHOOLS

Lewistown, Montana

BOARD AGENDA ITEM

#18

MEETING DATE: January 12, 2026

ITEM TITLE: FIRST READING OF POLICIES

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

The Board of Trustees needs to approve the attached list of policies that were reviewed previously by a Committee of the Board.

The full policy documents can be found at the following link:

https://drive.google.com/drive/folders/1UnnJXQJsHuUfzvwM8seZyT4ujtMdseoi?usp=drive_link

Each policy shows information that is new in **highlight** and text being removed in ~~strikethrough~~.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

LEWISTOWN PUBLIC SCHOOLS
1st READING POLICIES
January 12, 2026

2600	Work Based Learning
3665	Student Safety
5122	Fingerprints and Criminal Background Investigations
5511	Classified Sick Bank

NEW POLICIES

~~POLICIES BEING REMOVED~~

POLICIES TO BE REVIEWED AT A LATER DATE

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

#19

MEETING DATE: January 12, 2026

ITEM TITLE: APPROVE 2024-2025 AUDIT REPORT

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

Strom and Associates completed the audit for FY2024-2025.

Rebekah Rhoades attended the exit interview with Strom and Associates in October. If the Board has questions, Mr. Hayes can be invited to attend an upcoming meeting.

The audit report will be posted in its entirety on the District website as well as a hard copy at the District Business Office for the public to view. A copy of the audit will also be available at the meeting for your convenience.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

LEWISTOWN SCHOOL DISTRICT NO. 1

**FERGUS COUNTY
LEWISTOWN, MONTANA**

FINANCIAL AND COMPLIANCE REPORT

Fiscal Year Ended June 30, 2025

Strom & Associates, P. C.

**PO BOX 1980
Billings, Montana 59103**

LEWISTOWN SCHOOL DISTRICT NO. 1

FERGUS COUNTY
LEWISTOWN, MONTANA 59457

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LEWISTOWN SCHOOL DISTRICT NO. 1

FERGUS COUNTY
LEWISTOWN, MONTANA 59457

ORGANIZATION

BOARD OF TRUSTEES

Kris Birdwell Chair
Whitney Brady Vice Chair
Mariah Shammel Trustee
Lisa Koch Trustee
Jeff Southworth Trustee
Carson Sweeney Trustee
Eric VanderBeek Trustee

OFFICIALS

Brad Moore Superintendent
Rebekah Rhoades School District Clerk
Rhonda Long County Superintendent
Montana School Boards Association School District Attorney

LEWISTOWN SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2025

The Business Manager of the Lewistown Public Schools has provided this MD&A to give the reader of these statements an overview of the financial position and activities of the school district for the fiscal year ended June 30, 2025.

Using This Financial Report

The general format of the report is required by Statement No. 34 of the Governmental Accounting Standards Board (GASB). Thus is born the GASB 34 requirement.

Reporting the School District as a Whole

The report includes two district-wide statements that focus on operations of the district as a whole. These statements measure operations using an economic resources measurement focus, and use the accrual basis accounting. Activities that are fiduciary in nature are not included in these statements.

- A. The Statement of Net Position shows “assets” (what is owned), “liabilities” (what is owed), and the “net position” (the resources that would remain if all obligations were settled) of the school district. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in “fixed” or “capital” assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.
- B. The Statement of Activities shows the amounts of program-specific and general school district revenue used to support the school district’s various functions.

The Statement of Net Position and the Statement of Activities divide the activities of the school district into three categories:

Governmental activities – The school functions including instruction, student services, administration, etc. Property taxes, state and federal revenues usually support most of these functions of the district.

Proprietary (business-type) activities – school operations included in this category include IMC, Central Supply Store, and Central Transportation.

Reporting the District’s Most Significant Funds

The fund statements provide detailed information about the funds used by the school district. State law and Generally Accepted Accounting Procedures (GAAP) established the fund structure of school districts. State law generally requires school districts to segregate money generated for certain purposes, like transportation and debt service, in separate fund accounts.

The fund statements report balances and activities of the most significant or “major” funds separately and combine the activities of less significant funds under a single category. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the school district’s operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate set of financial statements.

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are shown for governmental funds such as the general funds, special revenue funds for transportation and school food service, and debt service and capital outlay funds. These funds use

the modified accrual basis of accounting and represent the majority of the district's activities and programs.

Fund statements include a reconciliation of the governmental fund statements to the district-wide statements. Most significant differences result from the use of different presentation basis. The district-wide statements are presented using the accrual basis of accounting and the fund statements for governmental funds use the modified accrual basis. In addition, general capital assets and general long-term debt are reported in the district-wide statements but not in the fund statements.

Reporting the District's Trust and Fiduciary Responsibilities

The District is the trustee, or fiduciary, for endowments (including Eveline Eccles and Alweis Scholarships) and the student extracurricular funds.

This report includes the activities in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position because the district cannot use these assets to fund its operation.

The District is responsible for ensuring these assets are used for their intended purpose.

Budget-to-Actual Comparisons

The district consistently reconciles its books monthly.

THE DISTRICT AS A WHOLE

Net Position serves over time as a useful indicator of a school district's financial position. In the Lewistown Public Schools, assets exceeded liabilities by \$9,981,177 as of June 30, 2025. In 2018, the District was required to implement the new OPEB GASB 75 standard for liability accounting of post-employment benefits (non-pension). In 2019, it was required that this be reviewed annually, rather than the every 3 years it was previously. This number, in addition to the required reporting of the TRS and PERS liability that was implemented in 2015, has caused liabilities to appear inflated over the past several years.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the year ended June 30, 2025

**Lewistown Public Schools
Condensed Statement of Net Position**

Governmental Activities

	<u>FY2024</u>	<u>FY2025</u>
Current and other assets	28,194,539	32,984,811
Capital assets	<u>17,489,083</u>	<u>12,615,495</u>
Total Assets	45,683,622	45,600,306
Current liabilities	416,625	450,903
Non-current liabilities	<u>36,377,065</u>	<u>35,168,226</u>
Total Liabilities	36,793,690	35,619,129
Invested in capital assets, Net of debt	5,572,891	11,287,723
Restricted	13,977,347	9,357,421
Unrestricted	<u>(9,873,895)</u>	<u>(10,182,914)</u>
Total Net Position	9,676,343	10,462,230

**Lewistown Public Schools
Changes in Net Position**

Governmental Activities

GENERAL REVENUES

	<u>FY2024</u>	<u>FY2024</u>
District Levy	6,019,378	5,737,413
State Equalization	4,165,385	4,220,340
Other State Revenue	4,059,633	3,981,688
County	1,435,938	1,531,533
Federal	0	0
Investment Earning	991,441	512,445
Gain on Asset	65,791	7,390
Other	<u>5,150</u>	<u>277,072</u>
Total General Revenue	16,742,716	16,267,881

GOVERNMENT OPERATIONS

Instruction (includes OPEB)	6,487,721	8,464,141
Support - Students	360,284	472,593
Support - Instructional	468,526	435,806
Administration	1,762,655	2,792,537
O & M	1,593,721	2,143,822
Transportation	897,709	1,034,315
Extracurricular	938,579	805,332
School Food	723,874	928,363
Other Current Charges	0	0

LEWISTOWN SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the year ended June 30, 2025

Community Services	4,896	52,745
Intergovernmental	64,862	29,537
Interest and Other Charges	629,490	600,490
Depreciation – unallocated	<u>345,319</u>	<u>365,213</u>
Total Operations	14,277,636	18,124,894

Capital Assets

As of June 30, 2025, the District had invested just over \$49 million in capital assets including land and land improvements, buildings and improvements machinery and equipment and construction in progress. This is a significant increase from the previous year, mainly attributed to improvements made through the Elementary Bond (see Appendix 'A' – Elementary Bond Continuing Disclosure). General fixed assets are reported at historical cost. Historical cost was established at the initial booking of fixed assets by determining actual costs or estimating using standard costing procedure. The District's fixed asset policy is set to include items of \$5,000 and a useful life in excess of one year. The following schedule presents capital balances with accumulated depreciation as of June 30th.

	<u>FY2024</u>	<u>FY2025</u>
Land and Improvements	2,205,484	2,444,321
Accumulated Depreciation	<u>(1,209,620)</u>	<u>(1,259,802)</u>
	995,864	1,184,518
Buildings and Improvements	17,127,771	17,340,897
Construction in Progress	17,998,435	23,305,910
Accumulated Depreciation	<u>(10,415,702)</u>	<u>(10,974,591)</u>
	24,710,504	29,672,217
Machinery and Equipment	6,139,822	6,189,894
Accumulated Depreciation	<u>(3,651,273)</u>	<u>(3,995,124)</u>
	2,488,549	2,194,769

The District's Future

State law enables districts to use three-year average or current year enrollment (whichever is higher) when calculating budgets. Over the past five years, enrollment has started to slowly decrease in the lower grades in the elementary. In the high school district, we saw a decrease in enrollment until 2021 where enrollment began to increase and has held fairly steady over the past 4 years. In the elementary, we will likely be using the 3 year average ANB for the foreseeable future as a result in the decline in enrollment. The high school may waiver between both the current year and 3 year average as it has become more stable.

There continues to be a growing need for services for special needs students, and for the first time in years, the 2023 Legislature provided a slight increase in assistance from the State. Legislature has allowed a permissive levy for high needs students, but this puts more stress on the local taxpayers so must be used thoughtfully. The current Lewistown Collective Bargaining Agreement extends through FY26, so we will begin the gaining process in the near future. The STARS Act, approved by the FY25 Legislature, has made a significant impact on the certified salary matrix starting salary. This change will require thoughtful negotiations in the future to ensure we meet the minimum and average requirements. In addition, much work was made to improve the classified salary matrix in FY24, but there is still significant changes needed to be competitive locally with those wages. Without more budget authority, we are in a

difficult position and lack the budget needed to compete locally and nationally. Over the past several years, we have had several retirements in the elementary, causing the demographics of the District to change to a younger population. On the other hand, the High School hosts several veteran staff members likely looking toward retirement in the very near future. We continue to struggle, as other districts, to recruit and retain staff at all levels and likely will continue to in the immediate future.

The district also faces other challenges and decisions including:

- The Lewistown Board of Trustees ran an Elementary and High School Bond Election in November 2021. While the Elementary Bond Election passed, the High School Bond Levy failed. Trustees will need to consider how to address safety/security, mechanical, roofing and other concerns in the high school district and the possibility of placing another High School Bond Election in front of the voters.
- The Lewistown Board of Trustees chose to run an Elementary Levy in May of 2022, 2023, 2024 and 2025 with all four failing. While this may have come as a result of the Bond Election passing in November and the current economic climate, the Elementary District is no longer able to operate at 100% of its allowed budget. The Board will once again need to consider running a levy election in May of 2026 in both the High School and Elementary, with much thought being given as to how to present the need to the community. In addition, Legislative decisions within the past 6 years have “shifted” some of the costs of education to the local taxpayers in the form of non-voted levies. The intent to increase these levies is required to be posted and advertised to the public each year in March. The Board will need to continue to be diligent in their consideration of both voted and non-voted levies in the future.
- The District estimates that general building repairs and maintenance in excess of \$10 million will be necessary over the next several years. Both an Elementary and High School Building Reserve Levy passed in May 2016, helping to support the needs of upkeep of the District’s facilities. That being said, the levies will expire in FY26 and consideration will need to be made as to whether or not to run another levy. In 2017, Legislature added the ability to “permissively” levy in the Building Reserve Fund. Since 2020, the Board has used this new authority and is taking advantage of the full matching State dollars, which were increased in the 2025 Legislative Session. That being said, these funds may also be used for safety (see next bullet point). As mentioned above, the Elementary District also passed a Bond election in November 2021 to address facility needs in the district.
- Safety has become top priority in many Districts, ours being no exception. In the 2019 Legislature, the “permissive” Building Reserve Fund Levy was expanded to include the ability to use those funds for building safety, School Resource Officers and Counselors. With these funds being open to both Facility and Safety purposes, the Board may have to choose which takes higher priority. The District currently uses these funds to pay for salaries for Counselors in both the elementary and high school, as well as the School Resource Officer. These funds have also been used to increase facility safety in some buildings. Another option available to districts is the ability to run a voted Safety Levy, but the Board has yet to consider that option.
- The ever-increasing use of technology in the classrooms has put a financial dilemma upon the District. Currently, both the Elementary and High School have permanent levies in place. The Elementary yearly levy is \$61,498 and the High School’s is \$54,165, not enough to keep all technology within the District up-to-date. Due to changes in state law, if additional funds are requested of voters, the levy may not exceed 10 years. The Board will need to determine if non-permanent Technology Levy request will need to be presented to voters in the future. Due to the

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the year ended June 30, 2025

Coronavirus Pandemic, we were given additional funds in FY20-FY24 that allowed us to purchase technology equipment and took some immediate pressure off of the Technology Levy.

- The Coronavirus Pandemic that closed schools in March 2020 created its own unique challenges. In total, the district received the Governor's Coronavirus Relief Funds, ESSER I Funds (total of \$778,049), ESSER II (total of \$1,079,317) and ESSER III Funds (total of \$2,349,157) in response to the pandemic. Since these funds were not ongoing, the district was required to be mindful of the amount spent on ongoing expenses. As a proactive measure, ESSER dollars were used to free up money in the General Fund and then transferred to the Interlocal Fund, which are anticipated to be used by the end of FY27 (see below).
- The use of Multi-District Agreements to transfer funds to the Interlocal Fund has allowed some flexibility with the District's use of unspent year-end money. This has allowed us to set aside funds in years where a small amount may remain to prepare for those years where declining enrollment causes a shortfall. The District did not transfer any funds into the Interlocal Fund at the end of FY25 and it is unlikely that the District will be able to transfer any funds at the Elementary level over the next few years.
- The Central Montana Career and Technical Education (CTE) Public Charter school was approved in FY25 and will begin operations in FY26. This will provide great opportunity for the students of Central Montana and additional budget authority for high school instruction.

In the end, all of the District's finances come down to how effectively we are educating our children with the resources that we have. We must continue to keep our focus on our students' education and allocate our resources in the manner that best serves them. Economic and Legislative changes have increased the challenges we face. It is up to us to determine how to meet the needs of students, improve recruitment and retention and manage increased prices with a limited budget. Even with all of these challenges, Lewistown Public Schools is a very successful district with the limited resources it has.

Contact for Additional Information

If you have questions about this report or need additional information, contact the Business Manager at the Lewistown Public Schools, 215 7th Avenue South, Lewistown, MT 59457, (406)-535-8777 x1116.



STROM & ASSOCIATES, P.C.

Certified Public Accountants

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Billings, MT 59103

Phone: 406-252-2765
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lewistown School District No. 1 (School District) as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School 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 School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 School 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 consolidated 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 opinion. 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 consolidated 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 School 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, which raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those in charge of 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

GAAP requires that the Management's Discussion and Analysis (pages 3 - 8), the Schedule of Funding Progress - Postemployment Benefits Other than Pensions (page 45), the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions to Montana Retirement Systems (pages 46 - 50), and the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (pages 51 - 57) 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 GASB 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 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 School District's basic financial statements. The accompanying Schedule of Revenues, Expenses, and Balances - Student Activity Funds (page 58 - 59), the Schedule of Reported Enrollment (page 60), and the Schedule of Expenditures of Federal Awards (pages 61 - 62) as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 Schedule of Revenues, Expenses, and Balances - Student Activity Funds, the Schedule of Reported Enrollment and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Other Information for General Obligation Bonds (pages 63) 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 hereon.

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 22, 2025 on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.



STROM & ASSOCIATES, PC

Billings, Montana

December 22, 2025

STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 12,085,441
Taxes Receivable	210,566
Due from Other Governments	291,727
Inventories	20,701
Other Current Assets	<u>7,060</u>
Total Current Assets	<u>12,615,495</u>
Noncurrent Assets:	
Capital Assets:	
Land	590,530
Construction in Progress	23,299,404
Net Depreciable Assets	<u>9,094,877</u>
Total Noncurrent Assets	<u>32,984,811</u>
Total Assets	<u>45,600,306</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Employer Pension Plan Related	<u>1,435,583</u>
Total Deferred Outflows of Resources	<u>1,435,583</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 47,035,889</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	\$ 21,815
Current Portion of Compensated Absences	254,527
Current Portion of Premium on General Obligation Bonds	<u>174,561</u>
Total Current Liabilities	<u>450,903</u>
Noncurrent Liabilities:	
Compensated Absences	254,528
Net Pension Accrual	10,674,264
Other Postemployment Benefits	2,716,907
Capital Debt Obligations	18,555,000
Premium on General Obligation Bonds	<u>2,967,527</u>
Total Noncurrent Liabilities	<u>35,168,226</u>
Total Liabilities	<u>35,619,129</u>
DEFERRED INFLOWS OF RESOURCES:	
Employer Pension Plan Related	600,522
Other Postemployment Benefits Related	<u>354,008</u>
Total Deferred Inflows of Resources	<u>954,530</u>
NET POSITION:	
Net Investment in Capital Assets	11,287,723
Restricted	<u>9,357,421</u>
Unrestricted (Deficit)	<u>(10,182,914)</u>
Total Net Position	<u>10,462,230</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 47,035,889</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government
	Expenses	Charge for Services	Operating Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT:				
GOVERNMENT OPERATIONS:				
Instructional Services	\$ 8,464,141	\$ 65,680	\$ 812,649	\$ (7,585,812)
Support Services - Students	472,593	5,995	6,187	(460,411)
Support Services - Instructional	435,806	2,608	34,799	(398,399)
General Administrative Services	2,792,537	-	29,666	(2,762,871)
Operation and Maintenance Services	2,143,822	23,010	134,266	(1,986,546)
Transportation Services	1,034,315	-	143,119	(891,196)
School Food Services	805,332	257,637	312,907	(234,788)
Extracurricular	928,363	474,745	2,010	(451,608)
Other Current Charges	-	-	-	-
Community Services	52,745	214,611	-	161,866
Debt Service:				
Interest and Other Charges	600,490	-	-	(600,490)
Intergovernmental	29,537	-	-	(29,537)
Unallocated Depreciation Expense *	365,213	-	-	(365,213)
Total Governmental Operations	<u>18,124,894</u>	<u>1,044,286</u>	<u>1,475,603</u>	<u>(15,605,005)</u>
 Total Primary Government	 <u>\$ 18,124,894</u>	 <u>\$ 1,044,286</u>	 <u>\$ 1,475,603</u>	 <u>\$ (15,605,005)</u>
GENERAL REVENUES:				
District Levies				\$ 5,737,413
State Equalization				4,220,340
Other State Revenues				3,981,688
County				1,531,533
Interest				512,445
Other				277,072
Gain (loss) on Sale of Assets				<u>7,390</u>
Total General Revenues				<u>16,267,881</u>
 Change in Net Position				 662,876
NET POSITION:				
Beginning of the Year				9,676,343
Error Correction				<u>123,011</u>
End of the Year				<u>\$ 10,462,230</u>

* Excludes depreciation included in direct expenses of the various functions

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	MAJOR					
	<i>Formerly Non-Major</i>					
	General	Debt Service (Elem)	Building (Elem)	Building Reserve (Elem)	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 3,041,594	\$ 272,527	\$ 2,376,992	\$ 1,422,401	\$ 4,887,842	\$ 12,001,356
Taxes Receivable	103,525	47,771	-	4,799	54,471	210,566
Due from Other Governments	-	-	-	-	291,727	291,727
Inventories	-	-	-	-	20,701	20,701
Other Current Assets	7,055	-	-	-	5	7,060
Total Assets	<u>3,152,174</u>	<u>320,298</u>	<u>2,376,992</u>	<u>1,427,200</u>	<u>5,254,746</u>	<u>12,531,410</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 3,152,174</u>	<u>\$ 320,298</u>	<u>\$ 2,376,992</u>	<u>\$ 1,427,200</u>	<u>\$ 5,254,746</u>	<u>\$ 12,531,410</u>
LIABILITIES:						
Current Liabilities:						
Unearned Revenue	\$ -	\$ -	\$ -	\$ -	\$ 21,815	\$ 21,815
Total Liabilities	-	-	-	-	21,815	21,815
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Property Taxes Receivable	103,525	47,771	-	4,799	54,471	210,566
Total Deferred Inflows of Resources	<u>103,525</u>	<u>47,771</u>	<u>-</u>	<u>4,799</u>	<u>54,471</u>	<u>210,566</u>
FUND BALANCE (DEFICITS):						
Nonspendable	-	-	-	-	20,701	20,701
Restricted	-	272,527	2,376,992	1,422,401	5,157,759	9,229,679
Committed	193,714	-	-	-	-	193,714
Assigned	5,964	-	-	-	-	5,964
Unassigned	2,848,971	-	-	-	-	2,848,971
Total Fund Balance	<u>3,048,649</u>	<u>272,527</u>	<u>2,376,992</u>	<u>1,422,401</u>	<u>5,178,460</u>	<u>12,299,029</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficits)	<u>\$ 3,152,174</u>	<u>\$ 320,298</u>	<u>\$ 2,376,992</u>	<u>\$ 1,427,200</u>	<u>\$ 5,254,746</u>	<u>\$ 12,531,410</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION						
Total Fund Balance Reported Above						\$ 12,299,029
Internal Service Fund Net Position						84,085
Assets and Deferred Outflows of Resources:						
Unavailable Property Taxes Receivable						210,566
Governmental Capital Assets						32,984,811
Employer Pension Plan Related Deferred Outflows of Resources						1,435,583
Liabilities and Deferred Inflows of Resources:						
Compensated Absences						(509,055)
Net Pension Accrual						(10,674,264)
Other Postemployment Benefits						(2,716,907)
Premium on General Obligation Bonds						(3,142,088)
Capital Debt Obligations						(18,555,000)
Employer Pension Plan Related Deferred Inflows of Resources						(600,522)
Other Postemployment Benefits Related						(354,008)
Net Position of Governmental Activities						<u>\$ 10,462,230</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	MAJOR					
			<i>Formerly Non-Major</i>			
	General	Debt Service (Elem)	Building (Elem)	Building Reserve (Elem)	Other Governmental Funds	Total Governmental Funds
REVENUES:						
District Levies	\$ 2,768,046	\$ 1,345,124	\$ -	\$ 130,442	\$ 1,503,436	\$ 5,747,048
Interest	103,529	16,346	208,985	59,039	124,546	512,445
Charges for Services	214,611	-	-	-	776,512	991,123
Other	78,656	-	-	-	211,947	290,603
County	-	-	-	-	1,598,758	1,598,758
State	8,066,132	194,186	-	83,325	205,281	8,548,924
Federal	-	-	-	-	825,910	825,910
Total Revenues	11,230,974	1,555,656	208,985	272,806	5,246,390	18,514,811
EXPENDITURES:						
Current:						
Instructional Services	6,242,906	-	92,783	-	1,900,173	8,235,862
Support Services - Students	217,479	-	-	115,687	127,687	460,853
Support Services - Instructional	300,390	-	-	-	124,678	425,068
General Administrative Services	2,304,621	-	13,450	-	405,747	2,723,818
Operation and Maintenance Services	1,691,101	-	-	448	134,558	1,826,107
Transportation Services	35,297	-	-	-	707,112	742,409
School Food Services	173,560	-	-	-	616,855	790,415
Extracurricular	299,196	-	-	-	524,734	823,930
Community Services	50,913	-	-	-	1,832	52,745
Debt Service:						
Principal	-	750,000	-	-	-	750,000
Interest and Other Charges	-	775,050	-	-	-	775,050
Capital Outlay	217,598	-	5,262,879	48,969	213,373	5,742,819
Intergovernmental	29,537	-	-	-	-	29,537
Total Expenditures	11,562,598	1,525,050	5,369,112	165,104	4,756,749	23,378,613
Excess (Deficiency) of Revenues Over Expenditures	(331,624)	30,606	(5,160,127)	107,702	489,641	(4,863,802)
OTHER FINANCING SOURCES (USES):						
Sale of Capital Assets	-	-	-	-	7,390	7,390
Total Other Financial Sources (Uses)	-	-	-	-	7,390	7,390
UNUSUAL OR INFREQUENT ITEM:						
Total Unusual or Infrequent Items	-	-	-	-	-	-
Net Change in Fund Balance	(331,624)	30,606	(5,160,127)	107,702	497,031	(4,856,412)
FUND BALANCE:						
Beginning of the Year	3,380,273	241,921	7,537,119		5,992,922	17,152,235
Change within Financial Reporting Entity				1,314,699	(1,314,699)	-
Error Correction	-	-	-	-	3,206	3,206
End of the Year	\$ 3,048,649	\$ 272,527	\$ 2,376,992	\$ 1,422,401	\$ 5,178,460	\$ 12,299,029

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balance		\$ (4,856,412)
Change in Net Position from Internal Service Funds		(8,812)
Revenues on the Statement of Activities not Included in Governmental Funds Statement:		
Increase (Decrease) in Taxes Receivable	(9,635)	
State Pension Aid	<u>275,204</u>	265,569
Revenues Reported in the Governmental Funds Statement not Included in the Statement of Activities		
Sale of Capital Assets	<u>7,390</u>	(7,390)
Expenses on the Statement of Activities not Included in the Governmental Funds Statement:		
Depreciation Expense	(1,072,352)	
Actuarial Pension Expense	(83,591)	
Premium on Bonds	174,560	
(Increase) Decrease in Other Postemployment Benefits	(176,481)	
(Increase) Decrease in Compensated Absence Liability	<u>(72,424)</u>	(1,230,288)
Expenditures Reported in the Governmental Funds Statement not Included in the Statement of Activities		
Capital Outlays	5,742,819	
Gain (Loss) on Sale of Assets	7,390	
Principal Payments on Debt	<u>750,000</u>	<u>6,500,209</u>
Change in net Position Reported on the Statement of Activities		<u>\$ 662,876</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Governmental Activities - Internal Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 84,085
Total Current Assets	<u>84,085</u>
Noncurrent Assets:	
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>84,085</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Total Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 84,085</u>
LIABILITIES:	
Current Liabilities:	
Total Current Liabilities	<u>-</u>
Noncurrent Liabilities:	
Total Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION:	
Unrestricted (Deficit)	<u>84,085</u>
Total Net Position	<u>84,085</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 84,085</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Lewistown School District No. 1
 Fergus County
 Lewistown, Montana 59457

STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service</u>
OPERATING REVENUES:	
Charges for Services	\$ 127,652
Total Operating Revenues	<u>127,652</u>
OPERATING EXPENSES:	
Purchased Services	<u>136,464</u>
Total Operating Expense	<u>136,464</u>
Operating Income (Loss)	<u>(8,812)</u>
OTHER NONOPERATING REVENUES (EXPENSES):	
Total other nonoperating revenues and expenses	<u>-</u>
Increase (decrease) in fund net position	(8,812)
NET POSITION:	
Beginning of the Year	<u>92,897</u>
End of the Year	<u><u>\$ 84,085</u></u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 127,652
Payments to Employees	<u>(136,464)</u>
Net Cash Provided (Used) by Operating Activities	<u>(8,812)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Non-capital Financing Activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(8,812)</u>
BALANCE:	
Beginning of the Year	<u>92,897</u>
End of the Year	<u>\$ 84,085</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (8,812)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,812)</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. a. REPORTING ENTITY

The basic financial statements of the Lewistown School District No. 1 (School District) have been prepared on a prescribed basis of accounting that demonstrates compliance with the accounting and budget laws of the State of Montana (State), which conforms to Generally Accepted Accounting Principles (GAAP), as applied to governmental units. The School District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In fiscal year 2025, the School District adopted the following GASB Statements:

- Governmental Accounting Standards Board (GASB Statement) GASB Statement No. 102 – *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- GASB Statement No. 103 – *Financial Reporting Model Improvements*. This Statement:
 - Continues the requirement that the basic financial statements be preceded by management’s discussion and analysis, which is presented as required supplementary information (RSI);
 - Describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence;
 - Requires governments to present each major component unit separately in the reporting entity’s *Statement of Net Position* and *Statement of Activities* if it does not reduce the readability of the statements; and
 - Requires budgetary comparison information to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts.

The provisions of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The following is a listing of GASB Statements which have been issued and the School District’s assessment of effects to the financial statements when implemented.

- GASB Statement No. 104 – Disclosure of Certain Capital Assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The provisions of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The School District plans to implement this Statement once it has identified how it affects the School District and has reviewed the Q&A on this Statement.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

Services Provided: The School District consists of two legally separate entities: an Elementary District which provides education for kindergarten through eighth grade and a High School District which provides education for ninth through twelfth grade. For financial reporting purposes, the two school districts are combined because they are controlled by the same central Board of Trustees and managed by the same administration. The Board of Trustees is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. GAAP requires only one general fund for each reporting entity, so the elementary and high school General funds are combined in the accompanying financial statements.

Incorporation: The School District was incorporated under the laws of the State of Montana and, as required by GAAP, the financial statements of the reporting entity include those of the School District (the primary government) and any component units. The criteria for including organizations as component units within the School District's reporting entity are set forth in Section 2100 of the *GASB Codification of Government Accounting and Financial Reporting Standards*. The basic criteria include appointing a voting majority of an organization's governing body, as well as the School District's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the School District. Based on those criteria, the School District has no material component units.

1. b. BASIS OF PRESENTATION AND ACCOUNTING

1. b. 1. GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*. The governmental activities column incorporates data from governmental funds and internal service funds (primary government). Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements report using the economic resource measurement focus and the accrual basis of accounting and generally include the elimination of internal activity between or within funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

The *Statement of Activities* reports the direct expenses of a given governmental function offset by program revenues directly connected with the functional program. Direct expenses are those that are specifically associated with a function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and
- Operating and Capital grants that are restricted to a particular function.

Property taxes, investment earnings, state entitlement payments, and other revenue sources not properly included with program revenue are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-supporting or drawing from general revenues.

1. b. 2. FUND ACCOUNTING

The fund financial statements provide information about the government's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

- Revenues are recorded when they are both measurable and available. Available means collectible within the current period – collections that occur after June 30 are generally not material. Unavailable income is recorded in governmental funds for delinquent taxes.

Revenues from local sources consist primarily of property taxes. Property tax revenue and revenues received from Fergus County (County) are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Cost reimbursement grant funds are considered to be both measurable and available to the extent the related expenditures were made under the provisions of the grant. When such funds are received before the expenditure was incurred, they are recorded as unearned grant revenues. When applicable, the proceeds from long-term debt or capital leases are reported as other financing sources. All other revenue items are considered to be measurable and available only when cash is received by the School District.

- Expenditures are recorded when the related fund liability is incurred or when the flows of current financial resources related to long-term debt items occur. For example, principal and interest on general long-term debt and compensated absence payments. In addition, capital assets are functional expenditures in governmental funds.

Proprietary fund financial statements use the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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 ongoing operations. The principal operating revenues of the dental self-insurance internal service fund are charges to employees and the School District for services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Major fund determination – GASB Statement No. 34 requires the General fund be reported as a major fund and that only one General fund be reported. As such, the elementary and high school General funds have been combined and are reported as one major fund. Other individual governmental funds should be reported in separate columns as major funds based on these criteria:

- Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10% of the corresponding total (assets, liabilities, etc.) for all funds of that category or type (e.g., total governmental funds).

The School District reports the following major governmental funds:

- General Fund – The General fund is the general operating fund of the School District and accounts for all revenues and expenditures of the School District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. In the governmental fund financial statements, the General fund also includes the activities of the following funds since the restrictions on those funds are similar to the General fund:
 - Elementary and high school Flexibility funds,
 - High school Interlocal Agreement fund, and
 - Elementary and high school Metal Mines Tax Reserve funds.
- Elementary Building Fund – This fund is a capital projects fund established to account for the proceeds of bonds sold for the purposes of building, altering, repairing, buying, furnishing, equipping, purchasing lands for, or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of buildings for school purposes. The fund is also used to account for insurance proceeds for damaged property or the sale or rental of property.
- Elementary Debt Service Fund – This fund is a debt service fund established to account for the financing needs of the School District to pay interest and principal on outstanding bonds.
- Elementary Building Reserve Fund – This fund is a capital projects fund established to account for financing voter approved building or construction projects funded with School District mill levies, which includes raising money for the future construction, equipping, or enlarging of school buildings and for the purpose of purchasing land needed for school purposes in the School District.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

1. b. 3. OTHER FUND TYPES

Other Proprietary Fund Types

- Internal Service Funds – These funds are established to account for the financing of goods or services provided by one department to other departments of the School District, or to other governments, on a cost reimbursement basis. The fund includes a self-insured dental insurance fund. Because all of the services predominately benefit governmental rather than business type functions, they are included with governmental activities in the government-wide financial statements

1. c. ASSETS, LIABILITIES AND NET POSITION (FUND BALANCE)

1. c. 1 CASH AND INVESTMENTS

Allowable Depositories – Cash includes amounts in demand deposits, as well as short-term investments as authorized by the State statutes. Montana Code Annotated (MCA) allows Montana local governments to invest public money not necessary for immediate use in:

- United States government treasury bills, notes, or bonds.
- Certain United States treasury obligations.
- United States government security money market fund, if investments consist of those listed above.
- Time or savings deposits with a bank or credit union which is Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association insured.
- Repurchase agreements as authorized by MCA.
- State of Montana Short-Term Investment Pool (STIP).

Interest earned on the pooled investments is distributed to each contributing entity and fund on a pro rata basis. Investments are recorded at fair market value.

Clearing Funds – Warrants written but not redeemed are reported in the School District's payroll and claims clearing funds. A warrant is an order by which the drawer (the person with authority to make the order) directs the School District trustee to pay a particular sum of money to a payee (person or entity) from funds in the School District treasury which are or may become available. For financial reporting purposes clearing fund cash balances are reclassified. The *unregistered* warrants are liability payments paid to applicable vendors and the government has no further obligation (like a check) since the cash resulted in financial resources spent by the government. The cash balance relating to unredeemed warrant is just a method for the government to keep track of outstanding warrants that have not cleared the government's financial institution. Other liabilities in the payroll clearing fund and *registered* warrants are reclassified as accruals since those amounts are liabilities of the School District.

County Investment Pool Collateral – Information regarding the collateral and security for cash held by the County is not available to the School District. However, Montana statutes require United States government securities be held as collateral to secure deposits of public funds in excess of FDIC insurance. The external investment pool is audited as part of the County's financial statements. This investment pool is not registered with or monitored by the Securities and Exchange Commission.

Statement of Cash Flows – For purposes of the *Statement of Cash Flows*, the School District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

1. c. 2. TAXES

Property Tax Levies – Property tax levies are set in connection with the budget process and are based on taxable values listed as of January 1 for all property located in the School District. Taxable values are established by the Montana Department of Revenue based on market values. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Collections – Property taxes are collected by the County Treasurer, who credits to the School District funds its respective share of the collections. Tax levies are collectible in two installments, which become delinquent after November 30 and May 31. After a period of three years, the County may begin foreclosure proceedings and sell the property at auction.

Delinquency – Unpaid property taxes are liens on the property being taxed. Taxes that become delinquent are charged interest at the rate of 5/6 of 1% per month plus a penalty of 2%. After a period of three years, the County may begin foreclosure proceedings and sell real property at auction. In the case of personal property, the property may be seized and sold after the taxes become delinquent. The School District receives its share of the sale proceeds of any such auction.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

1. c. 3. RECEIVABLES

Accounts receivable represent amounts the School District expects to receive for providing goods or services delivered or used but not yet paid for by customers or amounts due from governmental agencies for costs incurred but not yet reimbursed. All receivables are current and therefore due within one year.

1. c. 4. INVENTORIES

Materials, food inventory, and supplies inventory are carried in an inventory account at average cost and are subsequently charged to expenditures when consumed (using the consumption method) rather than when purchased.

1. c. 5. CAPITAL ASSETS

The School District's property, plant, and equipment are stated at historical cost and comprehensively reported in the government-wide financial statements. Historical cost was established when the capital assets were initially recorded by determining the actual cost or estimating the cost using standard costing procedures. The School District considers capital assets to be items with a historical cost in excess of \$5,000 and with a useful life in excess of one year. The costs of normal maintenance and repair are not capitalized. Depreciation on capital assets is provided over their estimated useful lives on the straight-line method. Land and construction in progress are not depreciated. The useful life of depreciable assets has been estimated as follows:

Capital Asset Classes	Useful Life
Buildings	7 - 50 years
Improvements Other than Buildings	20 years
Machinery and Equipment	5 - 25 years

1. c. 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Financial Position reports a separate section for Deferred Outflows of Resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (e.g., expense/expenditure) until that time.

In addition to liabilities, the Statement of Financial Position reports a separate section for Deferred Inflows of Resources. This separate financial statement element represents an increase to net position that applies to a future period(s) and, as such, will not be recognized as an inflow of resources (e.g., revenue) until that time.

Pension Liability – Deferred Outflows and Inflows – The School District recognizes a net pension liability for each qualified pension plan in which it participates. Changes in the net pension liability during the fiscal year are recorded as pension expense, deferred inflows of resources, or deferred outflows of resources depending on the nature of the change and the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense.

Property Taxes – Deferred Inflows – The School District reports deferred inflows under the modified accrual basis of accounting in the governmental funds for property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. In the governmental fund Balance Sheet, they are reported as unavailable from property taxes receivable.

Other Postemployment Benefits Liability – Deferred Outflows and Inflows – The School District recognizes a net pension liability for each other postemployment benefits (OPEB) liability plan participant. Changes in OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other OPEB related changes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

1. c. 7. LEASE RELATED ACTIVITIES

In accordance with stipulations set out in GASB No. 87, the School District considers leases that meet certain criteria as an exchange of the right to use an underlying nonfinancial asset (e.g., vehicle, building, land, office space). For such qualifying leases, when material, at commencement of the lease term:

- School District as Lessor – The School District recognizes a lease receivable and a deferred inflow of resources on its government-wide financial statements and fund statements. The School District initially measures these elements at the present value of the payments expected to be made during the lease term. The receivable is amortized and the deferred inflow is recognized as the lease payments are made over the lease term.
 - The lessor retains ownership of the underlying asset and continues to report it as a capital asset net of accumulated depreciation in the School District’s financial statement during the lease term.
- School District as Lessee – The School District recognizes an intangible right-to-use lease asset and a lease liability on its government-wide financial statements and a capital outlay and other revenue on its governmental funds financial statements. The School District measures these items at the commencement of the lease at the present value of the payments expected to be made during the lease term. The lease liability is amortized over the lease term and the right-to-use lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

1. c. 8. VACATION AND SICK LEAVE

Vacation Leave – Classified School District employees accumulate vacation and sick leave for later use or for payment upon termination, death, or retirement. Classified School District employees earn vacation leave at the rate of 15 days per year during the first 10 years of employment and at increasing rates thereafter to a maximum of 24 days per year after 20 years of employment. There is no requirement that vacation leave be taken, but the maximum permissible accumulation is the amount earned in the most recent two-year period. Excess vacation time is not forfeited if taken within 90 calendar days from the last day of the calendar year in which the excess was accrued, unless management ensures the employee will use the excess vacation leave before the end of the calendar year in which the leave would have been forfeited. At termination, employees are paid for any accumulated vacation leave at the current rate of pay.

Sick Leave – Classified School District employees earn sick leave at the rate of one day per month. There is no limit on the accumulation of unused sick leave. At termination, 25% of accumulated sick leave is paid at the employee’s current rate of pay.

Certified Employee Staff – Certified School District employees accrue 10 days of discretionary leave at the beginning of each year. Unused discretionary leave is accruable to 160 days per employee. After eight consecutive years of employment with the School District, certified employees who terminate employment shall be paid a lump sum of 30% of their accumulated discretionary leave at their current rate of pay.

Reporting – Liabilities incurred because of unused vacation and sick leave are reflected in the financial statements. Expenditures for unused leave are recorded when paid in governmental funds. Expenses are accrued when earned on the *Statement of Activities*. At June 30, 2025, the amount expected to be paid within one year related to governmental activities amounted to \$254,527

1. c. 9. NET POSITION AND FUND BALANCE

The *Statement of Net Position* includes the following:

- Net Investment in Capital Assets – This component of net position is comprised of the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of these capital assets.
- Restricted – This component of net position is restricted externally by creditors (e.g., debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position is the difference between assets and liabilities that are not reported in the other components of net position.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

The governmental fund *Balance Sheet* includes the following fund balances:

- Nonspendable – This balance includes amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.
- Restricted – This balance includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – This balance includes amounts constrained to specific purposes by a government itself by action of its highest level of decision-making authority, the Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the government's highest-level of decision-making authority takes a similar action to remove or change the constraint. The government's highest level of decision-making authority must approve all committed expenditures.
- Assigned – This balance includes amounts management has set aside for a specific purpose. This includes the executing of a purchase order for a specific purpose such as an encumbrance.
- Unassigned – This balance includes amounts that are available for any purpose. These amounts are reported only in the General fund or funds that have negative fund balances.

At June 30, 2025, fund balance components other than unassigned fund balance were as follows:

Purpose	Nonspendable	Restricted	Committed	Assigned
Instructional and Support Services	\$ 0	\$ 131,726	\$ 0	\$ 0
Operations and Maintenance	0	13,388	0	0
Student Transportation	0	341,642	0	0
Extracurricular	0	210,767	0	0
School Food	20,701	234,177	0	0
Third Party Grantor Restrictions	0	1,223,474	0	0
Employer Retirement Benefits	0	445,574	0	0
Future Technology	0	506,936	0	0
Future Capital Costs	0	5,849,468	193,714	5,964
Debt Service	0	272,527	0	0
Totals	<u>\$ 20,701</u>	<u>\$ 9,229,679</u>	<u>\$ 193,714</u>	<u>\$ 5,964</u>

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the School District considers restricted funds to have been spent first. When expenditures are incurred and committed, assigned or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed, then assigned and then unassigned funds as needed, unless the Board of Trustees has provided otherwise.

The School District may adjust the beginning fund balances that were reported in the prior year. These adjustments may result from:

- A change in a fund status as major or nonmajor
- A correction of an error that affected a prior period balance
- The adoption of a change in accounting principle
- Other items as may be required by the circumstances.

The School District discloses these adjustments on face of the financial statements or in the notes to the financial statements.

1. d. OTHER

1. d. 1. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

1. d. 2. COUNTY PROVIDED SERVICES

The School District is provided various financial services by the County. The County also serves as cashier and treasurer for the School District for tax and assessment collections and other revenues received by the County which are subject to distribution to the various taxing jurisdictions located in the County. The collections made by the County on behalf of the School District are accounted for in a fiduciary fund in the School District's name. No service charges have been recorded by the School District or the County.

1. d. 3. UNUSUAL IN NATURE OR INFREQUENT IN OCCURRENCE

The School District reported event or transaction as either unusual in nature or infrequent in occurrence when they met the following criteria:

- Unusual nature—the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the government, taking into account the environment in which the government operates. (The event is highly abnormal and not closely related to the government's typical operations in its specific environment.)
- Infrequency of occurrence—the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the government operates. (See paragraph 48.) The event is not reasonably expected to recur in the foreseeable future given the government's operating environment.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2025, cash, cash equivalents, and investments for governmental activities were as follows:

	Governmental Activities
Cash and Cash Equivalents	<u>\$ 12,085,441</u>

The carrying amounts of cash on hand, deposits, and investments at June 30, 2025 were as follows:

Account Type	Amount
Demand Accounts	\$ 294,803
County Investment Pool	<u>11,790,638</u>
Total	<u>\$ 12,085,441</u>

County Investment Pool – Cash resources of the School District are held and managed by the County Treasurer pursuant to Montana law. They are combined with cash resources of other governmental entities within the County to form a pool of cash and cash equivalents. Investments of pooled cash consist primarily of STIP, repurchase agreements, money market accounts, and certificates of deposit and are carried at fair value. The School District's exposure to credit risk is not available to the School District. Risk in the event of loss is unclear in the state law but appears to be the liability of the County government. 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 are available in the County's annual report. There is no known maturity and credit rating of the County investment pool.

Custodial Credit Risk – Deposits – The cash of the extracurricular and internal service funds was held separately by the School District and, consequently, the deposits may be subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At June 30, 2025, the deposits in the extracurricular funds were fully covered by FDIC insurance.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

NOTE 3. TAXES RECEIVABLE

The School District is permitted by Montana statutes to levy taxes up to certain fixed limits for various purposes. The assessed value of the roll as of January 1, 2024, upon which the levy for the 2025 fiscal year was based, amounted to \$18,207,015 for the Elementary School District and \$19,751,079 for the High School District. The tax rates assessed for the year ended June 30, 2025 to finance School District operations and applicable taxes receivable for the elementary and high schools were as follows:

Fund	Mill Levies	Taxes Receivable
<u>Governmental Funds</u>		
<u>Elementary</u>		
General *	99.81	\$ 67,689
Transportation	23.15	15,386
Bus Depreciation	7.71	4,964
Tuition	13.44	8,391
Technology	3.38	2,284
Debt Service	70.20	47,771
Building Reserve *	7.17	4,799
<u>High School</u>		
General *	48.15	35,836
Transportation	10.79	7,689
Bus Depreciation	8.47	6,132
Tuition	4.62	3,279
Adult Education	-	123
Technology	2.74	2,007
Building Reserve	5.79	4,216
Total Governmental Funds	<u>305.42</u>	<u>\$ 210,566</u>

Property taxes assessed may be paid under protest and held by the County Treasurer until the action is finally determined to be in favor of or against the governmental entity levying the tax. Money paid under protest is accounted for by the County in a protested tax fiduciary fund until the final determination. The amount reported above includes \$0 of taxes paid under protest.

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from other governments represent amounts due to the School District for costs incurred but not reimbursed by third party governments. The amounts due from other governments as of June 30, 2025 were as follows:

Fund	Amount	Due From	Reason
<u>Elementary</u>			
School Food	\$ 34,282	Montana	School food reimbursement payments
Miscellaneous Programs	15,005	Montana	Reimbursement through the MTSS grant funding requirements
Miscellaneous Programs	228,374	Montana	Reimbursement through the Title I grant funding requirements
<u>High School</u>			
Miscellaneous Programs	5,746	Montana	Reimbursement through the Perkins grant funding requirements
Traffic Education	8,320	Montana	Traffic education reimbursement payments
Total	<u>\$ 291,727</u>		

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

NOTE 5. GENERAL CAPITAL ASSETS

The schedule of changes in general capital assets for the fiscal year ended June 30, 2025 follows:

	Primary Government				
	Balance July 1, 2024	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2025
Governmental Activities					
<u>Non-depreciable Capital Assets:</u>					
Land	\$ 590,530	\$ 0	\$ 0	\$ 0	\$ 590,530
Construction in Progress	<u>17,998,434</u>	<u>5,487,091</u>	<u>0</u>	<u>(186,121)</u>	<u>23,299,404</u>
Total Non-depreciable Capital Assets	18,588,964	5,487,091	0	(186,121)	23,889,934
<u>Depreciable Capital Assets:</u>					
Buildings	17,127,770	33,511	0	0	17,161,281
Improvements Other than Buildings	1,614,953	238,837	0	0	1,853,790
Machinery and Equipment	<u>6,139,822</u>	<u>169,501</u>	<u>0</u>	<u>0</u>	<u>6,309,323</u>
Total Depreciable Capital Assets	24,882,545	441,849	0	0	25,324,394
Less Accumulated Depreciation For:					
Buildings	(10,415,702)	(558,889)	0	0	(10,974,591)
Improvements Other than Buildings	(1,209,619)	(50,183)	0	0	(1,259,802)
Machinery and Equipment	<u>(3,651,649)</u>	<u>(463,280)</u>	<u>0</u>	<u>119,805</u>	<u>(3,995,124)</u>
Total Accumulated Depreciation	<u>(15,276,970)</u>	<u>(1,072,352)</u>	<u>0</u>	<u>119,805</u>	<u>(16,229,517)</u>
Net Depreciable Capital Assets	<u>9,605,575</u>	<u>(630,503)</u>	<u>0</u>	<u>119,805</u>	<u>9,094,877</u>
Net Governmental Activities Capital Assets	<u>\$ 28,194,539</u>	<u>\$ 4,856,588</u>	<u>\$ 0</u>	<u>\$ (66,316)</u>	<u>\$ 32,984,811</u>

Depreciation expense charged to governmental functions was as follows:

Function	Amount
Instructional Services	\$ 22,079
Educational Media Services	1,472
General Administrative Services	4,832
Operation and Maintenance Services	292,846
Transportation Services	273,858
School Food Services	8,556
Extracurricular	103,496
Unallocated	365,213
Total Depreciation Expense	\$ 1,072,352

NOTE 6. CURRENT LIABILITIES

Current liabilities represent amounts due to creditors, suppliers, or others within a period of time less than one year.

6. a. UNEARNED REVENUES

Unearned revenue, sometimes referred to as deferred revenue, is payment received by the School District from an exchange transaction which has not actually happened at that time of the collections has been received. Once the transaction has been performed by the School District, the revenues will be recognized.

Fund	Amount	Purpose
Elementary		
General *	\$ 21,815	Prepaid meals.
* Denotes Major Fund		

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

NOTE 7. LONG-TERM DEBT

7. a. GENERAL LONG-TERM DEBT

The schedule of changes in general long-term debt for the year ended June 30, 2025 follows:

	Balance July 1, 2024	New Debt and Other Additions	Principal Payments and Other Reductions	Balance June 30, 2025	Due within One Year
Governmental Activities					
<u>Bonds and Notes Payables:</u>					
General Obligation (GO) Bonds	\$ 19,305,000	\$ 0	\$ (750,000)	\$ 18,555,000	\$ 0
Premium on GO Bonds	<u>3,316,648</u>	<u>0</u>	<u>(174,560)</u>	<u>3,142,088</u>	<u>174,561</u>
Total Bonds and Notes Payables	22,621,648	0	(924,560)	21,697,088	174,561
<u>Other Liabilities:</u>					
Compensated Absences *	436,631	72,424	0	509,055	254,527
Accrued Pension	10,922,436	0	(248,172)	10,674,264	0
Other Postemployment Benefits	<u>2,789,225</u>	<u>0</u>	<u>(72,318)</u>	<u>2,716,907</u>	<u>0</u>
Total Other Liabilities	<u>14,148,292</u>	<u>72,424</u>	<u>(320,490)</u>	<u>13,900,226</u>	<u>254,527</u>
Governmental Activities - Long-term Debt	<u>\$ 36,769,940</u>	<u>\$ 72,424</u>	<u>\$ 1,245,050</u>	<u>\$ 35,597,314</u>	<u>\$ 429,088</u>

* Increases and decreases of compensated absences are presented as a net change.

7. a. 1 GENERAL OBLIGATION BONDS

The School District issued GO bonds in prior years for the acquisition and construction of capital facilities. GO bonds are direct obligations of and pledge the full faith and credit of the School District. These bonds were issued for the terms and payment schedules as follows:

Description	Issue Date	Interest Rate	Term	Maturity Date	Amount Issued	Outstanding June 30, 2025
Elementary GO Bonds Series 2022	2/3/2022	3.00-5.00%	20 years	7/1/2042	\$ 20,400,000	\$ 18,555,000
Reoffering Premium	2/3/2022	-	20 years	7/1/2042	<u>3,491,208</u>	<u>3,142,088</u>
					\$ 23,891,208	\$ 21,697,088

Debt service requirements to maturity for principal and interest for all bonded long-term obligations were as follows:

For the year ended June 30:	Principal	Interest	Premium * Amortization
2026	\$ 0	\$ 372,275	\$ 174,561
2027	780,000	732,850	174,560
2028	805,000	702,275	174,561
2029	845,000	662,275	174,560
2030	885,000	625,375	174,560
2031-2035	4,965,000	2,567,300	872,802
2036-2040	6,040,000	1,470,000	872,802
2041-2043	<u>4,235,000</u>	<u>258,700</u>	<u>523,682</u>
Totals	<u>\$18,555,000</u>	<u>\$7,391,050</u>	<u>\$ 3,142,088</u>

* The School District's GO bonds were issued with a reoffering premium. The reoffering premium is a part of the cost of issuing the bonds and will be amortized in equal installments over the life of the bonds.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

NOTE 8 DEFERRED INFLOWS OF RESOURCES

8. a. PROPERTY TAXES

The School District reported deferred property taxes at June 30, 2025 as follows:

Fund	Amount	Reason
<u>Elementary</u>		
General *	\$ 67,689	Taxes receivable
Transportation	15,386	Taxes receivable
Bus Depreciation	4,964	Taxes receivable
Tuition	8,391	Taxes receivable
Technology	2,284	Taxes receivable
Debt Service	47,771	Taxes receivable
Building Reserve *	4,799	Taxes receivable
<u>High School</u>		
General *	35,836	Taxes receivable
Transportation	7,689	
Bus Depreciation	6,132	Taxes receivable
Tuition	3,279	Taxes receivable
Adult Education	123	Taxes receivable
Technology	2,007	Taxes receivable
Building Reserve	4,216	Taxes receivable
Total	<u>\$ 210,566</u>	

* Denotes Major Fund

NOTE 9 ERROR CORRECTIONS

The School District recorded error corrections that resulted in adjustments to and restatements of beginning net position and fund net position as follows:

Fund	Amount	Reason
<u>Governmental Funds</u>		
<u>High School</u>		
Traffic Education	\$ 3,206	Estimated accrual was lower than remitted by the state
<u>Governmental Activities</u>		
Capital Assets	119,805	Capital assets depreciation adjustment to agree to detail listing
Total Governmental Activities	<u>\$ 123,011</u>	

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The School District provides its retiring employees with at least five years of service and who are at least 50 years of age, along with their eligible spouses and dependents, the option to continue participating in the School District group health insurance plan until the retiree becomes eligible for Medicare coverage. This option creates a defined benefit other postemployment benefits (OPEB) plan.

The School District pays OPEB liabilities on a pay as you go basis. A trust fund for future liabilities has not been established.

The School District provides healthcare benefits for retirees and their dependents. The School District provides the same health care plan to all of its members. Retirees are required to pay 100% of the health insurance premium to retain the healthcare benefits. The School District covers 100% of the premiums for active employees.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

As of June 30, 2025, the measurement date, the plan's participants were comprised of:

Active employees	145
Inactive employees (may include spouses)	48

The School District's total OPEB liability amounted to \$2,716,907 at June 30, 2025. The liability was measured as of June 30, 2025 and was determined by an Actuarial valuation as of that date.

ASSUMPTIONS AND OTHER INPUTS

The School District obtained an Actuarial valuation to determine the OPEB liability. Valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future and estimated amounts are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for the plan are based on types of benefits provided under the current plan. The valuation assumed that 40% of plan participants would elect to continue coverage after retirement.

The total OPEB liability at June 30, 2025 was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Average salary increases	3.50%
Discount rate	4.93%
Retiree's share of benefit related costs	100.00%
Healthcare cost trend rate	7.40% down to 4.00%

CHANGES IN THE TOTAL OPEB LIABILITY

Balance July 1, 2024	\$ 2,789,225
Changes for the Year:	
Service Cost (OPEB Expense)	191,236
Interest	128,534
Changes of Benefit Terms	0
Changes in Assumptions or Other Inputs	(354,008)
Benefit Payments	<u>(38,080)</u>
Net Changes	<u>(72,318)</u>
Balance June 30, 2025	<u>\$ 2,716,907</u>

Changes in benefit terms and assumptions and other inputs are composed of the following:

- Changes assumptions about the discount rate and the cost of healthcare.

SENSITIVITY ANALYSIS

The following illustrates the estimated effect on the School District's OPEB liability if the *discount rate* and *healthcare cost trend rate* were 1% lower or 1% higher than the current discount rate and healthcare cost trend rate:

	Discount Rate		
	1.0% Decrease	Current	1.0% Increase
Total OPEB Liability	\$3,289,412	\$2,716,907	\$ 2,273,774
	Healthcare Cost Trend Rate		
	1.0% Decrease	Current	1.0% Increase
Total OPEB Liability	\$2,199,968	\$2,716,907	\$ 3,410,160

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

OPEB EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

For the year ended June 30, 2025, the School District reported \$(72,318) in expense related to OPEB.

At June 30, 2025, the School 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
Changes of Assumptions	\$ 0	\$ (354,008)
Total	\$ 0	\$ (354,008)

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

Year ended June 30:	Net Deferred Outflows/Inflows of Resources
2026	\$ (36,925)
2027	(36,925)
2028	(36,925)
2029	(36,925)
2030	(169,383)
Thereafter (8 years)	0

NOTE 11. ENCUMBRANCES

11. a. ENCUMBRANCES

An encumbrance is a portion of a budget appropriation set aside for spending the current year budget. Like the budget itself, an encumbrance is a projection and not yet an account payable or other liability of the School District. When it comes time to pay necessary encumbered funds, the encumbrance disappears in that amount and becomes an actual expenditure of the School District.

All encumbrances are classified as assigned or restricted in the funds noted below:

Fund	Amount
<u>Elementary</u>	
Miscellaneous Programs	\$ 5,620
Building *	564,809
Building Reserve *	3,480
<u>High School</u>	
General *	5,964
Interlocal *	15,108
Total	\$ 594,981
* Denotes Major Fund	

11. b. CONSTRUCTION OR SIMILAR COMMITMENTS

The School District was in the midst of a multi-year improvement initiative involving multiple large and small construction projects. The encumbrances in the miscellaneous fund at June 30, 2024 relate to those ongoing projects and amounts that have been committed to their completion.

NOTE 12. RISK MANAGEMENT

The School District was exposed to distinct types of risk, including risks of:

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

- Decreased public funding
- Other losses

Risks related to decreased in public funding relate to possible future decreases in County, State and federal funding. Such funding is used in the provision of such services as instructional programing, food, transportation, and capital maintenance and improvements. In the event of such a decrease, the School District would likely need to seek funding from other sources such as increased parental fees, private donations, or increased borrowing. Alternately, the School District could curtail services such as extracurricular or sports programs or increasing class sizes.

Risks related to losses include:

- Damage to and loss of property and contents
- Employee torts
- Professional liability, e.g., errors and omissions
- Environmental damage
- Workers' compensation, e.g., employee injuries
- Medical insurance costs of employees

Several 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 contents damage, employee torts, professional liabilities, and employee medical insurance. The School District has joined with other School Districts throughout the state into an interlocal common risk pool to insure workers' compensation for all participating School Districts in a self-insurance pool. The Workers Compensation Risk Retention Program is managed by a board of directors elected annually. Members are responsible for fully funding the Workers Compensation Risk Retention Program through the payment of annual premiums accessed. There is no other liability to the School District other than timely payments of premiums. The School District can withdraw from the Workers Compensation Risk Retention Program with 60 days notice at any time. The School District has no coverage for potential losses from environmental damages.

Levels of insurance have not changed materially from the prior year and settlements have not exceeded insurance coverage limits during the current or each of the two previous years.

NOTE 13. EMPLOYEE RETIREMENT SYSTEM

The School District participates in two a state-wide, cost-sharing multiple employer defined benefit retirement plans which covers all School District employees, except certain substitute teachers and part-time, non-teaching employees. The plans are established under Montana law and are administered by the State. The School District participates in the following Montana administered retirement plans:

- The Teachers' Retirement System (TRS) covers teaching employees, including administrators and aides and
- The Public Employees' Retirement System (PERS) covers nonteaching employees.

The plans issue publicly available annual reports, stand-alone financial statements, actuarial valuations, experience studies, and plan audited financial statements. Those reports may be obtained from the following:

<u>Teachers' Retirement System</u>	<u>Montana Public Employee Retirement Administration</u>
P.O. Box 200139	P.O. Box 200131
1500 Sixth Avenue	100 N. Park Avenue Suite 200
Helena, MT 59620-0139	Helena, MT 59620-0131
Phone: 406-444-3134	Phone: 406-444-3154
www.trs.mt.gov	www.mpera.mt.gov

13. a. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF RETIREMENT SYSTEMS

The Montana Public Employee Retirement Administration (MPERA) and TRS prepare their financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA and TRS for the purposes of determining the net pension liability (NPL), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, the fiduciary net position, and additions to and 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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

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 and TRS comply with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) statements.

13. b. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The PERS - Defined Benefit Retirement Plan (DBRP or Plan), administered by the 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, local governments, 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 choose to remain in the PERS-DBRP or join the PERS defined contribution retirement plan (PERS-DCRP) by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans.

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

- | | |
|--|--|
| <u>Service Retirement:</u> | <ul style="list-style-type: none"> • Hired prior to July 1, 2011: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ Age 65, 5 years of membership service; or ○ Age 70, regardless of membership service. |
| <u>Early Retirement:</u>
(actuarially reduced) | <ul style="list-style-type: none"> • Hired prior to July 1, 2011: <ul style="list-style-type: none"> ○ Age 50, 5 years of membership service; or ○ Any age, 25 years of membership service. • Hired on or after July 1, 2011: <ul style="list-style-type: none"> ○ Age 55, 5 years of membership service. |
| <u>Second Retirement:</u>
(requires returning to PERS-covered employer or PERS service) | <ul style="list-style-type: none"> • Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit: <ul style="list-style-type: none"> ○ A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018); ○ No service credit for second employment; ○ Start the same benefit amount the month following termination; and ○ Guaranteed Annual Benefit Adjustment (GABA) starts again in January immediately following the second retirement. • Retire before January 1, 2016 and accumulate at least 2 years additional service credit: <ul style="list-style-type: none"> ○ A recalculated retirement benefit based on provision in effect after the initial retirement; and ○ GABA starts recalculating benefits in the January after receiving the new benefit for 12 months. • Retire on or after January 1, 2016 and accumulate 5 or more years additional service credit: <ul style="list-style-type: none"> ○ The same retirement as prior to the return to service; ○ A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and ○ GABA starts on both benefits in January after receiving the original and the new benefit for 12 months. |
| <u>Vesting:</u> | 5 years of membership service |
| <u>Member's Highest Average Compensation (HAC):</u> | <ul style="list-style-type: none"> • Hired prior to July 1, 2011: <ul style="list-style-type: none"> ○ HAC during any consecutive 36 months. • Hired on or after July 1, 2011: <ul style="list-style-type: none"> ○ HAC during any consecutive 60 months. |

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For the year ended June 30, 2025

<u>Compensation Cap:</u>	- Hired on or after July 1, 2013: 110% annual cap on compensation is considered as part of a member's HAC.
<u>Monthly Benefit Formula:</u>	- Hired prior to July 1, 2011: - Less than 25 years of membership service - 1.785% of HAC per year of service credit; or 25 years of membership service or more - 2% of HAC per year of service credit. - Hired on or after July 1, 2011: - Less than 10 years of membership service - 1.5% of HAC per year of service credit; 10 years or more, but less than 30 years of membership service - 1.785% of HAC per year of service credit; or 30 years or more of membership service - 2% of HAC per year of service credit.
<u>Guaranteed Annual Benefit Adjustment (GABA):</u>	After the member has completed 12 full months of retirement, the member's benefit increases by the following percentage each January, 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: 1.5% for each year PERS is funded at or above 90%; 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and 0% whenever the amortization period for PERS is 40 years or more.

OVERVIEW OF CONTRIBUTIONS

Contributions: 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.

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 all participating employers.

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

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	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	.0370%
2024	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

- 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.
- Employer contributions to the system:
 - 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. For fiscal years beginning after June 30, 2024, the additional contribution amount stays at 2.27%. The additional employer contributions, including the 0.27% added in 2007 and 2009,

NOTES TO THE FINANCIAL STATEMENTS (continued)
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will terminate on January 1 following an actuary valuation that shows 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 contributed 0.1% of the members' compensation on behalf of local government entities.
 - ii. The State contributed 0.37% of the members' compensation on behalf of school district entities.
 - iii. The State contributed a Statutory Appropriation from the General Fund amounting to \$35,329,705.

ACTUARIAL ASSUMPTIONS

The Total Pension Liability (TPL) as of June 30, 2024, was determined on the results of an actuarial valuation date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of pension plan investment expense, including inflation) 7.30%
- General Wage Growth (includes inflation at 2.75%) 3.50%
- Merit Increases 0.00% to 4.80%
- Postretirement Benefit Increases:
 - GABA each January. 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 all 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:
 - 1.5% for each year PERS is funded at or above 90% (the 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%)
 - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality
 - *Active Participants* - PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
 - *Disabled Retirees* - PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
 - *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.
 - *Healthy 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, 2024 valuation, were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

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 would be made based on the Board's funding policy, which established the contractually required rates under MCA. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by 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.

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For the year ended June 30, 2025

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 weighing 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%
Total	<u>100.00%</u>	

DEFINED CONTRIBUTION PLAN

The School District contributed to the State of Montana PERS-DCRP for employees that have elected the DCRP. The PERS-DCRP is administered by the Montana Public Employees' Retirement Board 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.

13. c. TEACHERS' RETIREMENT SYSTEM

TRS is a mandatory-participation multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

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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, MCA, and administrative rules set forth in Title 2, Chapter 44 of the Administrative Rules of Montana.

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

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. The GABA for Tier Two members may vary from 0.5% to 1.5% each year 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

TRS (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 table below shows the legislated contribution rates for TRS members, employers, and the State.

	Members	Employers	General fund	Total employee and 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, 2024 to June 30, 2024	8.15%	9.47%	2.49%	20.11%

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

ACTUARIAL ASSUMPTIONS

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

- Total Wage Increases:
 - 3.50% to 9.00% for Non-University members
 - 4.25% for University members
(includes 3.50% general wage increase assumption)
- Investment Return:
 - 7.30%
- Price Inflation:
 - 2.75%
- Postretirement Benefit Increases:
 - Tier One. 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. 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:

- *Mortality among contributing members* - PUB-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021.
- *Mortality among service retired members* - PUB-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females. Projected generationally using MP-2021.
- *Mortality among beneficiaries* - PUB-2010 Contingent Survivor table projected to 2021. Projected generationally using MP-2021.
- *Mortality among disabled members* - PUB-2010 Disabled Retiree mortality table projected to 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 establishes the contractually required rates under MCA. In addition to the contributions, the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2132. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. No municipal bond rate was incorporated in the discount rate.

TARGET ALLOCATIONS

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investment	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%
Total	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,

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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.

13. d. SENSITIVITY ANALYSIS

The following presents the employer's sensitivity of the NPL to the discount rate 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%)
<u>PERS</u>			
Net Pension Liability	\$ 3,114,210,038	\$ 2,440,353,916	\$ 1,566,800,567
School District's Net Pension Liability	3,305,552	2,267,520	1,397,079
<u>TRS</u>			
Net Pension Liability	2,693,051,612	1,873,757,133	1,189,228,680
School District's Net Pension Liability	12,082,567	8,406,744	5,335,559

13. e. 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 PERS and TRS. Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective NPL, Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions. In accordance with Statement 68, PERS and TRS have special funding situations in which the State of Montana is legally responsible for making contributions directly to PERS and TRS that are used to provide pension benefits to the retired members. Due to the existence of this 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.

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The basis for the TPL as of June 30, 2024, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The TPL minus the Fiduciary Net Position equals the NPL. The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2024, and 2023, 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 the particular employer to the total state contributions paid.

At June 30, 2025, the employer recorded a liability for its proportionate share of the NPL as noted below:

As of measurement date	NPL		Percent of Collective NPL		Change in Percent of Collective NPL
	as of 6/30/24	as of 6/30/23	as of 6/30/24	as of 6/30/23	
PERS					
School District Proportionate Share	\$ 2,267,520	\$ 2,345,818	0.092712%	0.096126%	(0.003414)%
State of Montana Proportionate Share associated with Employer	659,489	719,186	0.026965%	0.029471%	(0.002506)%
Totals	<u>\$ 2,927,009</u>	<u>\$ 3,065,004</u>	<u>0.119677%</u>	<u>0.125597%</u>	<u>(0.005920)%</u>
TRS					
School District Proportionate Share	\$ 8,406,744	\$ 8,576,618	0.4487%	0.4427%	0.0060%
State of Montana Proportionate Share associated with Employer	4,459,235	4,635,911	0.2380%	0.2393%	(0.0013)%
Totals	<u>\$12,865,979</u>	<u>\$13,212,529</u>	<u>0.6867%</u>	<u>0.6820%</u>	<u>0.0047%</u>

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The NPL was measured as of June 30, 2024, and the TPL used to calculate the net pension liability was determined by an actuarial valuation as of:

- PERS – June 30, 2024
- TRS – July 1, 2024

	PERS	TRS
<u>Changes in actuarial assumptions, other inputs, and methods:</u>	There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.	There have been no changes in actuarial assumptions since the previous measurement date.
<u>Changes in benefit terms:</u>	There have been no changes in benefit terms since the previous measurement date.	There have been no changes in benefit terms since the previous measurement date.
<u>Changes in proportionate share:</u>	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.	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..

13. f. PENSION EXPENSE

At June 30, 2025, the employer recognized a pension expense and grant revenue as noted below:

<u>(as of measurement date)</u>	<u>Pension Expense as of 6/30/24</u>	<u>Pension Expense as of 6/30/23</u>
<u>PERS</u>		
School District's Proportionate Share	\$ 145,329	\$ 225,929
Employer Grant Revenue – Montana Proportionate Share with the Employer	35,343	67,470
Totals	<u>\$ 180,672</u>	<u>\$ 293,399</u>
<u>TRS</u>		
School District's Proportionate Share	\$ 473,506	\$ 776,833
State of Montana Proportionate Share associated with the Employer	239,861	430,593
Totals	<u>\$ 713,367</u>	<u>\$ 1,207,426</u>

13. g. DEFERRED INFLOWS AND OUTFLOWS

At June 30, 2025, the employer reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to PERS and TRS from the following sources:

	<u>PERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected economic experience	\$ 114,588	\$ 0	\$ 212,686	\$ 0
Changes in actuarial assumptions	0	0	0	279,432
Difference between projected and actual investment earnings	0	50,423	0	162,231
Changes in proportion and differences between actual and expected contributions	0	0	299,670	64,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	43,989	0	0
Contributions paid subsequent to the measurement date –FY 2024 Contributions *	159,195	0	649,444	0
Totals	<u>\$ 273,783</u>	<u>\$ 94,413</u>	<u>\$1,161,800</u>	<u>\$ 506,109</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

* 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 NPL 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	PERS		TRS	
	Amount of Deferred			
	Outflows (Inflows) to be Recognized			
	as an Increase (Decrease) to			
	Pension Expense			
2025	\$	(44,305)	\$	(495,725)
2026		121,643		531,828
2027		(35,448)		12,480
2028		(21,716)		(42,336)
Thereafter		0		0

13. h. EMPLOYER'S PROPORTION OF PENSION AMOUNTS

	PERS	TRS	Employer's Total Pension Amounts
	Employer's Proportionate Share	Employer's Proportionate Share	
Total Pension Liability	\$ 8,987,396	\$ 31,520,964	\$ 40,508,360
Fiduciary Net Position	<u>6,719,876</u>	<u>23,114,220</u>	<u>29,834,096</u>
Net Pension Liability	2,267,520	8,406,744	10,674,264
Deferred Outflows of Resources	273,783	1,161,800	1,435,583
Deferred Inflows of Resources	94,413	506,109	600,522
Pension Expense	180,672	713,367	894,039

NOTE 14. SPECIAL EDUCATION

The School District is a member of the Central Montana Learning Resource Center Cooperative (the Cooperative), a Special Education Cooperative. The financial records of the Cooperative are prepared and maintained by the Cooperative Clerk. The financial records of the Cooperative are separate from those of the School District, and the financial statements of the Cooperative are not included in the School Districts' financial statements. The Cooperative's financial statements are audited separately from those of the School District. All revenue received, including federal, state, or other types of grant payments, and the financial support provided by each of the Cooperative's members are deposited into the Cooperative's funds, which are maintained in the custody of the Fergus County Treasurer. The Superintendent of Public Instruction may directly deposit to the Cooperative the state and federal portion of any participating member School District's budgeted costs for contracted special education services. All capital assets of the Cooperative are included in the Cooperative's financial statements.

A Joint Board of Directors governs the Cooperative. The Joint Board has the power to set policies, enter into contracts, review the performance of the Cooperative annually, review the fiscal management of the Cooperative annually, and set and approve the annual fiscal budget of the Cooperative.

NOTE 15. JOINT VENTURE AGREEMENTS

Joint ventures are legal entities or other organizations that result in a contractual arrangement and that are owned, operated, or governed by two or more participants. Each participant retains both an ongoing financial interest and an ongoing fiscal responsibility.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2025

15. a. MULTIDISTRICT COOPERATIVE

Section 20-3-363, MCA allows for the creation of a multidistrict cooperative between any School District and other public entities under Title 20, Chapter 9 Part 7, MCA. The parties in a multidistrict cooperative may mutually agree to perform any services, activities, and undertakings of the participants and provide for the joint funding and operation and maintenance of all participants in the agreement.

15. a. 1. TECHNICAL SUPPORT

The School District was a party to an agreement with other public entities to provide technical support services to each participating school district and cooperative. The high school District is the designated prime agency and is responsible for the financial administration of the multidistrict cooperative. The activity of the multidistrict cooperative is accounted for in fund 82 of the high school District.

15. a. 2. INTERLOCAL AGREEMENT FUND

The School District was a party to an agreement with the elementary and high school Districts for the purpose of jointly purchasing/paying for salaries, technology, curriculum, utilities and supplies for the participating districts. The high school District is the designated prime agency and is responsible for the financial administration of the multidistrict cooperative. The activity of the multidistrict cooperative is accounted for in fund 82 of the high school District. During the fiscal year ended June 30, 2025 the elementary and high school General funds transferred \$0 and \$0, respectively, into the high school's Interlocal Agreement fund.

NOTE 16. FOUNDATION ENDOWMENT

The School District has an endowment from the Evelyn Eccles Foundation. The objective of the foundation was to assist ambitious youth attain worthwhile heights of accomplishment through higher education. At June 30, 2025, the endowment fund amounted to \$126,151 and there was one outstanding loan balance amounting to \$5. The School District administers the endowment in accordance with the endowment directives as follows:

- At the end of each school year, the School District's Board of Trustees may "select from the graduating class a student or students, male or female, who have best demonstrated his/her ability to conduct scientific research of any kind or character which looks to the advancement of the best interests of society" and provide a loan from the fund to aid in their securing higher education.
- If a student is selected, the Board of Trustees will determine an amount of the loan "sufficient to materially aid and enable students to attend an institution of higher learning." A no interest promissory note will be executed which shall become due and payable at such time as may be arranged, but not in excess of ten years after the loan agreement has been made.

NOTE 17. CITY OF LEWISTOWN

The School District and the City of Lewistown (City) were parties to two agreements:

- School Resources Officer (SRO). The City assigned a police officer to act as an SRO to the School District for the purpose of aiding in the support of safe schools and learning environments. For the year ending June 30, 2025, the School District payment to the City under this agreement amounted to \$58,362.
- Use of the Lewistown Civic Center. The City provided access to the Lewistown Civic Center for activities such as basketball, volleyball, softball, soccer, floor hockey, superstars, badminton, snowshoeing, roller-skating, cross-country skiing, and table tennis. For the year ending June 30, 2025, the School District payment to the City under this agreement amounted to \$6,246.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FUNDING PROGRESS
Other Postemployment Benefits Other Than Pensions
For the year ended June 30, 2025

CHANGE IN LIABILITY

Fiscal Year End	Service Cost (a)	Interest (b)	Changes in Benefit Terms (c)	Changes in Assumptions or Other Inputs (d)	Benefit Payments (e)	Net Change in Total OPEB Liability Sum of (a) to (e)=(f)	Total OPEB Liability Beginning (g)	Total OPEB Liability Ending (f)+(g)=(h)
6/30/18	\$ 263,917	\$ 16,658	\$ 0	\$ 2,330,713	\$ (77,880)	\$2,677,408	\$ 1,392,046	\$4,069,454
6/30/19	271,452	147,140	0	325,669	(113,183)	631,078	4,069,454	4,700,532
6/30/20	311,070	175,965	(462,123)	925,660	(75,421)	875,151	4,700,532	5,575,683
6/30/21	401,496	151,223	0	348,515	(87,652)	813,582	5,575,683	6,389,265
6/30/22	391,950	152,719	(3,097,464)	(1,254,595)	(107,595)	(3,914,985)	6,389,265	2,474,280
6/30/23	173,849	105,626	0	0	(41,631)	237,844	2,474,280	2,712,124
6/30/24	150,851	114,868	477,678	(636,058)	(30,238)	77,101	2,712,124	2,789,225
6/30/25	191,236	128,534	0	(354,008)	(38,080)	(72,318)	2,789,225	2,716,907

PAYROLL RATIO

Fiscal Year End	Covered Employee Payroll (i)	Total OPEB Liability as a Percentage of Covered Employee Payroll (h)/(i)=(j)
6/30/18	\$ 5,903,289	68.94%
6/30/19	6,124,663	76.75%
6/30/20	5,669,468	98.35%
6/30/21	5,867,899	108.89%
6/30/22	4,510,124	54.86%
6/30/23	4,510,124	54.86%
6/30/24	6,220,076	44.84%
6/30/25	6,437,778	42.20%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
(Determined as of the measurement date)
For the year ended June 30, 2025

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

As of Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Net Pension Liability (a)	State's Net Pension Liability (b)	Total (a)+(b)=(c)	Employer's Covered Payroll (d)	Employer's Proportionate Share as a Percentage of Covered Payroll (a)/(d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.138464%	\$ 1,935,544	\$ 90,951	\$ 2,026,495	\$ 1,670,709	115.85%	78.40%
2016	0.141463%	2,409,599	112,614	2,522,214	1,751,664	137.56%	74.71%
2017	0.135932%	2,647,456	121,958	2,769,414	1,742,460	151.94%	73.75%
2018	0.101152%	2,111,191	777,302	2,888,492	1,718,275	122.87%	73.47%
2019	0.099006%	2,069,528	738,330	2,807,857	1,686,719	122.70%	73.85%
2020	0.095447%	2,518,106	872,315	3,390,421	1,656,550	152.01%	68.90%
2021	0.089402%	1,621,057	528,167	2,149,224	1,620,783	100.02%	79.91%
2022	0.094710%	2,252,092	743,271	2,995,363	1,701,023	132.40%	73.66%
2023	0.096126%	2,345,818	719,186	3,065,004	1,828,596	128.29%	73.93%
2024	0.092712%	2,267,520	659,489	2,927,009	1,860,326	121.89%	74.77%

TEACHERS' RETIREMENT SYSTEM

Year Ended June 30:	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability Associated with the Employer (a)	State of Montana's Proportionate Share of the Net Pension Liability Associated with the Employer (b)	Total (a)+(b)=(c)	Employer's Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll (a)/(d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.4441%	\$ 7,296,596	\$ 4,891,615	\$ 12,188,211	\$ 5,537,456	131.77%	69.30%
2016	0.4424%	8,081,164	5,267,725	13,348,889	5,651,304	143.00%	66.69%
2017	0.4434%	7,476,217	4,745,760	12,221,977	5,848,407	127.83%	70.09%
2018	0.4363%	8,099,052	5,034,660	13,133,712	5,828,310	138.96%	69.09%
2019	0.4311%	8,312,421	5,033,409	13,345,830	5,851,796	142.05%	68.64%
2020	0.4321%	9,718,822	5,746,200	15,465,022	5,946,911	163.43%	64.95%
2021	0.4259%	7,055,923	4,025,645	11,081,568	6,066,716	116.31%	75.54%
2022	0.4168%	8,198,076	4,527,254	12,725,330	6,118,452	133.99%	70.61%
2023	0.4427%	8,576,618	4,635,911	13,212,529	6,583,551	130.27%	71.75%
2024	0.4487%	8,406,744	4,459,235	12,865,979	6,741,825	124.70%	73.33%

These schedules are intended to show information for the most recent 10 years.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(Determined as of the reporting date)
For the year ended June 30, 2025

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Year Ended June 30:	Contractually Required De- fined Benefit Contributions (a)	Plan Choice Rate Required Contribution (b)	Contributions in Relation to the Contractu- ally Required Contributions (c)	Contribution Deficiency (Excess) (a)+(b)- (c)=(d)	Employer's Covered Payroll (e)	Contributions as a Percentage of Covered Payroll ((a)+(b))/(e)
2016	\$ 141,634	\$ 295	\$ 141,929	\$ 0	\$ 1,751,664	8.10%
2017	141,142	0	141,142	0	1,742,460	8.10%
2018	140,899	0	140,899	0	1,718,275	8.20%
2019	140,499	0	140,499	0	1,686,719	8.33%
2020	140,308	0	140,308	0	1,656,550	8.47%
2021	139,946	0	139,946	0	1,620,783	8.63%
2022	148,027	0	148,027	0	1,701,023	8.70%
2023	161,644	0	161,644	0	1,828,596	8.84%
2024	163,709	0	163,709	0	1,860,326	8.80%
2025	182,349	0	182,349	0	2,072,154	8.80%

TEACHERS' RETIREMENT SYSTEM

Year Ended June 30:	Contractually Required Contributions (a)	Contributions in Relation to Contractually Required Contributions (b)	Contribution Deficiency (Excess) (a)-(b)=(c)	Employer's Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (a)/(d)
2016	\$ 601,312	\$ 601,312	\$ 0	\$ 5,651,304	10.64%
2017	592,541	592,541	0	5,848,407	10.13%
2018	553,234	553,234	0	5,828,310	9.49%
2019	553,772	553,772	0	5,851,796	9.46%
2020	604,525	604,525	0	5,946,911	10.17%
2021	594,700	594,700	0	6,066,716	9.80%
2022	589,367	589,367	0	6,118,452	9.63%
2023	632,742	632,742	0	6,583,551	9.61%
2024	692,112	692,112	0	6,741,825	10.27%
2025	649,444	649,444	0	6,784,118	9.57%

These schedules are intended to show information for the most recent 10 years.

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(As of Measurement Date)
For the year ended June 30, 2025

NOTE 1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**Changes of Benefit Terms**

The following changes to the Public Employees' Retirement System (PERS) plan provision 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.

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**

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2022, which were based on the results of the June 30, 2021 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0.00% to 4.80%
Asset valuation method	Four-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 Retirees)	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.

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(As of Measurement Date)
For the year ended June 30, 2025

NOTE 2. TEACHERS' RETIREMENT SYSTEM

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 scale merit rates.

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

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

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

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

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

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

- Assumed rate of inflation was reduced from 3.50% to 3.25%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- Assumed real wage growth was reduced from 1.00% to 0.75%.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(As of Measurement Date)
For the year ended June 30, 2025

-
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.

Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

- For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
- For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.
- Mortality among disabled members was updated to the following:
- For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
- For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	25 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary increase	3.25 to 9.00 percent, including inflation for Non-University Members and 4.25% for University Members
Investment rate of return	7.50 percent, net of pension plan investment expense, and including inflation

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General (Elem)				
	Original Budget	Final Budget	Budget Variance with Original vs Final Budget - Over (Under)	Actual	Actual Variance with Final Budget - Over (Under)
REVENUES:					
District Levies	\$ 1,816,760	\$ 1,816,760	\$ -	\$ 1,817,876	\$ 1,116
Interest	18,386	18,386	-	20,917	2,531
Other	-	-	-	-	-
State	5,426,258	5,426,258	-	5,426,258	-
Total Revenues	<u>7,261,404</u>	<u>7,261,404</u>	<u>-</u>	<u>7,265,051</u>	<u>3,647</u>
EXPENDITURES:					
Current:					
Instructional Services				4,294,713	
Support Services - Students				80,825	
Support Services - Instructional				184,982	
General Administrative Services				1,340,309	
Operation and Maintenance Services				1,052,992	
Transportation Services				3,448	
School Food Services				167,617	
Extracurricular				76,581	
Capital Outlay				-	
Intergovernmental				21,270	
Total Expenditures	<u>7,261,405</u>	<u>7,261,405</u>	<u>-</u>	<u>7,222,737</u>	<u>(38,668)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>42,314</u>	<u>42,315</u>
Net Change in Fund Balance	(1)	(1)	-	42,314	42,315
FUND BALANCE:					
Beginning of the Year				678,472	
End of the Year				<u>\$ 720,786</u>	

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual, continued
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Flexibility (Elem)				
	Original Budget	Final Budget	Budget Variance with Original vs Final Budget - Over (Under)	Actual	Actual Variance with Final Budget - Over (Under)
REVENUES:					
District Levies	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,000	2,000	-	7,196	5,196
Other	-	-	-	9,854	9,854
State	30,465	30,465	-	30,466	1
Total Revenues	32,465	32,465	-	47,516	15,051
EXPENDITURES:					
Current:					
Instructional Services				8,180	
Support Services - Students				-	
Support Services - Instructional				750	
General Administrative Services				432	
Operation and Maintenance Services				-	
Transportation Services				-	
School Food Services				-	
Extracurricular				-	
Capital Outlay				-	
Intergovernmental				-	
Total Expenditures	172,972	172,972	-	9,362	(163,610)
Excess (Deficiency) of Revenues Over Expenditures	(140,507)	(140,507)	-	38,154	178,661
Net Change in Fund Balance	(140,507)	(140,507)	-	38,154	178,661
FUND BALANCE:					
Beginning of the Year				140,506	
End of the Year				\$ 178,660	

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual, continued
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

General (HS)					
	Original Budget	Final Budget	Budget Variance with Original vs Final Budget - Over (Under)	Actual	Actual Variance with Final Budget - Over (Under)
REVENUES:					
District Levies	\$ 950,983	\$ 950,983	\$ -	\$ 950,170	\$ (813)
Interest	5,660	5,660	-	6,519	859
Other	-	-	-	-	-
State	2,569,471	2,569,471	-	2,569,471	-
Total Revenues	3,526,114	3,526,114	-	3,526,160	46
EXPENDITURES:					
Current:					
Instructional Services				1,712,605	
Support Services - Students				76,727	
Support Services - Instructional				113,562	
General Administrative Services				710,157	
Operation and Maintenance Services				631,381	
Transportation Services				31,849	
School Food Services				5,943	
Extracurricular				222,615	
Capital Outlay				11,928	
Intergovernmental				8,267	
Total Expenditures	3,526,114	3,526,114	-	3,525,034	(1,080)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	1,126	1,126
Net Change in Fund Balance	-	-	-	1,126	1,126
FUND BALANCE:					
Beginning of the Year				319,803	
End of the Year				\$ 320,929	

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget and Actual, continued
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Flexibility (HS)				
	Original Budget	Final Budget	Budget Variance with Original vs Final Budget - Over (Under)	Actual	Actual Variance with Final Budget - Over (Under)
REVENUES:					
District Levies	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,000	2,000	-	6,797	4,797
Other	-	-	-	1,623	1,623
State	39,937	39,937	-	39,937	-
Total Revenues	41,937	41,937	-	48,357	6,420
EXPENDITURES:					
Current:					
Instructional Services				53,503	
Support Services - Students				-	
Support Services - Instructional				-	
General Administrative Services				-	
Operation and Maintenance Services				-	
Transportation Services				-	
School Food Services				-	
Extracurricular				-	
Capital Outlay				-	
Intergovernmental				-	
Total Expenditures	232,407	232,407	-	53,503	(178,904)
Excess (Deficiency) of Revenues Over Expenditures	(190,470)	(190,470)	-	(5,146)	185,324
Net Change in Fund Balance	(190,470)	(190,470)	-	(5,146)	185,324
FUND BALANCE:					
Beginning of the Year				190,470	
End of the Year				\$ 185,324	

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended June 30, 2025

NOTE 1. BUDGETS

Budgets were adopted in accordance with Montana budget laws which are consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets were adopted for the following:

- General fund
- Budgeted special revenue funds
 - Transportation
 - Bus Depreciation
 - Tuition
 - Retirement
 - Adult Education
 - Technology
 - Flexibility
- Debt Service funds
- Budgeted capital project funds
 - Building Reserve

All annual appropriations lapsed at fiscal year-end, unless Lewistown School District No. 1 (School District) elected to encumber supplies and personal property ordered but not received at year end.

1. a. GENERAL BUDGET POLICIES

The School District's funds were either budgeted or non-budgeted in accordance with Montana statutes. Budgeted funds are those for which a legal budget must be adopted to have expenditures as noted above. All other funds were non-budgeted, meaning a legal budget is not required in order to have expenditures. The Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual was prepared on the modified accrual basis of accounting and contains financial information for only the major general and special revenue budgeted funds.

1. b. BUDGET OPERATIONS

The School District operated within the budget requirements for School Districts as specified by Montana law. The financial report reflected the following budgetary standards:

- By the second Monday in July, the Fergus County (County) Assessor transmits a statement of the assessed valuation and taxable valuation of all property in the School District's borders.
- Before the fourth Monday in July, the County Superintendent estimates the revenue required for each fund.
- Before the fourth Monday in August, the Board of Trustees (Board) must meet to legally adopt the final budget. The final budget for the General fund is fund total only.
- Once adopted, the budget can be amended by subsequent Board action. An increase of the total budget of a given fund requires the adoption of an amended budget in accordance with Montana statutes. Montana statutes prohibit the expenditures of a budgeted fund to exceed the adopted budget.
- At the end of a fiscal year, unencumbered appropriations lapse unless specifically obligated by the School District.

NOTE 2. FUND BALANCE RECONCILIATION

The fund balance of the high school General fund was reported on the *Statement of Revenue, Expenditures, and Changes in Fund Balances* in accordance with GAAP and was different from those that on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual due to the reserve for encumbrances. The differences was as follows:

	General (Elem)
End of the Year (GAAP)	\$ 326,893
Current-year Encumbrances	<u>(5,964)</u>
End of the Year (Budget)	<u>\$ 320,929</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the year ended June 30, 2025

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, was used control expenditures. Encumbrances were not included as expenditures on the GAAP basis financial statements as they do not meet the GAAP definition of expenditures. The School District reported encumbrances at year end as budgeted expenditures and displayed them as assigned or restricted for fund balances, as applicable.

NOTE 3. BUDGET AMENDMENTS

The original budgets were not amended.

NOTE 4. COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL SUB-FUNDS OF THE GENERAL FUND

	Sub-funds							Total General Fund
		State Mining Impact	Flexibility		Metal Mines Tax		Interlocal	
	General (Elem)	Fund (Elem)	(Elem)	General (HS)	Reserve (HS)	Flexibility (HS)	Agreement (HS)	
REVENUES:								
District Levies	\$ 1,817,876	\$ -	\$ -	\$ 950,170	\$ -	\$ -	\$ -	\$ 2,768,046
Interest	20,917	4,515	7,196	6,519	6,151	6,797	51,434	103,529
Charges for Services	-	-	-	-	-	-	214,611	214,611
Other	-	-	9,854	-	-	1,623	67,179	78,656
State	5,426,258	-	30,466	2,569,471	-	39,937	-	8,066,132
Total Revenues	7,265,051	4,515	47,516	3,526,160	6,151	48,357	333,224	11,230,974
EXPENDITURES:								
Current:								
Instructional Services	4,294,713	-	8,180	1,712,605	-	53,503	173,905	6,242,906
Support Services - Students	80,825	-	-	76,727	-	-	59,927	217,479
Support Services - Instructional	184,982	-	750	113,562	-	-	1,096	300,390
General Administrative Services	1,340,309	-	432	710,157	-	-	253,723	2,304,621
Operation and Maintenance Services	1,052,992	-	-	631,381	-	-	6,728	1,691,101
Transportation Services	3,448	-	-	31,849	-	-	-	35,297
School Food Services	167,617	-	-	5,943	-	-	-	173,560
Extracurricular	76,581	-	-	222,615	-	-	-	299,196
Community Services	-	-	-	-	-	-	50,913	50,913
Capital Outlay	-	-	-	5,964	-	-	211,634	217,598
Intergovernmental	21,270	-	-	8,267	-	-	-	29,537
Total Expenditures	7,222,737	-	9,362	3,519,070	-	53,503	757,926	11,562,598
Excess (Deficiency) of Revenues								
Over Expenditures	42,314	4,515	38,154	7,090	6,151	(5,146)	(424,702)	(331,624)
Net Change in Fund Balance	42,314	4,515	38,154	7,090	6,151	(5,146)	(424,702)	(331,624)
FUND BALANCE:								
Beginning of the Year	678,472	101,026	140,506	319,803	185,565	190,470	1,764,431	3,380,273
End of the Year - GAAP Basis	720,786	105,541	178,660	326,893	191,716	185,324	1,339,729	\$ 3,048,649
Less Current Year Encumbrances	-	-	-	(5,964)	-	-	-	
End of the Year - Budget Basis	\$ 720,786	\$ 105,541	\$ 178,660	\$ 320,929	\$ 191,716	\$ 185,324	\$ 1,339,729	

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (continued)
For the year ended June 30, 2025

In the General sub-funds combining schedule above, the elementary and high school General, elementary and high school Metal Mines Tax Reserve, elementary and high school Flexibility, and high school Interlocal Agreement funds were added together to arrive at the aggregate General fund shown as a major fund on the *Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds*. These funds were maintained as separate funds for accounting purposes. However, for external financial reporting purposes, they were added to the General fund because they, like the General fund, had unassigned fund balance(s).

On the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, all budgeted major governmental funds displayed budgeted information for the General and major special revenue funds of the School District. The above General sub-funds displayed budget and actual information, except for the following:

- Elementary and high school Metal Mines Tax Reserve funds which were *non-budgeted special revenue funds*
- high school Interlocal Agreement fund which was a *non-budgeted special revenue funds*

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY FUNDS
For the year ended June 30, 2025

Activity	Beginning Balance 7/1/2024	Revenues	Expenses	Transfers	Ending Balance 6/30/2025
ANNUAL	\$ 6,938	\$ 10,151	\$ 10,035	\$ -	\$ 7,054
AP TESTING	10,536	2	-	-	10,538
CHOIR	180	4,054	3,414	-	820
BAND	1,781	2,780	4,561	-	-
BPA	2,591	9,580	7,985	-	4,186
CT MT MENTORS	221	-	-	-	221
CHEERLEADERS	13,394	29,051	41,285	-	1,160
NHS/CLAWS	-	105	105	-	-
CONCESSIONS	3,203	20,645	18,783	-	5,065
EAGLE RENAISSANCE	1,934	-	-	-	1,934
FCLUB	10,044	684	739	-	9,989
FFA	8,663	53,338	37,312	-	24,689
JUDITH BASIN FFA DISTRICT	-	3,322	1,662	-	1,660
FCCLA	4,023	16,095	18,233	-	1,885
OUTDOOR CLUB	1,039	-	-	-	1,039
SPANISH CLUB	179	2,787	1,852	-	1,114
HOW CLUB	143	-	-	-	143
VICA/SKILLS USA	437	-	-	-	437
KEY CLUB	264	2,104	1,739	-	629
ART CLUB	6,786	41	49	-	6,778
SCIENCE CLUB	1,859	3,000	2,513	-	2,346
SKI CLUB	-	14,819	14,818	-	1
STUDENT COUNCIL	11,974	7,109	6,653	-	12,430
DRAMA CLUB	1,082	-	-	-	1,082
TROPHY	2,239	-	-	-	2,239
VOCAL MUSIC	-	-	-	-	-
DIST. 8 MUSIC FESTIVAL	1,537	2,725	3,706	-	556
WEIGHT CLUB	205	-	-	-	205
AP GOVT	746	-	-	-	746
CAREER FAIR	1,942	-	-	-	1,942
EAGLE WEAR	2,130	-	-	-	2,130
MODEL UN	35	-	-	-	35
LEADERSHIP	258	966	18	-	1,206
ASTRONOMY CLUB	236	-	-	-	236
GAY-STRAIGHT ALLIANCE	673	-	-	-	673
SCREAMING EAGLE PIT CREW	1,090	-	-	-	1,090
CLASS OF 2022	32	-	-	-	32
CLASS OF 2023	2,107	-	2,107	-	-
CLASS OF 2024	3,298	-	3,298	-	-
CLASS OF 2025	4,192	-	2,845	-	1,347
CLASS OF 2026	530	11,058	6,744	-	4,844
CLASS OF 2027	1,272	-	-	-	1,272
CLASS OF 2028	-	1,380	86	-	1,294
SCHOOL SPONSORED EXTRACURRICULAR	21,377	231,022	241,188	-	11,211
GIRLS SOFTBALL/BOYS CROSS COUNTRY	(13,088)	13,088	-	-	-
Subtotal	118,082	439,906	431,730	-	126,258

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES, AND BALANCES
STUDENT ACTIVITY FUNDS (continued)
For the year-ended June 30, 2025

Activity	Beginning Balance 7/1/2024	Revenues	Expenses	Transfers	Ending Balance 6/30/2025
GENERAL ACTIVITIES	57,855	25,657	22,489	-	61,023
LC SERVICE COUNCIL	1,295	102	-	-	1,397
BUILDERS CLUB	-	-	-	-	-
CHEERLEADERS	6,875	7,110	10,374	-	3,611
CONSUMER TECH	1,093	-	-	-	1,093
FACS	933	-	-	-	933
BC, SC STORE	993	488	890	-	591
MUSIC	160	123	-	-	283
PHOTO CLUB	3,223	3,516	3,278	-	3,461
SERVICE LEARNING	270	-	-	-	270
SKI CLUB	4,901	8,036	8,626	-	4,311
STUDENT COUNCIL	1,257	333	38	-	1,552
NEWS	170	(170)	-	-	-
GIS CLUB	380	130	-	-	510
COMPUTER SERV LEARNING	130	(130)	-	-	-
FIELD TRIP/SKI DAY	859	-	-	-	859
ROBOTICS CLUB	439	-	-	-	439
SCIENCE OLYMPIAD	1	-	-	-	1
EXPEDITION YELLOWSTONE	1,985	-	-	-	1,985
FISHERIES	316	75	-	-	391
8TH GRADE CLASS	-	2,658	854	-	1,804
Total	\$ 319,299	\$ 927,740	\$ 910,009	\$ -	\$ 337,030

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REPORTED ENROLLMENT
For the year ended June 30, 2025

Fall Enrollment – October 2023									
	Full-time Students			Part-time Students					
	Reported	Audited	Variance	Less Than				Audited	Variance
				180 hours	360 hours	540 hours	720 hours		
Elementary									
Pre-Kindergarten	14	14	0	0	0	0	0	0	0
Kindergarten	78	78	0	0	0	0	1	1	0
Grade 1 - 6	514	514	0	0	0	0	0	0	0
Grade 7 - 8	<u>197</u>	<u>197</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>
Total	<u><u>803</u></u>	<u><u>803</u></u>	<u><u>0</u></u>	<u><u>1</u></u>	<u><u>0</u></u>	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>3</u></u>	<u><u>0</u></u>
High School									
Grade 9 - 12	<u><u>347</u></u>	<u><u>347</u></u>	<u><u>0</u></u>	<u><u>1</u></u>	<u><u>2</u></u>	<u><u>0</u></u>	<u><u>2</u></u>	<u><u>5</u></u>	<u><u>0</u></u>
19-year old	0	0	0						
Youth Challenge	1	1	0						
Job Corps	0	0	0						
Early Graduates	0	0	0						

Spring Enrollment – February 2024									
	Full-time Students			Part-time Students					
	Reported	Audited	Variance	Less Than				Audited	Variance
				180 hours	360 hours	540 hours	720 hours		
Elementary									
Pre-Kindergarten	14	14	0	0	0	0	0	0	0
Kindergarten	80	80	0	0	0	0	0	0	0
Grade 1 - 6	512	512	0	0	0	0	0	0	0
Grade 7 - 8	<u>196</u>	<u>196</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>0</u>
Total	<u>802</u>	<u>802</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>0</u>
High School									
Grade 9 - 12	<u>337</u>	<u>337</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>
19-year old	0	0	0						
Youth Challenge	0	0	0						
Job Corps	0	0	0						
Early Graduates	0	0	0						

Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
School Breakfast Program	10.553	N/A	\$ -	\$ 57,206
National School Lunch Program (fn1)	10.555	N/A	-	246,955
National School Lunch Program (Donated Food) (fn2)	10.555	N/A	-	50,489
Total Child Nutrition Cluster			-	354,650
Total U.S. Department of Agriculture			\$ -	\$ 354,650
U.S. DEPARTMENT OF EDUCATION DIRECT:				
Rural Education	84.358	S358A242099	\$ -	\$ 11,188
Rural Education	84.358	S358A232121	-	432
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
Title I Grants to Local Education Agencies	84.010	014-0258-31-2025	-	462,655
Career and Technical Education -- Basic Grants to States	84.048	014-0259-81-2025	-	27,475
Special Education - State Personnel Development	84.323	014-0258-83-2025	-	20,000
Total U.S. Department of Education			\$ -	\$ 521,750
Total Federal Financial Assistance			\$ -	\$ 876,400

The accompanying notes to the SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS are an integral part of this schedule.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Lewistown School District No. 1 (School District) under programs of the federal government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as used in the governmental financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The School District elected to not use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

NOTE 4. FOOTNOTES

Fn1 – No separate funds or accounts maintained; the School District assumes first in first out for program money.

Fn2 – The value of commodities (revenues, expenses or inventory) are not displayed in the basic financial statements.

N/A – Not applicable/available.

SCHEDULE OF OTHER INFORMATION FOR GENERAL OBLIGATION BONDS
For the year ended June 30, 2025

General Obligation School Building Bonds, Series 2022

ANNUAL FINANCIAL INFORMATION
Fiscal Year ended June 30, 2025

Base CUSIP/CUSIP-6 No: **314720**

COMPILED OPERATING DATA

(1) General Obligation Bonds Outstanding (Principal Amount): \$20,400,000

(2) Assessed/Market Valuation

AND

(3) Taxable Valuation:

Fiscal Year	Assessed/Market Valuation	Taxable Valuation
2021/22	\$892,543,541	\$14,248,842
2022/23	\$902,627,789	\$14,456,661
2023/24	\$1,237,891,772	\$18,375,797
2024/25	\$1,239,962,712	\$19,166,961

(4) The District's Enrollment (Current Year ANB):

School Year	K-8 Enrollment
2021/22	857
2022/23	898
2023/24	917
2024/25	898

(5) Tax Collections:

District's General Fund					
Fiscal Year	Tax Levy	Current Tax Collections	Current Collections as Percent of Levy	Total Tax Collections ¹	Total Collections as Percent of Levy ¹
2021/22	\$1,861,875	\$1,828,059	98.2%	\$1,864,488	100.1%
2022/23	\$1,848,015	\$1,803,460	97.6%	\$1,887,109	102.1%
2023/24	\$1,935,289	\$1,828,777	94.5%	\$1,895,625	98.0%
2024/25	\$1,816,760	\$1,809,359	99.6%	\$1,813,802	99.8%

¹ Total tax collections include delinquent taxes paid, penalty and interest collected.



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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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lewistown School District No. 1 (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 over financial reporting 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 or significant deficiencies. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Strom & Associates, P.C." in a cursive, slightly stylized font.

STROM & ASSOCIATES, PC
Billings, Montana
December 22, 2025



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE *UNIFORM GUIDANCE*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lewistown School District No. 1
Fergus County
Lewistown, Montana 59457

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lewistown School District No. 1 (School District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The 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, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 of America (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the School District's 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 requirements of law, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the 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 the 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 the 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 the 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 which 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 requirements 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.



STROM & ASSOCIATES, PC
Billings, Montana
December 22, 2025

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2025

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor, Strom & Associates, PC, has issued an unmodified pinion on Lewistown School District No. 1 (School District)'s financial statements as of and for the year ended June 30, 2025.
2. Our audit did not identify any material weaknesses relating to internal controls over financial reporting and its operation.
3. Our audit did not identify any significant deficiencies relating to internal controls over financial reporting and its operation.
4. Our audit did not identify any noncompliance which was material to the financial statements.

Federal Awards

5. Our audit did not identify any material weaknesses relating to internal controls over federal programs.
6. Our audit did not identify any significant deficiencies in internal controls over federal programs.
7. The auditor, Strom & Associates, PC, has issued an unmodified opinion on the School District's compliance with major federal awards programs as of and for the year ended June 30, 2025.
8. The audit disclosed no audit findings which are required to be reported under section 200.516 of *Uniform Guidance*.
9. The major program for the School District for the year ended June 30, 2025 was:

Assistance	
Listing Number	Name of Federal Program or Cluster
84.010	Title Grants to Local Educational Agencies

10. The threshold used to distinguish between Type A and Type B programs was \$750,000. The School District had no Type A programs.
11. The School District qualified as a low risk auditee.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Prior year findings/status

The following is the status of prior year findings and updated for the fiscal year ended June 30, 2025.

2024-001 – Capital Assets-Construction in Progress	Implemented
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Current year findings

There were no findings or recommendations in the current audit period.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the year ended June 30, 2025

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Prior year findings/status

The audit disclosed no findings or questioned costs relating to federal awards as defined in section 200.516 of *Uniform Guidance* for the prior fiscal year.

Current year findings

The audit disclosed no findings or questioned costs relating to federal awards as defined in section 200.516 of *Uniform Guidance* for the fiscal year ended June 30, 2025.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#20

MEETING DATE: January 12, 2026

ITEM TITLE: ANNUAL TRANSFORMATIONAL LEARNING GRANT REPORT

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

The Board of Trustees needs to approve the Annual Transformational Learning Grant Report.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:



Transformational Learning Grant Annual Report 2025

As a participating school district that has received funding through the Transformational Learning Grant (SB 8), the completion and submission of this annual report is required. The completed document is submitted on the [OPI Transformational Learning Webpage](#).

The window for submission of this annual report opens Monday, December 1, 2025 at 8am MST. The annual report is due by Monday, January 12, 2026 at 5pm MST.

Received annual reports are provided to the Board of Public Education and presented to the Education Interim Committee.

SECTION 1: General Information

District Name	Lewistown Elementary
LEA #	0258
Submitter's Full Name	Brad A Moore
Email	Brad.moore@lewistown.k12.mt.us
Contact Phone Number	406-939-5636 (C) Office 406-535-8777 Ext 1112
Amount of FY26 Funding Received	\$18,365
2025 Total Expenditures to Date	\$9,698.40
Current Balance	\$36,994.70

SECTION 2: Progress Toward Measurable Objective

Measurable Objective from District's Transformational Learning Plan	Increase our student enrollment in CTE courses, Dual Credit and AP classes by 10%
Progress made	Our total number of students in FACS elective courses and Ag&Tech was 106 students. This year, we have a total of 124 students enrolled between FACS and Ag&Tech. This is an almost 15% increase in enrollment with our CTE <u>elective</u> classes.
Measurable Objective from District's Transformational Learning Plan	Increase the number of CTE courses, Dual Credit and AP offerings at LJHS
Progress made	Budgets and staffing are the primary considerations when looking at increasing CTE courses. We have made an effort to branch out into the business sector and have added 2 sections of computer programming courses. With the budgetary and staffing constraints that we have, our goal continues to be to maintain the offerings that we have while strategically looking at offerings that are possibilities within our current budget.
Measurable Objective from District's Transformational Learning Plan	Increase our Job Shadow opportunities at LJHS that includes all students
Progress made	We continue to work to provide as many career exploration opportunities as possible at LJHS. The career exploration opportunities we provided last year are our Workforce Expo, Manufacturing Day, NASA/European Space Agency assembly and the Montana Career Information System (MCIS) software presented to junior high students by our school counselor. We also include direct instruction of workforce skills (ie - "soft skills") in our FACS I classes.

Measurable Objective from District's Transformational Learning Plan	Eliminate all financial burdens for students' families for career, college and post-secondary opportunities
Progress made	This grant has eliminated all of the financial barriers to success in Lewistown Junior High School.
If more, use another page	

SECTION 3: Additional Information

Pictures, graphs, and/or narratives sharing the impact of funds used to support your personalized, proficiency model for learning.	Science Olympiad Narrative: Summary: This year we had an increased interest in the Science Olympiad program with 13 Junior High and 5 Fergus High School freshman for a total of 18 participating students. This was enough for us to enter 2 teams into the state competition held at Montana State University this last March. Science Olympiad is an exciting and competitive tournament that showcases innovative Science, Technology, Engineering & Math (STEM) content to students and teachers throughout the United States. Students compete in 15 total events ranging from Anatomy & Physiology to Meteorology, Fossils to Astronomy and hands-on events like building a wind turbine, working with lasers or building a tower made out of balsa wood to see how much weight it can hold. Through this program, we are able to increase exposure and diversity in science-related subjects and excite students about STEM projects and possible future workforce opportunities in STEM-related fields.
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Note: reporting requirements from HB946 (2023 legislative session) are no longer needed. However, if you have this data, you are welcome to include it. These datapoints include: descriptions of activities, metrics used to determine effectiveness, level of effectiveness, and future plans for transformation. A tracking guide is linked [HERE](#), if applicable.

School Board Chair Printed Name	
School Board Chair Signature	
Date of Board Meeting Approval	

Page 2



Transformational Learning Grant Annual Report 2025

As a participating school district that has received funding through the Transformational Learning Grant (SB 8), the completion and submission of this annual report is required. The completed document is submitted on the [OPI Transformational Learning Webpage](#).

The window for submission of this annual report opens Monday, December 1, 2025 at 8am MST. The annual report is due by Monday, January 12, 2026 at 5pm MST. Received annual reports are provided to the Board of Public Education and presented to the Education Interim Committee.

SECTION 1: General Information

District Name	Fergus High School
LEA #	0259
Submitter's Full Name	Brad A. Moore
Email	Brad.moore@lewistown.k12.mt.us
Contact Phone Number	406-939-5636 (C) Office- 406-535-8777 Ext 1112
Amount of FY26 Funding Received	\$7,346.00
2025 Total Expenditures to Date	\$6,249.34
Current Balance	\$11,133.66

SECTION 2: Progress Toward Measurable Objective

Measurable Objective from District's Transformational Learning Plan	Increase our student enrollment in CTE courses, Dual Credit Classes and Advanced Placement Classes by 10%
Progress made	Fergus High School has 51% of its students enrolled in Dual enrollment classes, 24% enrolled in Advanced Placement classes, 60% enrolled in Ag. Education classes, 25% enrolled in Business classes, and 20% enrolled in Family & Consumer Science classes. Our overall numbers are down slightly but look to increase those number with the addition of an AP Macro Economics course this spring dual credit fabrication course next fall.
Measurable Objective from District's Transformational Learning Plan	Increase the number of CTE courses, Dual Credit and Advanced Placement offerings at Fergus High School
Progress made	Fergus High School provided training for a staff member professional development in AP Macro and Micro Economics. We also increased the number of CTE classes offered which include an additional dual credit welding section, dual credit Hospitality and Tourism section, and AP Physics. AP Macro Economics will be offered in spring semester of the 2025-2026 school year.
Measurable Objective from District's Transformational Learning Plan	Increase the number of work based learning opportunities at Fergus High School that include all students.
Progress made	While not directly impacting the Advanced Opportunity budget we have around 60 students participating in some type of work based learning. If there were specific needs the students had we would use our Advance Opportunity funds to pay for any material/supplies.
Measurable Objective from District's Transformational Learning Plan	Eliminate all financial burdens for students' families for career, college, and post-secondary opportunities.
Progress made	In order to eliminate financial burdens to students and families we have been able to provide funding for HiSet testing, Digital Academy course work, along with PSAT testing. The school also provided funds for student materials for classroom projects when needed. The school is also using funds for all AP testing offered in our school. Funding was provided for travel and registration for FCCLA, BPA, and FFA

	conferences/competitions. FFA The Fergus FFA had a very successful 2025 starting off with traveling to several CDE competitions across the state January-March and ending the competition year with State convention in Bozeman. Fergus placed top 5 in Mechanics, Vet science, Poultry, Livestock and Environmental and Natural resources and they won the state forestry contest earning them a tip to compete at the national FFA convention in Indianapolis in October. The forestry team represented well and placed 16th in the country. The FFA had a very successful showing at the central Montana fair with members selling Hogs, Cattle, and Sheep. The FFA chapter had an outstanding year of fundraising that will allow chapter members to travel across the western U.S. to compete in CDE's and develop leadership skills in agriculture at no cost to them! <u>BPA</u> BPA had another very successful year. I was able to experience this first hand by attending the Fall Leadership conference with our BPA officers. We are fortunate to have a representative to the State BPA Board, Shoei Davis is the State Vice President The program has engaged students at a very high level. Our BPA team competed in several events this year that include the regional, state and national competitions. We had 13 students qualify for state from there. We had five students qualify for the National Leadership Conference in Orlando, Florida in May. <u>FCCLA</u> FCCLA had another great year with lots of opportunities to show off their skills. This year at the state competition Mrs. Vincent was named the ProStart Educator of the year. The team received the Gold Star Chapter Award for the third year in a row. This is given to teams with continued growth in their membership. Kloe Southworth received the Montana ProStart Ultimate Leader Award and the team earned third place in the 2025 Vision Zero Project.
If more, use another page	

SECTION 3: Additional Information

Pictures, graphs, and/or narratives sharing the impact of funds used to support your personalized, proficiency model for learning.	
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Note: reporting requirements from HB946 (2023 legislative session) are no longer needed. However, if you have this data, you are welcome to include it. These datapoints include: descriptions of activities, metrics used to determine effectiveness, level of effectiveness, and future plans for transformation. A tracking guide is linked [HERE](#), if applicable.

School Board Chair Printed Name	
School Board Chair Signature	
Date of Board Meeting Approval	

EXECUTIVE SESSION

As per the provisions of 2-3-203
Montana Codes Annotated.

The Board Chair,
will now call for an Executive Session
deeming the demands of individual privacy
clearly exceed the merits of public disclosure.

All parties not involved in the Executive
Session are asked to leave the Board Room
at this time.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#21

MEETING DATE: January 12, 2026

ITEM TITLE: EXECUTIVE SESSION – SUPERINTENDENTS EVALUATION

REQUESTED BY: Board of Trustees

Prepared by: _____

SUMMARY:

The Board of Trustees will go into Executive Session to conduct the Superintendent's Evaluation.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS

2025-2026 SCHOOL CALENDAR

AUGUST 2025						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER 2025						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER 2025						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER 2025						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER 2025						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JANUARY 2026						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY 2026						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH 2026						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY 2026						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE 2026						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

PIR DAYS (Pupil Instruction-Related)	
August 15	New Staff Orientation
August 18-19	All Staff Orientation/PIR
October 16-17	Staff Development Days
Teachers Convention (Missoula)	
Oct 27-30, Nov 3-6	Parent-Teacher Conferences
Schedules vary by school	
PIR Nov 7	
March 23-27	Parent-Teacher Conferences
Schedules vary by school	
Full school days for students	
May 11	PIR Day

HOLIDAYS & VACATIONS	
No School for Teachers or Students	
September 1	Labor Day
November 26-28	Thanksgiving Vacation
Dec 22 - Jan 2	Winter Break
February 27	Vacation Day
March 13	Vacation Day
April 2-6	Easter Vacation
May 25	Memorial Day

	New Teacher Orientation	
	First/Last Day of School	K-3 First Day
	K-8 Quarter Ends	FHS Quarter Ends
	K-8 Qtr Mid-Term	FHS Qtr Mid-Term
	K-8 Semester Ends	FHS Semester Ends
	Early Out (1:30 pm)	FHS Graduation
	PIR Day	PT Conferences
	No School (Day Off/No School)	
	Paid Holiday (Day Off/No School)	
	Flex Day (No School for Students)	

PUPIL INSTRUCTION (INCLUDING FLEX DAYS)

First Semester					91 days	Second Semester					88 days
FIRST QUARTER					DAYS	THIRD QUARTER					DAYS
First Week	Aug 20	to	Aug 22	3		First Week	Jan 19	to	Jan 23	5	
Second Week	Aug 25	to	Aug 29	5		Second Week	Jan 26	to	Jan 30	5	
Third Week	Sept 2	to	Sept 5	4		Third Week	Feb 2	to	Feb 6	5	
Fourth Week	Sept 8	to	Sept 12	5		Fourth Week	Feb 9	to	Feb 13	5	
Fifth Week	Sept 15	to	Sept 19	5		Fifth Week	Feb 16	to	Feb 20	5	
Sixth Week	Sept 22	to	Sept 26	5		Sixth Week	Feb 23	to	Feb 26	4	
Seventh Week	Sept 29	to	Oct 3	5		Seventh Week	March 2	to	March 6	5	
Eighth Week	Oct 6	to	Oct 10	5		Eighth Week	March 9	to	March 12	4	
Ninth Week	Oct 13	to	Oct 15	3		Ninth Week	March 16	to	March 20	5	
Tenth Week	Oct 20	to	Oct 24	5						43	
					45						
SECOND QUARTER					DAYS	FOURTH QUARTER					DAYS
First Week	Oct 27	to	Oct 31	5		First Week	March 23	to	March 27	5	
Second Week	Nov 3	to	Nov 6	4		Second Week	March 30	to	April 1	3	
Third Week	Nov 10	to	Nov 14	5		Third Week	April 7	to	April 10	4	
Fourth Week	Nov 17	to	Nov 21	5		Fourth Week	April 13	to	April 17	5	
Fifth Week	Nov 24	to	Nov 25	2		Fifth Week	April 20	to	April 24	5	
Sixth Week	Dec 1	to	Dec 5	5		Sixth Week	April 27	to	May 1	5	
Seventh Week	Dec 8	to	Dec 12	5		Seventh Week	May 4	to	May 8	5	
Eighth Week	Dec 15	to	Dec 19	5		Eighth Week	May 12	to	May 15	4	
Ninth Week	Jan 5	to	Jan 9	5		Ninth Week	May 18	to	May 22	5	
Tenth Week	Jan 12	to	Jan 16	5		Tenth Week	May 26	to	May 29	4	
					46						45
											Total Days 179

PUPIL INSTRUCTION (INCLUDING FLEX DAYS)	First Semester				81 days	Second Semester				98 days
	FIRST QUARTER				DAYS	THIRD QUARTER				DAYS
	First Week	Aug 20	to	Aug 22	3	First Week	Jan 5	to	Jan 9	5
	Second Week	Aug 25	to	Aug 29	5	Second Week	Jan 12	to	Jan 16	5
	Third Week	Sept 2	to	Sept 5	4	Third Week	Jan 19	to	Jan 23	5
	Fourth Week	Sept 8	to	Sept 12	5	Fourth Week	Jan 26	to	Jan 30	5
	Fifth Week	Sept 15	to	Sept 19	5	Fifth Week	Feb 2	to	Feb 6	5
	Sixth Week	Sept 22	to	Sept 26	5	Sixth Week	Feb 9	to	Feb 13	5
	Seventh Week	Sept 29	to	Oct 3	5	Seventh Week	Feb 16	to	Feb 20	5
	Eighth Week	Oct 6	to	Oct 10	5	Eighth Week	Feb 23	to	Feb 26	4
					3	Ninth Week	March 2	to	March 6	5
					40	Tenth Week	March 9	to	March 12	4
										48
	SECOND QUARTER				DAYS	FOURTH QUARTER				DAYS
	First Week	Oct 20	to	Oct 24	5	First Week	March 16	to	March 20	5
	Second Week	Oct 27	to	Oct 31	5	Second Week	March 23	to	March 27	5
	Third Week	Nov 3	to	Nov 6	4	Third Week	March 30	to	April 1	3
	Fourth Week	Nov 10	to	Nov 14	5	Fourth Week	April 7	to	April 10	4
	Fifth Week	Nov 17	to	Nov 21	5	Fifth Week	April 13	to	April 17	5
	Sixth Week	Nov 24	to	Nov 25	2	Sixth Week	April 20	to	April 24	5
	Seventh Week	Dec 1	to	Dec 5	5	Seventh Week	April 27	to	May 1	5
	Eighth Week	Dec 8	to	Dec 12	5	Eighth Week	May 4	to	May 8	5
	Ninth Week	Dec 15	to	Dec 19	5	Ninth Week	May 12	to	May 15	4
					41	Tenth Week	May 18	to	May 22	5
						Eleventh Week	May 26	to	May 29	4
										50
						Total Days				179

PUPIL INSTRUCTION-RELATED DAYS (PIR)	August 15	New Staff Orientation	
	August 18-19	All Staff Orientation/PIR	2.0
	October 16-17	Staff Development Days <i>Teachers Convention</i>	2.0
	Oct 27-30, Nov. 3-6	Parent-Teacher Conferences <i>Schedules vary by school PIR Nov. 7</i>	1.5
	March 23-27	Parent-Teacher Conferences <i>Schedules vary by school Full school days for students</i>	.5
	May 11	PIR Day	1.0
		Floating PIR Day	<u>1.0</u>
			8.0
HOLIDAYS & VACATIONS	Dates Inclusive		
	September 1	Labor Day	
	November 26-28	Thanksgiving Vacation	
	Dec 22-Jan 2	Winter Break	
	February 27	Vacation Day	
	March 13	Vacation Day	
	April 2-6	Easter Vacation	
	May 25	Memorial Day	
	July 3	Vacation Day (12-mo employees)	