

2025

July 1, 2024 through June 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

BILLINGS PUBLIC SCHOOLS

415 N. 30TH, BILLINGS, MT 59101

BILLINGSSCHOOLS.ORG



Annual Comprehensive Financial Report
Year Ended June 30, 2025

Billings Public Schools

Prepared by the Business Services Department
Craig Van Nice, Executive Director of Business Services

415 North 30th Street
Billings, Montana 59101-1298

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Introductory Section
Year Ended June 30, 2025
Billings Public Schools

January 29, 2026



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

Dear Board Members and Citizens of Billings Public Schools:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) for Billings Public Schools for the fiscal year ended June 30, 2025. The purpose of this report is to provide the Board of Trustees, District management, voters, grantor agencies, and other interested parties with reliable financial information about Billings Public Schools. This report presents complete information about the District's financial position at year-end and financial activities during fiscal year 2025.

Responsibility for the accuracy of the presentation, including all disclosures, rests with the District's Business Services Department who prepared this report. We believe the information, as presented, is accurate in all material aspects, and is shown in a manner to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an adequate understanding of the District's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires a Management Discussion and Analysis (MD&A) that includes a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the auditor's report in the financial section.

Billings Public Schools engaged Eide Bailly LLP, an independent auditor, to conduct the District's audit for the fiscal year ended June 30, 2025. The auditor's report is presented as the first component of the financial section of this report.

PROFILE OF THE DISTRICT

Geographically, Billings Public Schools covers an area greater than the city of Billings. The school system includes two legally separate districts, Elementary District No. 2 and High School District No. 2. The Elementary District covers approximately 33 square miles and has an estimated population of 120,880. The High School District covers approximately 703 square miles, and encompasses eight elementary districts including; Billings, Elder Grove, Elysian, Canyon Creek, Morin, Yellowstone Academy, Independent, and Blue Creek. The estimated population of the High School District is 143,558. The FY25 student population totaled 16,420. The FY26 student population is expected to drop by about 170 students (16,250 estimate) due to lower K-5 enrollment, but with the implementation of 4 charter schools (3 in the High School, 1 in Middle School) along with the startup of the Jumpstart and KinderREADY programs which allow certain students to be counted for partial enrollment, and the implementation of the STARS Act passed by the 2025 Montana Legislature the District anticipates a modest increase in its current funding levels in the General Fund.

The school system is a public entity under the authority of the state of Montana. The Elementary District No. 2 and High School District No. 2 are separate legal entities that make up one independent reporting entity within the criteria established in section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

The Elementary District is governed by a board of seven trustees elected by the voters of single member districts of the Billings Elementary District. The High School District is governed by a board of nine trustees that include the seven Elementary District trustees and two additional trustees elected by voters in the other surrounding elementary districts. The superintendent, who acts as chief administrative officer, is selected by the board of trustees. Two new Trustees were welcomed to the Board after the May 2025 election and reorganization resulted in the election of a new Board Chair and Vice Chair.

All funds of the District are included in this report. The District serves 16,250 students and provides a full range of educational services appropriate to grade levels from pre-kindergarten through 12th grade, as well as adult education. These include regular and enriched academic education, special education, and occupational education. These basic programs are supplemented by a wide variety of offerings in fine arts, athletics, and other specific student-based clubs.

The District has aging buildings with the oldest building constructed in 1910 and most recent built in 2017. The Board of Trustees conducted a successful bond levy election in November of 2013 in the amount of \$122.3 million with a voter approval rate of 54%. In January 2014 the District sold the first installment of the \$122.3 million bond issuance. The \$80.9 million sold in January 2014 has been used to fund deferred maintenance, Broadwater and McKinley Schools renovations, technology infrastructure and a new middle school in the heights (Medicine Crow Middle School). The second installment of the 2013 bonds were sold in September 2015 to finish the deferred maintenance projects and construct the second new middle school on the west end (Ben Steele Middle School). Both bond issuances have been fully spent as of FY24. An updated Facility Master plan was completed in 2025 and identifies planning goals to prioritize future facility improvements. With many of the previous elementary school issues having been addressed in recent years, the focus now shifts to deferred maintenance and addressing educational adequacy in the three high schools and Career Center. The Career Center, which serves in preparing students for career ready jobs out of high school, and is in need of substantial renovations and new construction. The District is actively upgrading Daylis Stadium on the Senior High School campus, using both District and privately donated funds.

The Billings Education Foundation and the various parent organizations are separate legal entities. The impacts of these individual entities are considered immaterial to the overall financial status of the District and, as such, are not included in these financial statements. It is the goal of the District to work with all schools in the area to ensure all student's academic achievements are at the forefront of all our goals and objectives.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The Billings School District is located in south-central Montana within Yellowstone County. Billings is the largest city in Montana and serves as the county seat.

Billings benefits from a diverse economy as a regional center for agriculture, retail, medical services, transportation, education, law and government services. The Billings area is a regional center for the energy industry with three major oil refineries located within the county. Billings has seen significant growth in industries that serve rural areas including professional and technical services, wholesale trade, finance and insurance. Yellowstone County's economy continues to grow, fueled by rising consumer demand and retail trade. The state is near full employment and seeing wage growth in the professional services, administrative support services and manufacturing. Montana's tourism business continues to provide opportunities to Billings which has adopted the nickname, "Montana's Trailhead." Billings serves as a major starting point for visitors to Yellowstone and Grand Teton national parks. Higher education opportunities continue to grow at MSU-Billings, City College, Rocky Mountain College and Rocky Vista University as evidenced by steady enrollment at all four institutions. The city is a major trade center for eastern Montana and northern Wyoming. The absence of a sales tax attracts customers from northern Wyoming.

Major Initiatives

Our continual long-range strategic planning initiative has helped us to identify major areas in need of enhancement within our District and the Billings community. We recognize that when we all work together to implement the elements of our strategic plan the results will be closing the achievement gap between students, increasing graduations rates and preparing our students for career, college and life in an ever-changing world. Over the past ten years, Billings Public Schools has completed the following initiatives: High school redistricting; converting to a 6-8 middle school model; increased focus on career, medical and technical education; building and opening two new middle schools; and expanding dual credit opportunities for high school students. Moving forward, a high school bond initiative will need to be considered to help increase enrollment at the Career Center and update HVAC systems at the high school buildings. Innovative fundraising tools were used to renovate Daylis Stadium with privately raised donations. The Daylis Stadium renovations are expected to be completed by the fall of 2026. The elementary district continues to be reviewed for potential redistricting due to student population fluctuations across the District. The strategic plan for the Business Office includes a commitment to transparency with our stakeholders, collaboration in assessing curriculum programs, student achievement to produce an academic return on investment, and establishing accurate 5-year outward projections for the District.

Financial Information

The District is required by state law to annually adopt budgets for certain funds, generally those supported by property taxes. The elementary and high school board of trustees must meet to legally adopt final budgets on or before August 25th immediately preceding the school year. The Board of Trustees has the legal authority to establish budgets for the districts within the parameters established by the State of Montana. The following governmental funds are state-mandated to have an annual budget appropriated: General, Transportation, Tuition, Retirement, Adult Education, Technology Acquisition, Flexibility, Debt Service and Building Reserve. These budgeted funds are the primary building blocks of the District's overall financial planning. The budgetary control is at the fund level as required by Montana Law.

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

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

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

Montana law requires that Billings Public Schools publish audited financial statements within nine months of the close of each fiscal year, unless an extension is granted. This meets that requirement. The scope of the audit concentrates on the following areas:

1. Management Section: report on compliance with laws and regulations and report on the internal control structure.
2. Financial Section: report on financial statements in accordance with GAAP.
3. Compliance Section: report on financial statements, internal control, compliance, audit findings.
4. Single Audit Reports (Uniform Guidance): report on internal control over compliance and compliance, audit findings and questioned costs. These reports are issued in a separate document from this Annual Comprehensive Financial Report

The District is in compliance with the above requirements, and the auditor's opinion has been included in this report.

Certificates of Excellence

This report has been prepared following guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and the Association of School Business Officials (ASBO). The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA and the Certificate of Excellence by ASBO for fiscal years 2007 - 2024. The awards are valid for a period of one year only. We believe our current report continues to conform to the GFOA and ASBO requirements, and we will submit it for determination of its eligibility for a renewed award.

Acknowledgements

The preparation of the annual financial report is made possible by the dedicated efforts of the Business Services Department.

In closing, we would like to thank the trustees for their interest and support in planning and conducting the operations of the District in a responsible manner.

Respectfully Submitted,



Dr. Erwin Garcia
Superintendent



Laurie Kvamme
Chief Financial Officer



Craig Van Nice
Exec. Dir. Of Business Services



Daniela Walsh
Dir. of Business Services

Name	Position
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Board of Trustees

Elementary and High School
Single Member District

1	Tanya Ludwig	Trustee
2	Janna Hafer	Trustee
3	Theresa Larsen	Trustee
4	Zack Terakedis	Trustee
5	Scott McCulloch	Trustee, Chair
6	Andrea Nemitz	Trustee
7	John VonLangen	Trustee

High School
Nominating District

A	Jennifer Hoffman	Trustee, Vice Chair
B	Brooke Wagner	Trustee

Officials

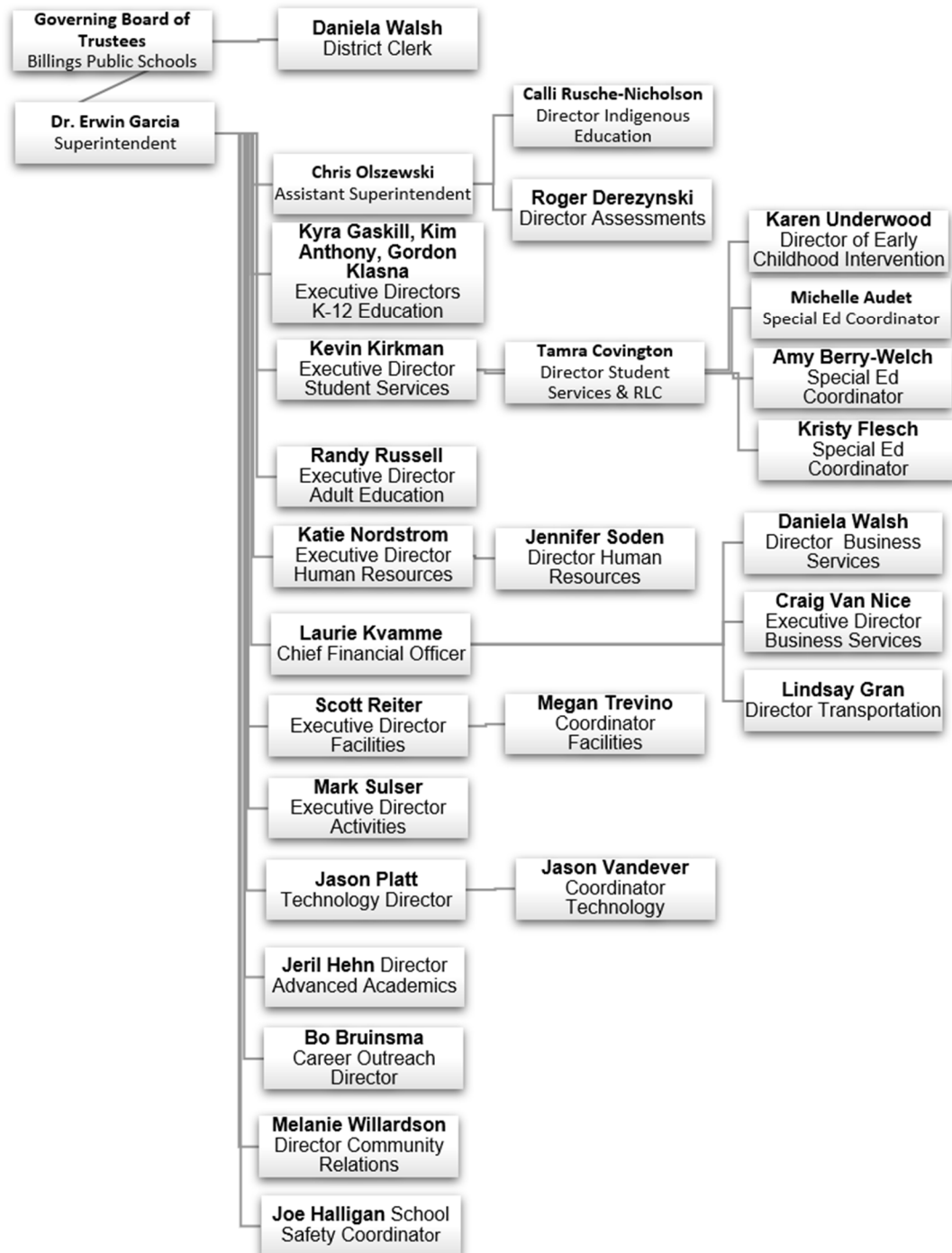
Erwin Garcia	Superintendent
Daniela Walsh	District Clerk

Elementary Single Member District Area:

1	South Billings
2	Northeast Billings
3	North Billings
4	Central Billings
5	Central Billings
6	Northwest Billings
7	Southwest Billings

High School District Area:

A&B	Elder Grove, Elysian, Canyon Creek, Morin, Yellowstone Academy, Independent, and Blue Creek Elementary Districts
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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Billings Public Schools
Montana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Billings Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

Financial Section
Year Ended June 30, 2025
Billings Public Schools

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information



Independent Auditor's Report

The School Board of
Billings Public Schools
Great Falls, Montana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Billings Public Schools, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Notes 1 and 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities and proprietary funds net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedules of changes in total pension liability and total pension liability, schedule of proportionate share of the net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements and supplemental information mandated by Montana Office of Public Instruction are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and supplemental information mandated by Montana Office of Public Instruction are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eric Sallie LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
January 29, 2026

As management of Billings Public Schools (referred to as “the District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- Revenues from government-wide activities decreased by approximately \$60,000 to \$233.47 million. This was a decrease of 0.03% from the prior year.
- Governmental activity expenses increased by \$1.76 million to \$231.2 million. This represents an increase of 0.77% from the prior year.
- At year-end, the governmental funds reported total fund balances of \$99.05 million, a decrease of \$4.02 million from the prior year.
- General fund unassigned fund balance decreased \$2.40 million.
- The 2025 general fund expenditure budget was \$135.93 million, an increase of \$4.97 million or 3.79% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements.

The financial statements also include notes that explain some information in the statements and provide more detailed data.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget to actual amounts for the year.

Government-Wide Statements

One of the most important questions asked about the District's finances is, "Is the government, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report net position and the changes in it. You can think of net position - the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the District's financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the property tax base, economy, enrollment and the State's funding of educational costs to assess the District's overall health.

In the government-wide financial statement the District's activities are shown in one category:

- *Governmental Activities* – All of the District's basic services are included here, such as regular and special education, transportation, administration, food service, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law. Also, the governing body establishes many other funds to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other money. The District has two types of funds:

- *Governmental Funds* – Basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations.
- *Proprietary Funds* – The District maintains one proprietary fund type which contains internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. When the District charges customers for the services it provides, whether to outside customers or to other departments of the District, these services are generally reported in proprietary funds. The District uses three internal service funds (two insurance funds and one purchasing fund) to account for services provided to the other funds of the District. The internal service funds use the same accounting method as the government-wide statements and are included with the governmental activities shown on those statements.

The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The District has no material business-type activities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net deficit was \$48,009,836 on June 30, 2025.

Statement of Net Position June 30, 2025 and 2024

	2025	2024*
Assets		
Current assets	\$ 115,952,548	\$ 120,320,783
Capital assets	161,146,293	166,028,473
Total assets	<u>277,098,841</u>	<u>286,349,256</u>
Deferred Outflows of Resources	<u>30,556,835</u>	<u>31,336,286</u>
Liabilities		
Other liabilities	7,971,724	12,235,414
Long-term liabilities	329,634,990	327,298,252
Total liabilities	<u>337,606,714</u>	<u>339,533,666</u>
Deferred Inflows of Resources	<u>18,058,798</u>	<u>16,868,802</u>
Net Deficit		
Net investment in capital assets	58,722,775	53,769,155
Restricted for specific purposes	55,110,989	53,693,853
Unrestricted	<u>(161,843,600)</u>	<u>(146,179,934)</u>
Total net deficit	<u><u>\$ (48,009,836)</u></u>	<u><u>\$ (38,716,926)</u></u>

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 14 to the financial statements for further information on the change in accounting principle.

The largest portion of the District's net position (\$58.72 million) is capital assets which include investments in land, buildings, equipment, improvements, and right to use leased and subscription assets less any outstanding debt used to acquire the assets. Most of these capital assets do not generate revenue and instead generate future liabilities because of the associated maintenance costs. Under state law the facilities and equipment which are used to provide services to students and the community can only be sold if the asset is declared to be surplus property. Future funding to complete the required maintenance of assets and to retire the remaining debt related to acquisition of these assets must be provided from unreserved amounts from the District's different funding sources. Due to bond related projects, the District has reduced its estimated deferred maintenance costs to approximately \$65 million.

The net position restricted for specific purposes totaling \$55.11 million cannot be reallocated to cover other District expenses.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants, legislative restrictions, or other legal requirements. The current unrestricted balance is a deficit of \$161.84 million.

The District's unfunded liability for the total pension liability-service credit and termination pay benefits plan, compensated absences, and other postemployment benefits (OPEB) in 2025 was \$85.19 million. The liability is funded on a pay-as-you-go basis rather than an actuarial basis with the reasonable expectation that projected benefits disbursements will increase substantially. The financial statement amortization of this liability disregards the average number of years before retirement of the District's employees. The District's retirement plans may be unsustainable at current benefit levels. The District will need to address the sustainability of these benefits programs.

Changes in Net Position – The District's total revenues were approximately \$233.47 million for the year ended June 30, 2025. Property taxes, state aid, and county aid accounted for 76.0% of total revenue for the year. Another 21.6% came from program revenues. Compared to the prior year, total revenues decreased by approximately \$60,000 or 0.03%. The decrease in program-specific operating grants and contributions of \$7.7 million was almost entirely offset by the increase in general revenues from state sources of \$7.1 million. The drop in program-specific operating grants and contributions is primarily due to the sunseting of ESSER funds which were fully spent and recouped in 2024. The increase in general revenues from state sources was primarily driven by increases to Direct State Aid, Guaranteed Tax Base Aid and other State funding components.

The total cost of all programs and services was approximately \$231.2 million. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 9.5% of total costs. Compared to the prior year, total expenditures increased by \$1.76 million or 0.77%, primarily due to negotiated salary and benefit increases along with increased Special Education costs.

Billings Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2025

The total revenues exceeded expenses, decreasing the net deficit by approximately \$2.2 million for fiscal year 2025.

Statement of Activities
Years Ended June 30, 2025 and 2024

	2025	2024*
Revenues		
Program revenues		
Charges for service	\$ 6,422,748	\$ 6,418,696
Operating grants and contributions	44,021,066	51,744,552
General		
District levy	66,700,165	66,110,229
State sources	90,251,696	83,155,282
County sources	20,396,994	20,251,554
Interest	3,036,745	3,682,816
Contributions and donations	423,226	423,893
Miscellaneous revenues	2,221,293	1,747,194
Total revenues	<u>233,473,933</u>	<u>233,534,216</u>
Expenses		
Instruction	134,145,523	134,129,874
Support services		
Students	16,537,569	18,628,594
Instructional staff	12,636,736	11,989,252
General administration	3,762,733	3,824,952
School administration	14,719,261	13,457,755
Business services	3,472,007	2,942,035
Operation and maintenance	18,704,762	17,142,054
Student transportation	10,100,079	9,053,232
Food services	7,870,273	7,510,744
Extracurricular	6,883,277	7,251,745
Interest	2,416,654	3,557,560
Total expenses	<u>231,248,874</u>	<u>229,487,797</u>
Change in Net Position	2,225,059	4,046,419
Net Deficit - Beginning, 2025 as restated	<u>(50,234,895)</u>	<u>(42,763,345)</u>
Net Deficit - Ending	<u>\$ (48,009,836)</u>	<u>\$ (38,716,926)</u>

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, Compensated Absences. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated. See Note 14 to the financial statements for further information on the change in accounting principle.

Fund Financial Statements

The fund financial statements provide detailed information about the major (most significant) funds. To be reported as a major fund, total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of an individual fund must contribute at least 10 percent of the corresponding total (assets, liabilities, etc.) for all funds. Individual funds are generally allocated or designated for special purposes and in some instances have a mix of restricted, committed, assigned and unassigned fund balances.

Total fund balances for 2024 were \$103.08 million, while 2025 totals were \$99.05 million. The major funds were the general, elementary miscellaneous programs funds. General fund fund balance decreased \$2.40 million. The decrease occurred because of a strategic spend-down of fund balance resulting from ESSER funds in prior years. The elementary miscellaneous programs fund fund balance decreased \$0.38 million mainly due to the end of COVID-related aid programs.

The combined fund balance for all funds decreased \$4.02 million in 2025.

A budget must be adopted by the Board of Trustees prior to the expenditure of governmental funds. If budgeted expenditures are not recognized during the fiscal year, authorization for the expenditure of unused funds lapses at the end of the fiscal year. If projected expenditures are insufficient to meet District requirements, the Board can adopt a budget amendment after a public hearing that can be held at any time during the fiscal year.

General Fund

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12, including pupil transportation activities, buildings and grounds, and capital outlay projects. The general fund is always reported as a major fund. This fund reported a total fund balance of \$30.62 million, a decrease of \$2.40 million from the prior year.

The following schedule presents a summary of General Fund Revenues.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Property taxes	\$ 35,932,550	\$ 38,006,996	\$ (2,074,446)	-5.5%
State aid	87,140,182	81,822,621	5,317,561	6.5%
State other	14,981,680	18,163,912	(3,182,232)	-17.5%
Tuition and charges for services	468,087	395,550	72,537	18.3%
Interest	670,404	731,818	(61,414)	-8.4%
Miscellaneous	138,619	-	138,619	0.0%
Total general fund revenues	<u>\$ 139,331,522</u>	<u>\$ 139,120,897</u>	<u>\$ 210,625</u>	0.2%

Total General Fund revenue increased by \$0.21 million or 0.2% from the previous year. This is attributed to a 3.0% general fund inflationary adjustment from the MT legislature for fiscal year 2025.

Basic General Fund Budget revenue is determined by a state formula that has Basic Entitlement Rates for Elementary, Middle, and High Schools along with a Per Average Number Belonging component with rates set on a per pupil amount. It also includes Funding Components in categories of Data for Achievement, Indian Education for All, American Indian Student Achievement Gap funding, At Risk Student component, and a Quality Educator payment. These are funding on a per student basis and a certified staff member basis for the Quality Educator payment. The formula guarantees that all schools in the state will meet an established Base level. Any amounts above the Base level are required to be approved by local taxpayers.

Guaranteed Tax Base (GTB) funding in the General Fund decreased from the previous year. This was due to significantly higher assessments of property Statewide by the Department of Revenue. The inflationary increases to the individual funding components offset the decrease in GTB.

The legislature meets once every two years. Laws passed in the 2023 Session had an impact on funding for the District. Laws enacted include changes to Tuition, the addition of Charter Schools, and Targeted Intervention to Support 3rd Grade Literacy.

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2025	2024		
Instruction	\$ 88,384,606	\$ 84,823,419	\$ 3,561,187	4.2%
Support services				
Students	7,845,215	9,779,354	(1,934,139)	-19.8%
Instructional staff	8,158,167	7,682,802	475,365	6.2%
General administration	3,397,186	3,484,644	(87,458)	-2.5%
School administration	11,418,152	9,968,416	1,449,736	14.5%
Business services	2,349,864	2,219,288	130,576	5.9%
Operations and maintenance	16,026,296	14,594,039	1,432,257	9.8%
Student transportation	152,345	84,452	67,893	80.4%
Food services	9,355	3,214	6,141	191.1%
Extracurricular	2,775,963	2,996,083	(220,120)	-7.3%
Capital outlay	911,844	2,704,897	(1,793,053)	-66.3%
Debt service	443,182	499,585	(56,403)	-11.3%
 Total general fund expenditures	 \$ 141,872,175	 \$ 138,840,193	 \$ 3,031,982	 2.2%

Total General Fund expenditures increased by \$3.03 million or 2.2% from the previous year. This overall increase is due to a 5.9% compensation increase for all employees, a 15% increase to employer paid health insurance contributions, and other inflationary increases on operating expenditures which were offset by a reduction of FTE of roughly 30 staff.

General Fund Budgetary Highlights

The District's general fund results when compared to the final budget are:

- Actual revenues were \$0.87 million less than budget.
- Actual expenditures were \$1.76 million less than budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2025, the District had invested approximately \$291.24 million in a broad range of capital assets, including technology, equipment and school buildings, leased assets and software subscription assets. Total depreciation/amortization expense for the year was \$8.83 million. Note 4 presents the detail of the District's capital assets.

Capital Assets Governmental Activities June 30, 2025 and 2024		
	2025	2024
Land and improvements	\$ 4,934,084	\$ 4,934,084
Construction in progress	3,730,611	2,116,621
Buildings and improvements	254,261,567	252,746,875
Improvements other than buildings	4,703,130	4,703,130
Machinery and equipment	19,916,721	19,525,043
Right-to-use leased assets	715,059	572,676
Right-to-use subscription IT assets	2,982,434	2,872,312
Accumulated depreciation/amortization	(130,097,313)	(121,442,268)
Total capital assets	\$ 161,146,293	\$ 166,028,473

The District's 2025 capital project budget was used to complete the projects funded by the general fund and bond funds authorized by the voters. Construction in progress as of June 30, 2025, of \$3.73 million consists primarily of projects funded by bond proceeds.

Debt Administration

	Long-Term Obligations June 30, 2025 and 2024	
	2025	2024*
Bonds payable	\$ 102,703,502	\$ 110,263,502
Unamortized bond premium	475,096	725,108
Leases	362,389	330,731
Subscription IT liabilities	647,451	972,788
Compensated absences payable, 2024 as restated	24,910,370	21,496,187
Total OPEB liability	28,912,620	31,502,756
Total pension liability - service credit and termination pay	31,369,872	28,230,421
Net pension liability - statewide pension plans	140,253,690	145,294,728
	<u>\$ 329,634,990</u>	<u>\$ 338,816,221</u>
Total long-term obligations	<u>\$ 329,634,990</u>	<u>\$ 338,816,221</u>

* Effective July 1, 2024, the District adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, compensated absences as of June 30, 2024, were restated. See Note 14 for further discussion.

At year-end, the District had \$103.18 million in outstanding bonds net of related unamortized premium. The current portion, which is due within one year, is equal to \$7.72 million. The remainder of the Billings Public School's long-term obligations is comprised of leases, software subscriptions, compensated absences, pension related debt and OPEB.

Pursuant to State law, the maximum amount for which the District may become indebted through the issuance of bonds, including all outstanding indebtedness, is equal to the greater of: (i) 100% of the taxable value of property subject to taxation by the District as ascertained by the last assessment for property taxes, or (ii) 100% of the statewide Facility Guaranteed Mill Value per ANB for the District multiplied by 1,000, multiplied by the number of students enrolled in the District. Based on these criteria, the District's debt limit and debt capacity remaining are \$1.43 billion and \$1.32 billion, respectively. Under current state statutes, a District's general obligation bonded debt issuances are subject to a legal limitation based on taxable value. The District has an AA- rating from Standard & Poor's Ratings Services for general obligation debt.

Additional information on the District's long-term obligations can be found in Notes 5 through 10 of this report.

Factors Bearing on the District's Future

The Board of Trustees and the District's administration considered many factors during the budget development process for the 2024-2025 school year. District enrollment and collective bargaining agreements coupled with changes to public education funding enacted by the 2025 Montana Legislature remain primary factors in determining the current budget and looking towards future school year budgets. Student enrollment remains lower than pre-pandemic levels causing continued strain on the District's general fund budget, particularly in the Elementary District. Under the current collective bargaining agreement, staff received negotiated salary increases which also exacerbates the strain on the general fund budgets. In an attempt to alleviate some of the strain, the District continues to use budget contingency amounts including funding provided by the multi-district fund, flex funds and prior-year carry over funding from federal grants. The STARS Act, passed by the Montana legislature in 2025, provides increased general fund revenue for the 2025-2026 school year to help retain and attract teaching staff. Ensuing years will benefit from legislative changes enacted in 2025 with a change from District taxable value to county-wide taxable value which will in turn alleviate local taxpayer burden.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact Executive Director of Business Services, Craig Van Nice, at Billings Public Schools, 415 North 30th Street, Billings, Montana, 59101.

Billings Public Schools
Statement of Net Position
June 30, 2025

Assets	
Cash and cash equivalents	\$ 106,000,690
Receivables	
Property taxes, net	2,980,805
Governments	5,724,763
Other	1,246,290
	<u>115,952,548</u>
Capital assets	
Capital assets not being depreciated	
Land	4,934,084
Construction in progress	3,730,611
Capital assets, net of accumulated depreciation/amortization	
Buildings and improvements	143,628,164
Improvements other than buildings	2,130,287
Machinery and equipment	4,726,914
Right-to-use leased assets	352,816
Right-to-use subscription IT assets	1,643,417
Total capital assets	<u>161,146,293</u>
Total assets	<u>277,098,841</u>
Deferred Outflows of Resources	
Deferred charge on refunding	1,942,360
Other postemployment benefits	7,006,235
Service credit and termination pay benefits pension plan	3,982,890
Teachers' and public employees' retirement systems pension plans	17,625,350
Total deferred inflows of resources	<u>30,556,835</u>

Billings Public Schools
Statement of Net Position
June 30, 2025

Liabilities	
Accounts payable	2,294,263
Retainage payable	204,673
Due to other governmental units	52,736
Salaries payable	1,991,643
Accrued interest payable	116,262
Unearned revenue	222,750
Claims incurred but not reported	3,089,397
Long-term liabilities	
Due within one year - other than pensions and other postemployment benefits	9,781,899
Due within one year - other postemployment benefits	796,911
Due within one year - total pension liability - service credit and termination pay	3,373,003
Due in more than one year - other than pensions and other postemployment benefits	119,316,909
Due in more than one year - other postemployment benefits	28,115,709
Due in more than one year - total pension liability - service credit and termination pay benefits plan	27,996,869
Due in more than one year - net pension liability	140,253,690
Total liabilities	<u>337,606,714</u>
Deferred Inflows of Resources	
Other postemployment benefits	6,148,509
Service credit and termination pay benefits pension plan	3,833,051
Teachers' and public employees' retirement systems pension plans	8,077,238
Total deferred inflows of resources	<u>18,058,798</u>
Net Deficit	
Net investment in capital assets	58,722,775
Restricted for:	
Instruction	16,574,724
Support services	5,071,252
Food services	1,923,146
Extracurricular activities	3,510,977
Capital projects	5,184,461
Debt service	22,846,429
Unrestricted	<u>(161,843,600)</u>
Total net deficit	<u>\$ (48,009,836)</u>

Billings Public Schools
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction	\$ 134,145,523	\$ 1,043,825	\$ 34,151,192	\$ -
Support services				
Students	16,537,569	-	649,550	-
Instructional staff	12,636,736	-	959,728	-
General administration	3,762,733	-	14,977	-
School administration	14,719,261	-	283,777	-
Business services	3,472,007	-	29,836	-
Operation and maintenance	18,704,762	83,052	1,223,965	-
Student transportation	10,100,079	37,637	954,018	-
Food services	7,870,273	1,718,663	4,650,974	-
Extracurricular	6,883,277	3,539,571	43,520	-
Interest	2,416,654	-	1,059,529	-
Total governmental activities	<u>\$ 231,248,874</u>	<u>\$ 6,422,748</u>	<u>\$ 44,021,066</u>	<u>\$ -</u>
General Revenues				
Property taxes				66,700,165
Intergovernmental				
State aid				89,462,750
State other				788,946
County				20,396,994
Interest				3,036,745
Contributions and donations not restricted for specific purpose				423,226
Miscellaneous				<u>2,221,293</u>
Total general revenues				<u>183,030,119</u>
Change in Net Position				<u>2,225,059</u>
Net Deficit - Beginning, as previously reported				(38,716,926)
Adjustments (Note 14)				<u>(11,517,969)</u>
Net Deficit - Beginning, as adjusted				<u>(50,234,895)</u>
Net Deficit -Ending				<u>\$ (48,009,836)</u>

Billings Public Schools
Balance Sheet
Governmental Funds
June 30, 2025

	General	Elementary Miscellaneous Programs	Elementary Debt Service	Other Governmental Funds	Totals
Assets					
Cash and cash equivalents	\$ 32,546,709	\$ 7,899,037	\$ 12,680,214	\$ 42,593,488	\$ 95,719,448
Receivables					
Property taxes	1,626,653	-	435,904	918,248	2,980,805
Governments	-	4,663,165	284,345	777,253	5,724,763
Other	657,116	14,279	-	118,096	789,491
Total assets	\$ 34,830,478	\$ 12,576,481	\$ 13,400,463	\$ 44,407,085	\$ 105,214,507
Liabilities					
Accounts payable	\$ 1,720,099	\$ -	\$ -	\$ 574,164	\$ 2,294,263
Retainage payable	76,577	91,055	-	37,041	204,673
Due to other governmental units	-	-	-	52,736	52,736
Salaries payable	1,592,949	107,157	-	280,087	1,980,193
Unearned revenue	-	-	-	147,069	147,069
Total liabilities	3,389,625	198,212	-	1,091,097	4,678,934
Deferred Inflows of Resources					
Unavailable revenue-property taxes	819,211	-	227,568	438,294	1,485,073
Fund Balance					
Restricted	-	3,784,421	13,172,895	37,631,306	54,588,622
Committed	-	-	-	4,484,703	4,484,703
Assigned	10,476	8,593,848	-	761,685	9,366,009
Unassigned	30,611,166	-	-	-	30,611,166
Total fund balance	30,621,642	12,378,269	13,172,895	42,877,694	99,050,500
Total liabilities, deferred inflows of resources, and fund balance	\$ 34,830,478	\$ 12,576,481	\$ 13,400,463	\$ 44,407,085	\$ 105,214,507

Billings Public Schools
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	\$ 99,050,500
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in the governmental funds.	161,140,169
Property taxes receivable expected to be collected in the following year, but are not not available soon enough to pay for the current period's expenditures, and therefore, are reflected as unearned revenue in the governmental funds.	1,485,073
Internal service funds are used by the District to charge the costs of purchasing services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	(20,676,750)
Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(116,262)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	9,697,951
Long-term liabilities, including bonds payable, leases, subscription IT liabilities, compensated absences, other post-employment benefits, and pension liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
Deferred charge on refunding	\$ 1,942,360
General obligation bonds	(102,703,502)
Premium on bonds	(475,096)
Leases	(355,290)
Subscription IT liabilities	(647,451)
Compensated absences	(24,727,976)
Total pension liability	(31,369,872)
Net pension liability	<u>(140,253,690)</u>
	<u>(298,590,517)</u>
Total Net Deficit - Governmental Activities	<u><u>\$ (48,009,836)</u></u>

Billings Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General	Elementary Miscellaneous Programs	Elementary Debt Service	Other Governmental Funds	Totals
Revenues					
Property taxes	\$ 35,932,550	\$ -	\$ 9,469,103	\$ 20,387,470	\$ 65,789,123
Intergovernmental:					
County	-	-	-	21,019,163	21,019,163
State aid	87,140,182	-	-	240,266	87,380,448
State other	14,981,680	3,132,277	2,082,302	2,636,299	22,832,558
Federal	-	16,980,522	556,561	5,769,940	23,307,023
Tuition and fees	468,087	-	-	635,643	1,103,730
Charges for services	-	-	-	5,532,075	5,532,075
Interest	670,404	806,057	235,705	1,338,602	3,050,768
Miscellaneous	138,619	880,067	-	1,487,100	2,505,786
Total revenues	139,331,522	21,798,923	12,343,671	59,046,558	232,520,674
Expenditures					
Current					
Instruction	88,384,606	14,991,822	-	23,948,169	127,324,597
Support services					
Students	7,845,215	3,245,859	-	5,679,609	16,770,683
Instructional staff	8,158,167	1,811,621	-	2,790,951	12,760,739
General administration	3,397,186	43,385	-	123,691	3,564,262
School administration	11,418,152	765,788	-	2,823,911	15,007,851
Business services	2,349,864	755,817	-	323,255	3,428,936
Operating and maintenance	16,026,296	367,762	-	2,080,067	18,474,125
Student transportation	152,345	-	-	9,796,254	9,948,599
Food services	9,355	-	-	7,654,703	7,664,058
Extracurricular	2,775,963	3,275	-	3,989,575	6,768,813
Capital outlay	911,844	193,933	-	2,918,462	4,024,239
Debt service					
Principal	424,778	-	7,560,000	-	7,984,778
Interest	18,404	-	2,374,119	573,667	2,966,190
Total expenditures	141,872,175	22,179,262	9,934,119	62,702,314	236,687,870
Excess (Deficiency) of Revenues over (under) Expenditures	(2,540,653)	(380,339)	2,409,552	(3,655,756)	(4,167,196)
Other Financing Sources (Uses)					
Transfer in	-	-	-	29,836	29,836
Transfer out	-	-	-	(29,836)	(29,836)
Leases issued	142,383	-	-	-	142,383
Total other financing sources (uses)	142,383	-	-	-	142,383
Net Change in Fund Balance	(2,398,270)	(380,339)	2,409,552	(3,655,756)	(4,024,813)
Fund Balance, Beginning of Year, as previously reported	33,019,912	12,758,608	-	57,296,793	103,075,313
Adjustments (Note 14)	-	-	10,763,343	(10,763,343)	-
Fund Balance, Beginning of Year, as restated	33,019,912	12,758,608	10,763,343	46,533,450	103,075,313
Fund Balance, End of Year	\$ 30,621,642	\$ 12,378,269	\$ 13,172,895	\$ 42,877,694	\$ 99,050,500

Billings Public Schools
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (4,024,813)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital outlay	3,951,698
Depreciation/amortization expense	(8,823,329)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	913,975
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In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(3,382,458)
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In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as an expense.	4,626,774
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,911,136
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Internal service funds are used by the District to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported in the governmental activities.	<u>1,052,076</u>
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Change in Deficit of Governmental Activities	<u><u>\$ 2,225,059</u></u>
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Billings Public Schools
Statement of Net Position
Proprietary Funds
June 30, 2025

	Governmental Activities <u>Internal Service Funds</u>
Assets	
Cash and cash equivalents	\$ 10,281,242
Accounts receivable, net	456,799
Capital assets, net of accumulated amortization	<u>6,124</u>
Total assets	<u>10,744,165</u>
Deferred Outflows of Resources	
Other postemployment benefits	<u>7,006,235</u>
Liabilities	
Current liabilities	
Salaries payable	11,450
Unearned revenue	75,681
Claims incurred but not reported	3,089,397
Current portion of compensated absences	10,097
Current portion of leases payable	7,099
Current portion of other post-employment benefits	<u>796,911</u>
Total current liabilities	<u>3,990,635</u>
Noncurrent liabilities	
Compensated absences	172,297
Other post-employment benefits	<u>28,115,709</u>
Total noncurrent liabilities	28,288,006
Total liabilities	<u>32,278,641</u>
Deferred Inflows of Resources	
Other postemployment benefits	<u>6,148,509</u>
Net Deficit	
Net investment in capital assets	(975)
Unrestricted	<u>(20,675,775)</u>
Total net deficit	<u><u>\$ (20,676,750)</u></u>

Billings Public Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
Operating Revenues	
Charges for services	\$ 29,158,257
Operating Expenses	
Personal services - salaries	365,152
Personal services - benefits	81,784
Purchased property services	80,343
Other purchased services	4,700,346
Supplies and materials	76,966
Insurance claims and expenses	23,058,722
Miscellaneous	15,888
Amortization	10,549
Total operating expenses	<u>28,389,750</u>
Operating Income	768,507
Nonoperating Revenues (Expenses)	
Interest income	284,802
Interest expense	<u>(1,233)</u>
Total nonoperating revenues (expenses)	<u>283,569</u>
Change in Net Position	<u>1,052,076</u>
Net Deficit, Beginning of Year, as previously reported	(21,621,798)
Adjustments (Note 14)	<u>(107,028)</u>
Net Deficit, Beginning of Year, as restated	<u>(21,728,826)</u>
Net Deficit, End of Year	<u><u>\$ (20,676,750)</u></u>

Billings Public Schools
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
Operating Activities	
Cash received from print center services	\$ 298,303
Cash received from health insurance	28,671,200
Cash paid to employees	(415,365)
Cash paid to suppliers for goods and services	(26,123,022)
Net cash from operating activities	<u>2,431,116</u>
Capital and Related Financing Activities	
Debt service	
Principal	(11,284)
Interest	(1,233)
Net cash used for capital and related financing activities	<u>(12,517)</u>
Investing Activity	
Interest on investments	<u>284,802</u>
Net Change in Cash and Cash Equivalents	2,703,401
Cash and Cash Equivalents, July 1	<u>7,577,841</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 10,281,242</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 768,507
Adjustments to reconcile operating income to net cash from operating activities	
Amortization	10,549
Changes in assets and liabilities	
Accounts receivable	(247,418)
Deferred outflows of resources	1,109,139
Accounts payable	(101,013)
Salaries payable	(154)
Unearned revenue	58,664
Compensated absences	31,725
Other postemployment benefits	(2,590,136)
Deferred inflows of resources	3,391,253
Net cash from operating activities	<u><u>\$ 2,431,116</u></u>

Note 1 - Summary of Significant Accounting Policies

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

The following is a summary of the District's significant accounting policies:

Organization

Billings Public Schools ("the District") was formed and operates pursuant to applicable Montana laws and statutes. The District is governed by a School Board elected by voters of the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The District was established under Montana law to provide educational services below the college and university level to residents of the District. The District consists of two legally separate entities: an elementary district and a high school district. Both are managed by a central Board of Trustees and by a central administration appointed by and responsible to the Board. The Board of Trustees annually adopts a procedure committing fund balance resources in accordance with GASB Statement No. 54.

Yellowstone County ("the County") provides substantial services to the District; tax billing, cash collections, debt payments and warrant redemption. The County also maintains the District's cash and invests available funds at the direction of the District. The County Commissioners have a legal obligation to set levy amounts and to approve the budget adopted by the District. However, despite the degree of services provided, the District does not qualify as a component unit of the County.

Although the District consists of two separate statutory entities, it is managed and operated as a single primary government. These financial statements present, as a single reporting entity, all activities of the primary government including all funds, departments, public charter schools, agencies, boards, commissions, and other organizations that comprise the District, along with any component units. A primary government is defined as having a separately elected governing body, being legally separate, and fiscally independent.

On February 28, 2024, the Montana Board of Public Education approved the District to operate four public charter schools to open and commence operation on July 1, 2024. The authority to operate ends on June 30, 2029, and may be renewed pursuant to Section 20-6-804, MCA. The Billings Multilingual Academy Middle School, Billings Multilingual Academy High School, Billings Early College School, and Billings Opportunity School are not separate legal entities, and their governing boards are comprised entirely of the District's central Board of Trustees. The activities of the Billings Multilingual Academy Middle School are reported within the Elementary General Subfund of the General Fund, and the activities of the Billings Multilingual Academy High School, Billings Early College School, and Billings Opportunity School are reported within the High School General Subfund of the General Fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used. Governmental activities are supported by taxes and intergovernmental revenues. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Fiduciary activities are not included in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges for service which report fees and other charges provided by a given function or identifiable activity 2) operating grants and contributions and 3) capital grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the internal service fund's principal ongoing operations. Operating revenues are charges for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Elementary Miscellaneous Programs Fund – The elementary miscellaneous programs fund accounts for local, state or federal grants and reimbursements. The elementary miscellaneous programs fund is a non-budgeted fund.

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

Additionally, the District reports the following fund type:

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The internal service funds account for the activities of the health insurance fund, the insurance deductible fund and the purchasing/printing fund.

Cash and Cash Equivalents

Cash and cash equivalents, except amounts in the extracurricular funds, the flexible benefits fund and the petty cash accounts, are held by the County Treasurer. The County Treasurer invests the District's cash at the direction of the government as required by state statute. Allowable investments include direct obligations of the United States Government, repurchase agreements, savings or time deposits in a state or national bank, building and loan associations, savings and loan associations, or credit unions insured by the FDIC, FSLIC, or NCUA and the State Short Term Investment Pool (STIP). STIP is an investment program managed and administered under the direction of the Montana Board of Investments (MBOI) as authorized by the Unified Investment Program. The STIP portfolio is reported at fair value basis versus amortized cost.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. The government had no nonrecurring fair value measurements. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Cash on hand, demand, savings and time deposits, STIP and short-term investments with original maturities of three months or less from the date of acquisition are considered cash equivalents.

Receivables and Payables

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements, unless a right of offset exists.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 6 percent of the outstanding balance at June 30, 2025. The allowance at June 30, 2025, was \$190,264.

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid Items at year-end were not material and therefore not recorded.

Inventories

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

Property Taxes

The District is permitted by state statutes to levy taxes for various purposes. Most property taxes are levied in September of each fiscal year, based on assessments as of the prior January 1. Real property taxes are billed as of November 1 and are payable in two payments, November 30 and May 31. Unpaid taxes are considered delinquent on December 1 and June 1, at which time the applicable property is subject to lien, and penalties and interest are assessed. Most personal property taxes are due and payable on January 1 and become delinquent February 1. The taxes levied by the District for the year ended June 30, 2025, were properly established and were within the legal limits as approved by the voters. Property taxes are maintained and collected by the County Treasurer.

Property taxes are recorded as receivable when they are billed by the county treasurer. Amounts not collected by June 30, but expected to be received in the future, are reported as revenue in the government-wide financial statements when billed and as unavailable revenue, a deferred inflow of resources, in the governmental fund financial statements.

Protested taxes are also recorded as receivable when the original assessment is billed by the county treasurer. Pursuant to MCA 15-1-402(5)(6), the District is entitled to request an advance of certain protested amounts before the protest is settled. If the amount settled upon is less than any previously received advances, the District is obligated to refund the county treasurer for any excess. The District will then be able to permissively levy this amount in the following fiscal year.

Uncollected property taxes are attached as an enforceable lien on the underlying property. After a period of three years, the County, as the collecting agent, may begin foreclosure proceedings and sell the property at auction. The District receives its share of the sale proceeds from the County.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$25,000 or more for capitalizing capital assets, with the exception of carpeting which is only capitalized as part of capital improvement project – standalone carpeting projects are not capitalized. Federally funded assets maintain a threshold of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Land and construction in progress are not depreciated. Capital assets of the District have the following useful lives:

Land improvements	20 years
Buildings	10-60 years
Machinery and equipment	5-20 years

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

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

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 6 years.

Collections Not Capitalized

Certain collections of historic artifacts and works of art are not reported in the accompanying financial statements. These assets have not been capitalized because they meet all the conditions that qualify them as collections that are not required to be capitalized. These conditions are that the collections are held for public exhibition or education in the furtherance of public service; not held for financial gain; the collections are protected, kept unencumbered, cared for, and preserved; and, any sale proceeds are expected to be used to acquire other items for the collections.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences –vacation, personal leave, sick leave, and severance. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Classified employees (non-teaching) earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Accumulated vacation is restricted under state statute to a maximum accumulation of two times the amount earned annually.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. Upon retirement or resignation, classified and certified employees are eligible for sick leave compensation at one fourth of the accumulated amount at the employee's current rate of pay. Additionally, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. Sick leave is accumulated for classified and certified employees at the rate of 12 days per year with no limit on the carry over amount.

Postemployment Benefits Other Than Pensions (OPEB)

Under the provisions of the various employee and union contracts, the District provides certain postemployment benefits other than pensions to eligible retirees. These OPEB obligations are funded on a pay-as-you-go basis. The total OPEB liability, deferred outflows/inflows of resources, and OPEB expense were actuarially determined in accordance with GASB Statement No. 75. Additional information can be found in Note 8.

Pensions

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

Montana Public Employee Retirement Administration (MPERA) prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA 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 or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB). Additional information can be found in Note 10.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The District has three items that qualify for reporting in this category on the government-wide statement of net position. Deferred outflows of resources related to deferred charge on debt refunding will be recognized as expense over the life of the related debt. Deferred outflows of resources related to other postemployment benefits consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years. Deferred outflows of resources related to pension plans consists of various estimate differences and contributions made to the plan subsequent to the measurement date that will be recognized as expenses in future years.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The District has three types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The deferred inflows related to pension and OPEB plans arise as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, plus capital-related deferred outflows resources, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and unrestricted second.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- Restricted fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance amounts are comprised of amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority (i.e., governing body). The government establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

- Assigned fund balance amounts are comprised of amounts the government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Assigned fund balance in the general fund represents amounts available to fund the subsequent year's budget and to cover payroll and operating expenditures due to the timing of tax receipts. The Board of Trustees has designated the Superintendent, or his designee, individually and/or collectively, as having authority to express assignments in the District's governmental funds. The Board of Trustees has adopted policy 7000, Financial Management and annually adopts procedure 7000-P3 Fund Balance Resources for Special Revenue Funds to comply with GASB Statement No. 54.
- Unassigned fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). In governmental fund financial statements, advances between funds are offset by an amount reported as non-spendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

During the course of its operations, the District has transactions between funds for Print Center activities and health insurance. These transactions are generally recorded as charges for services revenue and operations expenditures. These transactions are eliminated in the government-wide financial statements.

Miscellaneous Revenue

Miscellaneous revenue includes other revenue from local sources which is not classified elsewhere.

Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Standards

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 14.

As of July 1, 2024 the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

Note 2 - Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

State law requires budgets be prepared for certain funds - generally those supported by property tax revenues. Budgets are prepared on the modified accrual basis. State law requires only that a fund's total expenditures not exceed total budgeted expenditures. Budgets may be amended as defined by State law.

The general fund budget is based on the State of Montana's foundation program which is based primarily on enrollment. Budgets of other funds are based on expected revenues and expenditures. The Board of Trustees approves the original budget by the second Monday in August.

State law permits the inclusion of obligations (encumbrances) for construction in progress and the purchase of personal property as expenditures for budget purposes. The budget to GAAP differences consists of merging the compensated absences and multi-district cooperative funds with the general fund for financial statement presentation purposes, recording software subscriptions and encumbrances for the current and prior year.

The District consists of two legally separate entities. State law requires separate legally adopted annual budgets for the elementary and high school general funds. The general fund budget is a summary of the elementary general and high school general subfunds.

Deficit Fund Balances

The health insurance fund, an internal service fund, had a deficit net position of \$20,737,232 as of June 30, 2025. The deficit exists in the health insurance fund because of the unfunded liability for other postemployment benefits. The District is in the process of reviewing the funding of the health insurance fund in order to reduce or eliminate the deficit.

Note 3 - Cash and Cash Equivalents

As discussed in Note 1, the District participates in the County's investment pool. The pooled cash is invested by the County Treasurer in accordance with State statute. Interest earnings are distributed to the District based on average daily balances. The County Treasurer withdraws funds as needed to pay warrants. Investment risk related to the District's share of the pool is not determinable. Information related to the pool can be obtained from the County. Demand and savings accounts held outside of the County pool were covered by FDIC insurance. The uninsured portion was covered by collateral held by financial institutions or by their departments or agents, but not in the District's name. The amount of collateral held for the District's deposits as of June 30, 2025, exceeded the amount required by State statute. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2025, to support the value of shares in the pool. The District does not currently have a policy on custodial credit risk. Along with limitations placed on investments by state law, the County minimizes custodial risk by restrictions set forth by County policy. The County maintains a listing of financial institutions which are approved for investment purposes.

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

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital Assets Not Being Depreciated/Amortized				
Land	\$ 4,934,084	\$ -	\$ -	\$ 4,934,084
Construction in progress	2,116,621	2,704,230	1,090,240	3,730,611
Total capital assets, not being depreciated	<u>7,050,705</u>	<u>2,704,230</u>	<u>1,090,240</u>	<u>8,664,695</u>
Capital Assets Being Depreciated				
Buildings and improvements	252,746,875	1,514,692	-	254,261,567
Improvements other than buildings	4,703,130	-	-	4,703,130
Machinery and equipment	19,525,043	391,678	-	19,916,721
Total capital assets being depreciated/amortized	<u>276,975,048</u>	<u>1,906,370</u>	<u>-</u>	<u>278,881,418</u>
Less Accumulated Depreciation for				
Buildings and improvements	103,526,116	7,107,287	-	110,633,403
Improvements other than buildings	2,348,010	224,833	-	2,572,843
Machinery and equipment	14,361,889	827,918	-	15,189,807
Total accumulated depreciation/amortization	<u>120,236,015</u>	<u>8,160,038</u>	<u>-</u>	<u>128,396,053</u>
Net capital assets, depreciated/amortized	<u>156,739,033</u>	<u>(6,253,668)</u>	<u>-</u>	<u>150,485,365</u>
Right-To-Use Leased Assets, Being Amortized				
Right-to-use leased buildings	280,918	46,566	-	327,484
Right-to-use leased equipment	291,758	95,817	-	387,575
Total right-to-use leased assets, being amortized	<u>572,676</u>	<u>142,383</u>	<u>-</u>	<u>715,059</u>
Less accumulated amortization for				
Right-to-use leased buildings	58,121	67,822	-	125,943
Right-to-use leased equipment	187,926	48,374	-	236,300
Total accumulated amortization	<u>246,047</u>	<u>116,196</u>	<u>-</u>	<u>362,243</u>
Total right-to-use leased assets, being amortized, net	<u>326,629</u>	<u>26,187</u>	<u>-</u>	<u>352,816</u>
Subscription-based IT assets, being amortized	2,872,312	288,955	178,833	2,982,434
Less accumulated amortization	960,206	557,644	178,833	1,339,017
Total subscription-based IT assets, being amortized, net	<u>1,912,106</u>	<u>(268,689)</u>	<u>-</u>	<u>1,643,417</u>
Governmental Activities Capital Assets, Net	<u>\$ 166,028,473</u>	<u>\$ (3,791,940)</u>	<u>\$ 1,090,240</u>	<u>\$ 161,146,293</u>

Depreciation/amortization expense for the year ended June 30, 2025, was charged to the following functions/programs:

Instruction	\$ 8,231,195
Support services - students	2,422
Support services - instructional staff	55,964
Operation and maintenance	241,106
Student transportation	76,104
Food services	95,622
Extracurricular	<u>131,465</u>
Total depreciation/amortization expense	<u><u>\$ 8,833,878</u></u>

Note 5 - Leases

The District has entered into various lease agreements as lessee for the use of copiers, motor vehicles, and buildings. The District is required to make principal and interest payments through July 2030. The lease liabilities were valued using discount rates ranging from 5.63% to 5.84% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreements.

Future principal and interest requirements to maturity for the lease liability are as follows:

Years Ending June 30,	Principal	Interest
2026	\$ 120,652	\$ 17,290
2027	106,309	10,882
2028	92,055	5,028
2029	21,336	1,838
2030	20,294	720
2031	<u>1,743</u>	<u>8</u>
	<u><u>\$ 362,389</u></u>	<u><u>\$ 35,766</u></u>

Note 6 - Subscription-Based Information Technology Arrangements (SBITAs)

The District has entered into various SBITA contracts for educational and administrative software. The District is required to make principal and interest payments through July 2027. The subscription liabilities were valued using discount rates ranging from 4.34% to 5.74% based on the rates from the State and Local Government Securities table, plus 150 basis points, for the nearest maturity to the noncancelable term of the agreements.

Future principal and interest requirements to maturity for the SBITAs are as follows:

Years Ending June 30,	Principal	Interest
2026	\$ 312,133	\$ 34,895
2027	271,155	18,065
2028	64,163	2,903
	<u>\$ 647,451</u>	<u>\$ 55,863</u>

Note 7 - Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2025 are as follows:

	Balance July 1, 2024, as Restated	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Bonds payable	\$ 110,263,502	\$ -	\$ 7,560,000	\$ 102,703,502	\$ 7,720,000
Unamortized bond premium	725,108	-	250,012	475,096	250,013
Leases	330,731	142,383	110,725	362,389	120,652
Subscription IT liabilities	972,788	-	325,337	647,451	312,133
Compensated absences payable*	21,496,187	3,414,183	-	24,910,370	1,379,101
	<u>\$ 133,788,316</u>	<u>\$ 3,556,566</u>	<u>\$ 8,246,074</u>	<u>\$ 129,098,808</u>	<u>\$ 9,781,899</u>

*Change in compensated absences is presented as the net change for the year.

Bonds Payable

Following is a summary of bonds payable as of June 30, 2025:

Bond Description	Final Maturity	Interest Rate	Original Principal	Outstanding Balance
<u>Elementary</u>				
Qualified School Construction Bonds	2027	5.40%	\$ 2,420,000	\$ 2,420,000
Qualified Zone Academy Bonds, Series 2010	2027	5.40%	2,000,000	2,000,000
Qualified Zone Academy Bonds, Series 2012A	2032	4.25%	4,540,000	4,540,000
Qualified Energy Conservation Bonds, 2012	2032	4.25%	4,553,502	4,553,502
General Obligation Building Bonds, 2020	2035	2.00% - 4.00%	8,400,000	6,055,000
General Obligation Refunding Bonds, 2021	2035	0.239% - 2.503%	81,305,000	71,775,000
<u>High School</u>				
Qualified School Construction Bonds, 2010	2027	5.40%	7,580,000	7,580,000
Qualified Energy Conservation Bonds, 2012	2032	4.25%	3,780,000	3,780,000
				<u>\$ 102,703,502</u>

On December 29, 2010, the District issued general obligation school building bonds in the amount of \$12,000,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The bonds were designated as Qualified School Construction Bonds (QSCB) and Qualified Zone Academy Bonds (QZAB). As such, the District is entitled to receive payments from the United States Treasury Department equal to 100% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the District. The bonds bear interest at 5.4% per annum and will be paid back through sixteen annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2027. The District will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary and high school debt service funds will be servicing 100% of the general obligation debt payments.

On July 26, 2012, the District issued general obligation school building bonds in the amount of \$4,540,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The bonds were designated as Qualified Zone Academy Bonds (QZAB). As such, the District is entitled to receive payments from the United States Treasury Department equal to 100% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the District. The bonds bear interest at 4.25% per annum and will be paid back through twenty annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2032. The District will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On July 26, 2012, the District issued general obligation school building bonds in the amount of \$8,333,502. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The bonds were designated as Qualified Energy Conservation Bonds (QECB). As such, the District is entitled to receive payments from the United States Treasury Department equal to 70% of the interest payments. The proceeds from these general obligation bonds will be used for the purpose of rehabilitating or improving various school facilities within the District. The bonds bear interest at 4.25% per annum and will be paid back through twenty annual sinking fund deposits. The sinking fund deposits, along with earnings on those deposits, will be used to retire the bonds on June 15, 2032. The District will reduce the annual bond payment by the amount of interest earnings from the sinking fund. The elementary and high school debt service funds will be servicing 100% of the general obligation debt payments.

On September 29, 2015, the District issued general obligation school building bonds in the amount of \$33,000,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs of building or improving schools in accordance with the District's facilities master plan. Interest rates range from 3.0% to 5.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2025 or any date thereafter. \$20,845,000 of the bonds were advance refunded on April 29, 2021. Final payment on this bond issuance was made during fiscal year 2025. The elementary debt service fund will be serviced 100% of the general obligation debt payments.

On February 4, 2020, the District issued general obligation school building bonds in the amount of \$8,400,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The proceeds from these general obligation bonds will be used for the purpose of providing funds to pay a portion of the costs improving schools in accordance with the District's facilities master plan. Interest rates range from 2.0% to 4.00% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on December 15, 2027 or any date thereafter. The remaining principal balance of the outstanding bonds is \$6,055,000. The bonds mature beginning June 15, 2021 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

On April 29, 2021, the District issued \$81,305,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$71,005,000 of refunded debt. As a result, the refunded bonds are considered defeased and the liability is not included in the government's financial statements. \$50,160,000 of the refunded debt was paid off on June 15, 2024, and the remaining \$20,845,000 of the refunded debt will be paid off on June 15, 2025. Interest rates on the refunding bonds range from .239% to 2.503% payable semiannually on December 15 and June 15. The bonds can be redeemed at par on June 15, 2031, or any date thereafter. The remaining principal balance of the outstanding bonds is \$71,775,000. The bonds mature beginning June 15, 2022 through 2035. The elementary debt service fund will be servicing 100% of the general obligation debt payments.

Annual debt service requirements to maturity for bonds payable are as follows:

Years Ending June 30,	Bonds Payable	
	Principal	Interest
2026	\$ 7,720,000	\$ 1,314,481
2027	19,820,000	1,340,915
2028	7,940,000	709,396
2029	8,085,000	728,567
2030	8,245,000	745,212
2031-2035	50,893,502	2,121,948
	<u>\$ 102,703,502</u>	<u>\$ 6,960,519</u>

Leases Payable

Leases payable consists of long-term leases as described in Note 5. Leases payable are liquidated by the General Fund and Warehouse Fund.

Subscription IT Liabilities

Subscription IT liabilities consists of long-term software contracts as described in Note 6. Subscription IT liabilities are liquidated by the General Fund.

Compensated Absences Payable

Compensated absences payable consists of estimated future use of sick leave and accumulated vacation benefits as discussed in Note 1.

Note 8 - Other Post-Employment Benefits

Plan Description

Billings Public Schools defined benefit OPEB plan provides OPEB for eligible employees of the District. Eligibility criteria are as follows:

- Normal Retirement:
 - Tier I. Current active employees must have reached age 60 with at least 5 years of membership service or have at least 25 years of service at any age with Billings Public Schools to be eligible for retiree benefits.
 - Tier II. Current active employees must have reached age 55 with at least 30 years of membership service or employees must have reached age 60 with at least 5 years of service with Billings Public Schools to be eligible for retiree benefits.

- Early Retirement:
 - Tier I. Current active employees must have reached age 50 with at least 5 years of membership service with Billings Public Schools to be eligible for retiree benefits.
 - Tier II. Current active employees must have reached age 55 with at least 5 years of membership service with Billings Public Schools to be eligible for retiree benefits.

The plan is a single-employer, defined benefit OPEB plan administered by Billings Public Schools. Medical, prescription drug and life benefits are self-funded. Dental insurance is fully insured. The plan was established in accordance with Section 20-3-331, MCA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Health Insurance Fund, an internal service fund, is used to liquidate the liabilities of the OPEB plan.

Benefits Provided

Eligible early retirees receive medical and prescription drug coverage through one of two self-funded medical plans. Retirees contribute 100% of the active premium. Medicare eligible retirees receive coverage through a fully insured Medicare Supplement Plan. Eligible retired employees may continue the life insurance coverage they had as active employees on a fully contributory basis. Eligible retired employees receive a dental insurance benefit on a fully contributory basis.

Employees Covered by Benefit Terms

At the valuation date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	989
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,892</u>
	<u><u>2,881</u></u>

Total OPEB Liability

The District's total OPEB liability of \$28,912,620 was measured as of June 30, 2025, and was determined by an actuarial valuation of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50 percent
Discount Rate	3.93 percent
Healthcare Cost Trend Rates	7.45 percent, grading to 4.00 percent

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

Mortality rates were based on the PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

The actuarial assumptions used in the June 30, 2024, valuation were based on experience studies from the State of Montana Assumption Model, dated May 3, 2022.

Since the previous valuation dated June 30, 2022, the following changes have been made:

- The discount rate was updated from 3.65% to 3.93%.
- The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The retirement and termination rates were updated to the Teachers' Retirement System of Montana Actuarial Valuation and the Public Employees' Retirement System of Montana as of June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2024	\$ 31,502,756
Changes from the Prior Year	
Service cost	1,474,162
Interest cost	1,272,060
Assumption changes	(4,118,413)
Benefit payments	<u>(1,217,945)</u>
Total Net Changes	<u>(2,590,136)</u>
Balance at June 30, 2025	<u><u>\$ 28,912,620</u></u>

The measurement date of the OPEB liability was June 30, 2025; the date of the actuarial valuation on which the total OPEB liability is based was June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate of one percentage point lower and one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Discount Rate	2.93%	3.93%	4.93%
Total OPEB Liability	\$ 32,355,000	\$ 28,912,620	\$ 25,961,000

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend of one percentage point lower and one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Selected Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Medical Trend Rate	6.45%, decreasing to 3.00%	7.45%, decreasing to 4.00%	8.45%, decreasing to 5.00%
Total OPEB Liability	\$ 26,431,000	\$ 28,912,620	\$ 31,865,000

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,128,200. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 5,456,012	\$ -
Assumption changes	1,550,223	6,148,509
	<u>\$ 7,006,235</u>	<u>\$ 6,148,509</u>

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

<u>Years Ended June 30,</u>	<u>OPEB Expense Amount</u>
2026	\$ 314,525
2027	314,525
2028	314,525
2029	314,524
2030	286,708
Thereafter	(687,081)

Note 9 - Service Credit and Termination Pay Benefit Plan

Plan Description

The Billings Public Schools Service Credit and Termination Pay Benefit Plan (the "Plan") is a single-employer, defined-benefit plan covering employees that belong to the following unions or groups; Billings Education Association (BEA), Billings Classified Employees Association (BCEA), Montana Public Employees Association (MPEA), Administrators and Administrative Support. The Plan was established by the Board of Trustees through union agreements and agreements with other employee groups. The Plan does not issue a separate report. Pension expense and related liabilities and deferred inflows/outflows of resources for the Plan are recognized in the financial statements consistent with the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Plan is a non-trusted plan that historically has been funded on a pay-as-you-go basis; therefore, no assets have been accumulated and there is no plan fiduciary net position. Accordingly, Billings Public Schools recognizes its total pension liability, rather than a net pension liability. The total pension liability is liquidated by the fund where the related employee wages are recorded, primarily the general fund.

Plan Benefits

Following is a summary of Plan benefit provisions:

Service Credit

- Eligibility: 12 Years of service with Billings Public Schools
- Benefit: A single amount is payable upon termination or retirement. The amount is dependent on the employee group; the number of years of service credit and the rate of pay.
 - Administrators: \$100 per year of service prior to June 30, 1986, plus 2 ½ days of pay for each full year of service after July 1, 1986, for members hired before July 1, 2022. 2 days of pay for each full year of service for members hired after July 1, 2022. No service credit is paid to any teacher or administrator with more than 35 years of service.
 - BEA: \$100 per year of service prior to June 30, 1986, plus 2 ½ days of pay for each full year of service after July 1, 1986, for members hired before September 1, 2017. 2 days of pay for each full year of service for members hired after September 1, 2017. No service credit is paid to any teacher or administrator with more than 35 years of service.
 - BCEA and Administrative Support: 2 ½ days of pay for each full year of service for members hired before July 1, 2022. 2 days of pay for each full year of service for members hired after July 1, 2022.
 - MPEA: For those hired before November 20, 2017, 2 ½ days of pay for each full year of service for those that retire with less than 20 years of service and 3 days of pay for each full year of service for those that retire with 20 or more years of service. 2 days of pay for each full year of service for members hired after November 20, 2017.
- Rate of Pay:
 - BEA and Administrators: Highest daily rate.
 - BCEA, MPEA and Administrative Support: Most recent daily rate.
 - All groups subject to the following maximum daily rate:

<u>Bargaining Group</u>	<u>Maximum Daily Rate</u>
BEA	\$460
BCEA	\$339
MPEA	\$260
Administrator	\$593
Admin Support	\$329

- Form of Benefit: Lump sum upon termination.
- Death Benefit: Full value of the service credit benefit as if the date of death had been the employee's date of termination.

TRS Option 1 Benefit

- Eligibility: Employees who are eligible for retirement with TRS at 25 years of service or age 60 and 5 years of service for Normal Retirement, or age 50 and 5 years of service for Early Retirement.
- Benefit: TRS Employees may increase their monthly retirement benefit by including their Termination Pay (service credit, 25% of sick leave, and 100% of vacation leave) in the calculation of their Average Final Compensation. This option is also available to beneficiaries of eligible TRS employees who had not yet retired. As of October 1, 2011, administrators' vacation pay was frozen for the purpose of payment within the District's severance package. As of July 1, 2011, no newly employed administrator is entitled to include vacation pay in the severance payment. Vacation severance pay for administrators is paid at the daily rate earned as of June 30, 2012.
- Employee Cost: Termination Pay x Employee Rate x Total years of Creditable Service
- Employer Cost: Termination Pay x Employee Rate x Total years of Creditable Service

Employees Covered by Benefit Terms

At the July 1, 2025, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,835
	<u>1,835</u>

Service Credit and Termination Pay Benefit Plan Liability

The District's service credit and termination pay benefit plan liability of \$31,369,872 was measured as of June 30, 2025, and was based on an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The service credit and termination pay benefit plan benefits liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	3.50 percent
Discount Rate	5.20 percent
20-Year Municipal Bond Yield	5.20 percent

Mortality rates were based on the PUBT Teacher Employee Mortality Table, projected to 2021, projected generationally using MP-2021.

The actuarial assumptions used in the June 30, 2025, valuation were based on experience studies from the State of Montana Assumption Model, dated May 3, 2022.

The following changes in actuarial assumptions and plan provisions occurred during the year ended June 30, 2025:

Actuarial Assumptions:

- The discount rate was changed from 3.93% to 5.20 %.
- The assumed election rate for TRS Option 1 was changed from 90% to 98%.

Discount Rate

The discount rate used to measure the service credit and termination pay benefit plan liability was 5.20%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Total Service Credit and Termination Pay Benefit Plan Liability

Service Cost	\$ 1,767,781
Interest Cost	1,116,460
Plan Changes	2,478,848
Difference Between Expected and Actual Experience	1,650,450
Assumption Changes	<u>(664,035)</u>
Service credit and termination benefits pension cost	<u>6,349,504</u>
Benefit Payments	<u>(3,210,053)</u>
Change in total pension liability	3,139,451
Total pension liability, beginning of year	<u>28,230,421</u>
Total pension liability, end of year	<u><u>\$ 31,369,872</u></u>

Sensitivity of the Service Credit and Termination Pay Benefit Plan Liability to Changes in Discount Rate

The following presents the service credit and termination pay benefit plan liability of the District, as well as what the District's service credit and termination pay benefit plan liability would be if it were calculated using a discount rate one percentage point lower and one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Discount rate	4.20%	5.20%	6.20%
Total pension liability	\$ 33,059,597	\$ 31,369,872	\$ 29,743,839

Service Credit and Termination Pay Benefit Plan Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the District recognized service credit and termination pay benefit plan expense of \$5,232,181. At June 30, 2025, the District reported deferred outflows of resources related to service credit and termination pay benefit plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,732,707	\$ -
Assumption changes	1,250,183	3,833,051
	<u>\$ 3,982,890</u>	<u>\$ 3,833,051</u>

Amounts reported as deferred outflows of resources related to service credit and termination pay benefit pension plan will be recognized in pension expense as follows:

Years Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2026	\$ (115,497)
2027	29,283
2028	83,845
2029	145,763
2030	78,524
Thereafter	(72,079)

Note 10 - Defined Benefit Pension Plans

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System) and the Public Employees' Retirement System Defined Benefit Retirement Plan (PERS or the Plan). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS and PERS that are used to provide pension benefits to the retired members of TRS and PERS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The total pension liability is liquidated by the fund where the related employee wages are recorded, primarily the general fund.

For the year ended June 30, 2025, the District reported its proportionate share of deferred outflows of resources, net pension liabilities, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
TRS	\$ 15,358,275	\$ 122,303,339	\$ 6,942,963	\$ 6,444,707
PERS	<u>2,267,075</u>	<u>17,950,351</u>	<u>1,134,275</u>	<u>318,495</u>
Total all plans	<u>\$ 17,625,350</u>	<u>\$ 140,253,690</u>	<u>\$ 8,077,238</u>	<u>\$ 6,763,202</u>

Montana Teachers' Retirement System (TRS)

Net Pension Liability

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

The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2025 and 2024 (reporting dates).

	Net Pension Liability as of		Percent of Collective NPL as of		Change in
	June 30, 2025 Reporting Date	June 30, 2024 Reporting Date	June 30, 2025 Reporting Date	June 30, 2024 Reporting Date	Percent of Collective NPL
District Proportionate Share	\$ 122,303,339	\$ 126,920,581	6.5272%	6.5509%	-0.0237%
State of Montana Proportionate Share Associated with the District	<u>\$ 64,875,169</u>	<u>\$ 68,627,138</u>	<u>3.4623%</u>	<u>3.5421%</u>	<u>-0.0798%</u>
Total	<u>\$ 187,178,508</u>	<u>\$ 195,547,719</u>	<u>9.9895%</u>	<u>10.0930%</u>	<u>-0.1035%</u>

At June 30, 2025, the employer recorded a liability of \$122,303,339 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2025, the employer's proportion was 6.5272 percent.

Changes in actuarial assumptions and other inputs: There have been no changes in actuarial assumptions since the previous measurement date.

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

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

Pension Expense

	Pension Expense as of June 30, 2025
BILLINGS PUBLIC SCHOOLS Proportionate Share	\$ 6,444,707
State of Montana Proportionate Share Associated with the Employer	<u>3,489,617</u>
Total	<u><u>\$ 9,934,324</u></u>

At June 30, 2025, the employer recognized a pension expense of \$9,934,324 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$3,489,617 for support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

Deferred Inflows and Outflows

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,094,209	\$ -
Changes in actuarial assumptions	-	4,065,251
Difference between projected and actual investment earnings	-	2,360,175
Changes in proportion and differences between actual and expected contributions	222,537	517,537
District contributions subsequent to the measurement date	<u>12,041,529</u>	<u>-</u>
Total	<u><u>\$ 15,358,275</u></u>	<u><u>\$ 6,942,963</u></u>

The \$12,041,529 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

Year Ended June 30,	Amount of Deferred Outflows (Inflows) to be Recognized as an Increase or (Decrease) to Pension Expense
2026	\$ (7,825,512)
2027	6,094,793
2028	(1,117,143)
2029	(778,355)

Plan Description

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

The TRS Board is the governing body of the System and the TRS staff administers the System in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

Summary of Benefits

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Average final compensation (AFC) is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

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

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

Overview of Contributions

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

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

School District and Other Employers

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

State and University Employers

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

TRS Stand-Alone Statements

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

Actuarial Assumptions

The Total Pension Liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of the last actuarial experience study, dated May 3, 2022. Among those assumptions were the following:

Total Wage Increases*	3.50-9.00% for Non-University Members and 4.25% for University Members
Investment return (net of pension plan	7.30%
Price Inflation	2.75%
Postretirement Benefit Increases	
Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1	
Tier Two Members: The retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provision of the increase is not projected to cause the funded ratio to be less than 85%	

Mortality among Contributing Members

PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021.

Mortality among Service Retired Members

PUBT-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females.
Projected generationally using MP-2021.

Mortality among Beneficiaries

PUBT-2010 Contingent Survivor table projected to 2021. Projected generationally using MP-2021.

Mortality among Disabled Members

PUBT-2010 Disabled Retiree mortality table projected to 2021.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions, the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2134. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Domestic equity	30.0%	5.90%
International equity	17.0%	7.14%
Private investments	15.0%	9.13%
Real assets	5.0%	4.03%
Real estate	9.0%	5.41%
Core fixed income	15.0%	1.14%
Non-core fixed income	6.0%	3.02%
Cash	3.0%	-0.33%
Total	100.0%	

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

Sensitivity Analysis

	1% decrease (6.30%)	Current (7.30%)	1% increase (8.30%)
District's proportionate share of the net pension liability	\$ 175,780,094	\$ 122,303,339	\$ 77,622,994

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

Public Employees' Retirement System (PERS)

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

Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA 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 or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

General Information about the Pension Plan

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they 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. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Benefits Provided

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.

Retirement benefits are as follows:

Service retirement:

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

Early Retirement:

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

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

- Retired before January 1, 2016, and accumulate less than 2 years additional service credit or retired on or after January 1, 2016, and accumulate less than 5 years additional service credit:
 - 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 the January immediately following the second retirement.
- Retired before January 1, 2016, and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016, and accumulate 5 or more years of service credit:
 - 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 the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

- Members hired prior to July 1, 2011
 - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members 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;
 - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA) – After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007, and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

Contributions

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

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 & University	Local Government		School Districts	
	Hired <07/01/2011	Hired >07/01/2011	Employer	Employer	State	Employer	State
2025	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%
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%	N/A	7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%	N/A	7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%	N/A	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, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
- Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- 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.

Non-Employer Contributions:

Special Funding

- The state contributed 0.1% of members' compensation on behalf of local government entities.
- The state contributed 0.37% of members' compensation on behalf of school district entities.
- The state contributed a Statutory Appropriation from the General Fund of \$35,329,705.

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

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

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the State of Montana's NPL for June 30, 2025 and 2024 reporting dates, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$17,950,351 and the employer's proportionate share was 0.733937 percent.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	Percent of
	Reporting Date	Reporting Date	Reporting Date	Reporting Date	Collective NPL
District Proportionate Share	\$ 17,950,351	\$ 18,374,147	0.733937%	0.752930%	-0.018993%
State of Montana Proportionate Share Associated with the District	\$ 5,198,330	\$ 5,634,526	0.212544%	0.230890%	-0.018346%
Total	<u>\$ 23,148,681</u>	<u>\$ 24,008,673</u>	<u>0.946481%</u>	<u>0.983820%</u>	<u>-0.037339%</u>

Changes in actuarial assumptions and methods: There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

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

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

Pension Expense: At June 30, 2025, the reporting date, the District recognized a pension expense of \$318,495 for its proportionate share of the Plan's pension expense. The District also recognized grant revenue of \$278,584 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the District.

	Pension Expense as of June 30, 2025
BILLINGS PUBLIC SCHOOLS Proportionate Share	\$ 318,495
State of Montana Proportionate Share Associated with the Employer	278,584
Total	<u>\$ 597,079</u>

Recognition of Deferred Inflows and Outflows: At June 30, 2025, the reporting date, the District reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs actual experience	\$ 907,113	\$ -
Projected investment earnings vs. actual investment earnings	-	399,167
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	735,108
District contributions subsequent to the measurement date	1,359,962	-
Total	<u>\$ 2,267,075</u>	<u>\$ 1,134,275</u>

The \$1,359,962 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

For the Reporting Year Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2026	\$ (802,511)
2027	1,027,873
2028	(280,617)
2029	(171,907)

Actuarial Assumptions: The total pension liability measured as of June 30, 2024, for the June 30, 2025, reporting date, 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*	3.50%
*includes inflation at	2.75%
Merit increases	0% to 4.80%

Postretirement Benefit Increases

Guaranteed Annual Benefit Adjustment (GABA) each January
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (below) each January, inclusive of all other adjustments to the member's benefit.

Members hired prior to July 1, 2007	3.00%
Members hired between July 1, 2007, and June 30, 2013	1.50%
Members hired on or after July 1, 2013	
For each year PERS is funded at or above 90%	1.50%
For each year PERS is funded below 90%	1.50%, reduced by 0.1% for each 2.0% PERS is funded below 90%
Whenever the amortization period for PERS is 40 years or more	0.00%

For active members, mortality rates were based on PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females, projected generationally using MP-2021. For disabled retirees, the mortality rates were based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females. For contingent survivors, mortality rates were based on 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. For healthy retirees, mortality rates were based on 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 the Montana Code Annotated. 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.

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 in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash	3.0%	-0.33%
Domestic equity	30.0%	5.90%
International equity	17.0%	7.14%
Private investments	15.0%	9.13%
Real assets	5.0%	4.03%
Real estate	9.0%	5.41%
Core fixed income	15.0%	1.14%
Non-core fixed income	6.0%	3.02%
	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the District'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.

	1% decrease (6.30%)	Current (7.30%)	1% increase (8.30%)
District's proportionate share of the net pension liability	\$ 26,167,720	\$ 17,950,351	\$ 11,059,685

PERS Disclosure for the defined contribution plan

The District contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2024, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 351 employers that have participants in the PERS-DCRP totaled \$1,345,278.

Pension Plan Fiduciary Net Position

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

Note 11 - Claims Incurred but Not Reported

During the year ended June 30, 2025, employees of the District were covered by a medical self-insurance plan (the "plan"). The District contributed to the plan \$1,017 per month per employee covered under the Billings Education Association and Administrative labor agreement and \$1,106 per month per employee covered under the Billings Classified Employees Association and Montana Federation of Public Employees Local #7770 labor agreements and employees, at their option, authorized payroll withholdings to pay contributions for dependents. In spring of 2013 the District opened two in-house clinics to manage health care cost. Claims were paid by a third party administrator acting on behalf of the District.

The administrative contract between the District and the third party administrator is renewable annually and administrative fees and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual loss by stop-loss coverage through Highmark Life Insurance Company. Stop-loss coverage was in effect for individual claims exceeding \$350,000 and aggregate claims exceeding \$29,695,158.

The costs associated with the medical self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues in the internal service fund and as operating expenditures in the governmental funds. The liability as of June 30, 2025, is based on the requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not result in an exact amount.

Changes in the claims liability amount during fiscal year 2025 and 2024 were:

	<u>2025</u>	<u>2024</u>
Claims Incurred but Not Reported at Beginning of Year	\$ 3,089,397	\$ 3,523,390
Claims incurred	23,576,310	25,193,874
Claims paid	<u>(23,576,310)</u>	<u>(25,627,867)</u>
Claims Incurred but Not Reported at End of Year	<u>\$ 3,089,397</u>	<u>\$ 3,089,397</u>

Note 12 - Interfund Transfers

During the year ended June 30, 2025, the District transferred \$29,836 between nonmajor special revenue funds to fund various activities.

Note 13 - Fund Balance

Certain portions of fund balances are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

The following is a summary of fund balances as of June 30, 2025:

	General	Miscellaneous Programs Elementary	Elementary Debt Service	Other Government Funds	Totals
Restricted					
Instruction	\$ -	\$ 3,561,977	\$ -	\$ 12,786,612	\$ 16,348,589
Support services:					
Students	-	1,844	-	-	1,844
Instructional staff	-	220,600	-	17,880	238,480
School administration	-	-	-	252,495	252,495
Business services	-	-	-	434,987	434,987
Operation and maintenance	-	-	-	1,950,034	1,950,034
Student transportation	-	-	-	2,008,191	2,008,191
Food services	-	-	-	1,923,146	1,923,146
Extracurricular activities	-	-	-	3,510,977	3,510,977
Capital projects	-	-	-	5,192,305	5,192,305
Debt service	-	-	13,172,895	9,554,679	22,727,574
Total restricted	-	3,784,421	13,172,895	37,631,306	54,588,622
Committed					
Instruction	-	-	-	1,717,858	1,717,858
Support services:					
Students	-	-	-	2,752,254	2,752,254
Community services	-	-	-	14,591	14,591
Total committed	-	-	-	4,484,703	4,484,703
Assigned					
Instruction	-	4,864,371	-	108,569	4,972,940
Support services:					
Students	10,476	468,825	-	-	479,301
Instructional staff	-	2,085,720	-	-	2,085,720
General administration	-	500,299	-	-	500,299
School administration	-	103,579	-	-	103,579
Business services	-	558,868	-	215,528	774,396
Operation and maintenance	-	12,186	-	437,588	449,774
Total assigned	10,476	8,593,848	-	761,685	9,366,009
Unassigned	30,611,166	-	-	-	30,611,166
Total fund balance	\$ 30,621,642	\$ 12,378,269	\$ 13,172,895	\$ 42,877,694	\$ 99,050,500

Note 14 - Restatement

Change in Accounting Principle

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the compensated absences liability was increased by \$11,517,969 as of July 1, 2024. The effect of this change in accounting principle is described in the table below.

Change within the Reporting Entity

During fiscal year 2025, there was a change within the financial reporting entity which resulted in the elementary debt service fund being reported as a major fund instead of as a nonmajor fund. As such, beginning fund balance was reclassified from nonmajor to presented as a major fund. The effect of the change on beginning fund balance is shown in the table below:

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes in accounting principles and changes to or within the reporting entity, resulted in adjustments to and restatements of beginning net position and fund net position/fund balance as follows:

	July 1, 2024, As Previously Reported	Change in Accounting Principle	Change within the Financial Reporting Entity	July 1, 2024, As Restated
Government-Wide				
Governmental Activities	<u>\$ (38,716,926)</u>	<u>\$ (11,517,969)</u>	<u>\$ -</u>	<u>\$ (50,234,895)</u>
Governmental Funds				
Major Funds				
Elementary Debt Service	\$ -	\$ -	\$ 10,763,343	\$ 10,763,343
Nonmajor Funds	<u>57,296,793</u>	<u>-</u>	<u>(10,763,343)</u>	<u>46,533,450</u>
Total Governmental Funds	<u>\$ 57,296,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,296,793</u>
Proprietary Funds				
Internal Service Funds				
Warehouse	\$ 191,037	\$ (40,441)	\$ -	\$ 150,596
Self-Insurance Health	(21,813,185)	(66,587)	-	(21,879,772)
Self-Insurance Property	<u>350</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total Internal Service Funds	<u>\$ (21,621,798)</u>	<u>\$ (107,028)</u>	<u>\$ -</u>	<u>\$ (21,728,826)</u>

Note 15 - Commitments and Contingencies

At year-end, the District had commitments related to construction projects totaling approximately \$3,774,000.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Presently there are no significant outstanding lawsuits. In the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 16 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; professional liability (i.e., errors and omissions); workers compensation (i.e., employee injuries); medical insurance costs; and environmental damages. A variety of methods is used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for theft, damage or destruction of assets, professional liabilities and employee medical costs. The District participates in the Montana Schools Group's Workers' Compensation Risk Retention Program, a state-wide public risk pool currently operating as a common risk management and insurance program for the member school districts. The District pays quarterly premiums for its employee injury insurance coverage. The agreement for formation of the pool provides that it will be self-sustaining through member premiums. There are no deductibles or maximum coverage limits in the plan. Given lack of coverage available, the District has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the commercial policies have remained relatively constant for the last several years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Required Supplementary Information
June 30, 2025

Billings Public Schools

Billings Public Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis
Revenues					
Property taxes	\$ 36,805,840	\$ 36,805,840	\$ 35,932,550	\$ -	\$ 35,932,550
Intergovernmental:					
State aid	86,586,564	86,586,564	87,140,182	-	87,140,182
State other	12,109,739	12,109,739	11,213,479	3,768,201	14,981,680
Tuition and fees	225,000	225,000	468,087	-	468,087
Interest	200,359	200,359	163,351	507,053	670,404
Miscellaneous	484	484	138,619	-	138,619
Total revenues	135,927,986	135,927,986	135,056,268	4,275,254	139,331,522
Expenditures					
Current					
Instruction	85,930,135	85,930,135	84,588,623	3,795,983	88,384,606
Support services					
Students	8,056,198	8,056,198	7,469,795	375,420	7,845,215
Instructional staff	7,426,912	7,426,912	7,973,553	184,614	8,158,167
General administration	3,412,495	3,412,495	3,381,346	15,840	3,397,186
School administration	10,615,373	10,615,373	11,134,375	283,777	11,418,152
Business services	2,959,514	2,959,514	2,278,830	71,034	2,349,864
Operating and maintenance	14,405,098	14,405,098	13,697,986	2,328,310	16,026,296
Student transportation	355	355	128,775	23,570	152,345
Food services	-	-	8,631	724	9,355
Extracurricular	2,818,065	2,818,065	2,732,443	43,520	2,775,963
Capital outlay	303,306	303,306	334,714	577,130	911,844
Debt Service					
Principal	-	-	424,778	-	424,778
Interest	-	-	18,404	-	18,404
Total expenditures	135,927,451	135,927,451	134,172,253	7,699,922	141,872,175
Excess (Deficiency) of Revenues over (under) Expenditures	535	535	884,015	(3,424,668)	(2,540,653)
Other Financing Sources					
Leases issued	-	-	-	142,383	142,383
Net Change in Fund Balance	\$ 535	\$ 535	884,015	(3,282,285)	(2,398,270)
Fund Balance, Beginning of Year			14,937,285	18,082,627	33,019,912
Fund Balance, End of Year			\$ 15,821,300	\$ 14,800,342	\$ 30,621,642

Billings Public Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Elementary General Subfund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 23,699,828	\$ 23,699,828	\$ 23,073,353	\$ -	\$ 23,073,353
Intergovernmental:					
State aid	54,862,070	54,862,070	54,882,884	-	54,882,884
State other	8,038,611	8,038,611	7,991,441	-	7,991,441
Tuition and fees	225,000	225,000	394,006	-	394,006
Interest	104,299	104,299	78,795	-	78,795
Miscellaneous	484	484	86,066	-	86,066
Total revenues	<u>86,930,292</u>	<u>86,930,292</u>	<u>86,506,545</u>	<u>-</u>	<u>86,506,545</u>
Expenditures					
Current					
Instruction	56,145,097	56,145,097	54,894,836	852,396	55,747,232
Support services					
Students	5,535,880	5,535,880	5,121,348	-	5,121,348
Instructional staff	5,254,430	5,255,764	5,459,870	-	5,459,870
General administration	2,215,112	2,215,112	2,236,984	-	2,236,984
School administration	6,439,439	6,439,439	6,842,780	-	6,842,780
Business services	1,337,115	1,337,115	1,534,429	-	1,534,429
Operating and maintenance	8,920,891	8,974,991	8,408,562	1,147,604	9,556,166
Student transportation	355	355	59,831	-	59,831
Extracurricular	808,541	808,541	724,419	-	724,419
Capital outlay	272,924	217,490	111,147	142,383	253,530
Debt Service					
Principal	-	-	424,778	-	424,778
Interest	-	-	18,404	-	18,404
Total expenditures	<u>86,929,784</u>	<u>86,929,784</u>	<u>85,837,388</u>	<u>2,142,383</u>	<u>87,979,771</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>508</u>	<u>508</u>	<u>669,157</u>	<u>(2,142,383)</u>	<u>(1,473,226)</u>
Other Financing Sources (Uses)					
Intrafund transfer out	-	-	(24,752)	-	(24,752)
Leases issued	-	-	-	142,383	142,383
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(24,752)</u>	<u>142,383</u>	<u>117,631</u>
Net Change in Fund Balance	<u>\$ 508</u>	<u>\$ 508</u>	<u>644,405</u>	<u>(2,000,000)</u>	<u>(1,355,595)</u>
Fund Balance, Beginning of Year			<u>8,431,628</u>	<u>10,140,122</u>	<u>18,571,750</u>
Fund Balance, End of Year			<u>\$ 9,076,033</u>	<u>\$ 8,140,122</u>	<u>\$ 17,216,155</u>

Billings Public Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
High School General Subfund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 13,106,012	\$ 13,106,012	\$ 12,859,197	\$ -	\$ 12,859,197
Intergovernmental:					
State aid	31,724,494	31,724,494	32,257,298	-	32,257,298
State other	4,071,128	4,071,128	3,222,038	3,768,201	6,990,239
Tuition and fees	-	-	74,081	-	74,081
Interest	96,060	96,060	84,556	507,053	591,609
Miscellaneous	-	-	52,553	-	52,553
Total revenues	<u>48,997,694</u>	<u>48,997,694</u>	<u>48,549,723</u>	<u>4,275,254</u>	<u>52,824,977</u>
Expenditures					
Current					
Instruction	29,785,038	29,785,038	29,693,787	2,943,587	32,637,374
Support services					
Students	2,520,318	2,520,318	2,348,447	375,420	2,723,867
Instructional staff	2,172,482	2,171,148	2,513,683	184,614	2,698,297
General administration	1,197,383	1,197,383	1,144,362	15,840	1,160,202
School administration	4,175,934	4,175,934	4,291,595	283,777	4,575,372
Business services	1,622,399	1,622,399	744,401	71,034	815,435
Operating and maintenance	5,484,207	5,430,107	5,289,424	1,180,706	6,470,130
Student transportation	-	-	68,944	23,570	92,514
Food services	-	-	8,631	724	9,355
Extracurricular	2,009,524	2,009,524	2,008,024	43,520	2,051,544
Capital outlay	30,382	85,816	223,567	434,747	658,314
Total expenditures	<u>48,997,667</u>	<u>48,997,667</u>	<u>48,334,865</u>	<u>5,557,539</u>	<u>53,892,404</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>27</u>	<u>27</u>	<u>214,858</u>	<u>(1,282,285)</u>	<u>(1,067,427)</u>
Other Financing Sources					
Intrafund transfer in	-	-	24,752	-	24,752
Net Change in Fund Balance	<u>\$ 27</u>	<u>\$ 27</u>	239,610	(1,282,285)	(1,042,675)
Fund Balance, Beginning of Year			6,505,657	7,942,505	14,448,162
Fund Balance, End of Year			<u>\$ 6,745,267</u>	<u>\$ 6,660,220</u>	<u>\$ 13,405,487</u>

Billings Public Schools
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
June 30, 2025

Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 1,474,162	\$ 1,166,066	\$ 1,149,011	\$ 810,957	\$ 785,194	\$ 576,599	\$ 512,336	\$ 493,247
Interest	1,272,060	1,040,017	971,878	517,659	511,008	680,500	697,191	704,950
Changes of Assumptions	(4,118,413)	266,076	(349,206)	(3,410,906)	155,224	2,779,526	916,666	(703,610)
Differences Between Expected and Actual Experience	-	1,969,746	-	5,905,532	-	252,464	-	-
Benefit Payments	(1,217,945)	(533,399)	(965,213)	(380,429)	(887,569)	(748,461)	(777,315)	(651,000)
Net Change in Total OPEB Liability	(2,590,136)	3,908,506	806,470	3,442,813	563,857	3,540,628	1,348,878	(156,413)
Total OPEB Liability - Beginning	31,502,756	27,594,250	26,787,780	23,344,967	22,781,110	19,240,482	17,891,604	18,048,017
Total OPEB Liability - Ending	<u>\$ 28,912,620</u>	<u>\$ 31,502,756</u>	<u>\$ 27,594,250</u>	<u>\$ 26,787,780</u>	<u>\$ 23,344,967</u>	<u>\$ 22,781,110</u>	<u>\$ 19,240,482</u>	<u>\$ 17,891,604</u>
Covered-Employee Payroll	\$ 127,589,461	\$ 100,032,074	\$ 109,347,000	\$ 105,648,949	\$ 105,167,000	\$ 102,103,671	\$ 97,001,542	\$ 105,916,268
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	22.66%	31.49%	25.24%	25.36%	22.20%	22.31%	19.84%	16.89%

*GASB Statements No. 74/75 require ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Changes in the District's Total OPEB Liability and Related Ratios

2025 Changes

Changes in Actuarial Assumptions

- The discount rate was updated from 3.93% to 5.20%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2024 Changes

Changes in Actuarial Assumptions

- The discount rate was updated from 3.65% to 3.93%.
- The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The retirement and termination rates were updated to the Teachers' Retirement System of Montana Actuarial Valuation and the Public Employees' Retirement System of Montana as of June 30, 2023.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Billings Public Schools
Schedule of Changes in Total Pension Liability
June 30, 2025

**Schedule of Changes in Total Pension Liability
Last 10 Fiscal Years ***

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 1,767,781	\$ 1,771,794	\$ 1,827,457	\$ 2,682,167	\$ 2,667,816	\$ 2,160,877	\$ 1,985,177	\$ 2,073,882	\$ 2,248,910
Interest on total pension liability	1,116,460	1,071,807	1,079,188	866,302	845,166	1,258,499	1,460,740	1,346,429	1,106,008
Effect of plan changes	2,478,848	-	-	(6,407,578)	(35,020)	-	-	-	-
Difference between expected and actual experience	1,650,450	-	563,624	-	1,455,212	-	35,046	-	-
Assumption changes	(664,035)	(452,120)	(573,105)	(2,698,700)	160,726	2,712,534	(1,335,500)	(600,187)	(1,525,869)
Benefit payments	<u>(3,210,053)</u>	<u>(3,476,487)</u>	<u>(4,440,965)</u>	<u>(2,749,850)</u>	<u>(2,987,658)</u>	<u>(5,686,070)</u>	<u>(2,557,152)</u>	<u>(2,635,849)</u>	<u>(3,068,849)</u>
Net change in total pension liability	3,139,451	(1,085,006)	(1,543,801)	(8,307,659)	2,106,242	445,840	(411,689)	184,275	(1,239,800)
Total pension liability - beginning	<u>28,230,421</u>	<u>29,315,427</u>	<u>30,859,228</u>	<u>39,166,887</u>	<u>37,060,645</u>	<u>36,614,805</u>	<u>37,026,494</u>	<u>36,842,219</u>	<u>38,082,019</u>
Total pension liability - ending	<u>\$ 31,369,872</u>	<u>\$ 28,230,421</u>	<u>\$ 29,315,427</u>	<u>\$ 30,859,228</u>	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>

* GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

Billings Public Schools
Schedule of Total Pension Liability
June 30, 2025

**Schedule of Total Pension Liability
Last 10 Fiscal Years ***

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service credit	\$ 11,836,805	\$ 12,211,465	\$ 12,828,758	\$ 13,462,869	\$ 17,420,583	\$ 16,862,166	\$ 16,505,861	\$ 16,463,334	\$ 16,229,698
Option 1	19,533,067	16,018,956	16,486,669	17,396,359	21,746,304	20,198,479	20,108,944	20,563,160	20,612,521
Total pension liability	<u>\$ 31,369,872</u>	<u>\$ 28,230,421</u>	<u>\$ 29,315,427</u>	<u>\$ 30,859,228</u>	<u>\$ 39,166,887</u>	<u>\$ 37,060,645</u>	<u>\$ 36,614,805</u>	<u>\$ 37,026,494</u>	<u>\$ 36,842,219</u>
Covered-employee payroll	<u>\$ 113,668,308</u>	<u>\$ 102,755,737</u>	<u>\$ 100,539,554</u>	<u>\$ 107,034,106</u>	<u>\$ 102,033,339</u>	<u>\$ 104,682,288</u>	<u>\$ 98,241,729</u>	<u>\$ 94,097,244</u>	<u>\$ 88,498,935</u>
Total pension liability as a percentage of covered-employee payroll	27.60%	27.47%	29.16%	28.83%	38.39%	35.40%	37.27%	39.35%	41.63%

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

* GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full 10- year trend is compiled, the District will present information for those years for which information is available.

Notes to the Schedule of Changes in Total Pension Liability and Schedule of Total Pension Liability

2025 Changes

Changes in Actuarial Assumptions

- The discount rate was updated from 3.93% to 5.20%.
- The assumed election rate for TRS Option 1 was changed from 90% to 98%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2024 Changes

Changes in Actuarial Assumptions

- The discount rate was updated from 3.65% to 3.93%.
- The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- The retirement and termination rates were updated to the Teachers' Retirement System of Montana Actuarial Valuation and the Public Employees' Retirement System of Montana as of June 30, 2023.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Billings Public Schools
Schedule of Proportionate Share of Net Pension Liability
June 30, 2025

Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated With District (b)	Total (d) (a+b)	Employer's Covered Payroll (e)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/e)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
TRS	6/30/2016	5.98290%	\$ 98,299,904	\$ 65,807,012	\$ 164,106,916	\$ 75,956,754	129.4%	69.3%
TRS	6/30/2017	5.99460%	109,511,465	71,342,769	180,854,234	78,169,994	140.1%	66.7%
TRS	6/30/2018	6.14120%	103,545,175	65,725,830	169,271,005	81,000,456	127.8%	70.1%
TRS	6/30/2019	6.34080%	117,692,051	73,090,742	190,782,793	84,831,987	138.7%	69.1%
TRS	6/30/2020	6.61650%	127,583,357	77,237,394	204,820,751	90,552,432	140.9%	68.6%
TRS	6/30/2021	6.66630%	149,954,757	88,683,129	238,637,886	91,772,771	163.4%	65.0%
TRS	6/30/2022	6.59420%	109,234,672	62,331,303	171,565,975	93,993,652	116.2%	75.5%
TRS	6/30/2023	6.64060%	130,609,185	72,154,222	202,763,407	97,483,626	134.0%	70.6%
TRS	6/30/2024	6.55090%	126,920,581	68,627,138	195,547,719	97,426,286	130.3%	71.8%
TRS	6/30/2025	6.52720%	122,303,339	64,875,169	187,178,508	98,081,735	124.7%	73.3%
PERS	6/30/2016	1.05360%	\$ 14,727,804	\$ 692,057	\$ 15,419,861	\$ 12,712,639	115.9%	78.4%
PERS	6/30/2017	1.03680%	17,659,729	825,338	18,485,067	12,837,782	137.6%	74.7%
PERS	6/30/2018	1.02230%	19,909,929	949,347	20,859,276	13,105,064	151.9%	73.8%
PERS	6/30/2019	0.80150%	16,728,740	6,178,075	22,906,815	13,618,226	122.8%	73.5%
PERS	6/30/2020	0.82980%	17,344,689	6,192,840	23,537,529	14,136,849	122.7%	73.9%
PERS	6/30/2021	0.81660%	21,542,431	7,462,116	29,004,547	14,387,296	149.7%	68.9%
PERS	6/30/2022	0.81550%	14,786,325	4,813,958	19,600,283	14,781,730	100.0%	79.9%
PERS	6/30/2023	0.80730%	19,196,931	6,323,761	25,520,692	14,521,890	132.2%	73.7%
PERS	6/30/2024	0.75293%	18,374,147	5,634,526	24,008,673	14,385,634	127.7%	73.9%
PERS	6/30/2025	0.73394%	17,950,351	5,198,330	23,148,681	14,769,508	121.5%	74.8%

Billings Public Schools
Schedule of Contributions
June 30, 2025

**Schedule of Contributions
Last 10 Fiscal Years**

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
TRS	6/30/2016	\$ 9,205,589	\$ 9,205,589	\$ -	\$ 78,169,994	11.78%
TRS	6/30/2017	8,828,344	8,828,344	-	81,000,456	10.90%
TRS	6/30/2018	9,059,455	9,059,455	-	84,831,987	10.68%
TRS	6/30/2019	9,420,595	9,420,595	-	90,552,432	10.40%
TRS	6/30/2020	11,743,767	11,743,767	-	91,772,771	12.80%
TRS	6/30/2021	10,128,765	10,128,765	-	93,993,652	10.78%
TRS	6/30/2022	10,402,386	10,402,386	-	97,483,626	10.67%
TRS	6/30/2023	11,667,955	11,667,955	-	97,426,286	11.98%
TRS	6/30/2024	11,125,694	11,125,694	-	98,081,735	11.34%
TRS	6/30/2025	12,041,529	12,041,529	-	106,016,062	11.36%
PERS	6/30/2016	\$ 1,049,999	\$ 1,049,999	\$ -	\$ 12,837,782	8.18%
PERS	6/30/2017	1,061,441	1,061,441	-	13,105,064	8.0995%
PERS	6/30/2018	1,116,460	1,116,460	-	13,618,226	8.1983%
PERS	6/30/2019	1,177,521	1,177,521	-	14,136,849	8.3294%
PERS	6/30/2020	1,200,339	1,200,339	-	14,387,296	8.3430%
PERS	6/30/2021	1,276,502	1,276,502	-	14,781,730	8.6357%
PERS	6/30/2022	1,261,790	1,261,790	-	14,521,890	8.6889%
PERS	6/30/2023	1,266,111	1,266,111	-	14,385,634	8.8012%
PERS	6/30/2024	1,310,287	1,310,287	-	14,769,508	8.8716%
PERS	6/30/2025	1,359,962	1,359,962	-	15,454,569	8.7997%

Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

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 2024:

- There were no changes in actuarial assumptions.

The following changes to the actuarial assumptions were adopted in 2023:

- There were no changes in actuarial assumptions.

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%.

- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
- For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.
- The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated.
- Termination rates were updated.
- Rates of salary increases were updated.

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

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

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

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three-year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 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%.
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.

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

Method and assumptions used in calculations of actuarially determined contributions:

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

Public Employees Retirement System

2017 Legislative Changes

Working Retiree Limitations

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

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2025, which were based on the results of the June 30, 2024 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% 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 (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.

Other Supplementary Information
June 30, 2025

Billings Public Schools

Billings Public Schools

Description of Fund

General Fund

June 30, 2025

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

Billings Public Schools
Combining Balance Sheet
General Fund
June 30, 2025

	Elementary General Subfund	High School General Subfund	Totals
Assets			
Cash and cash equivalents	\$ 16,601,619	\$ 15,945,090	\$ 32,546,709
Receivables			
Property taxes	1,062,191	564,462	1,626,653
Other	558,151	98,965	657,116
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 18,221,961</u>	<u>\$ 16,608,517</u>	<u>\$ 34,830,478</u>
Liabilities			
Accounts payable	\$ -	\$ 1,720,099	\$ 1,720,099
Retainage payable	-	76,577	76,577
Salaries payable	451,688	1,141,261	1,592,949
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>451,688</u>	<u>2,937,937</u>	<u>3,389,625</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	554,118	265,093	819,211
	<u> </u>	<u> </u>	<u> </u>
Fund Balance			
Assigned	10,476	-	10,476
Unassigned	17,205,679	13,405,487	30,611,166
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>17,216,155</u>	<u>13,405,487</u>	<u>30,621,642</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 18,221,961</u>	<u>\$ 16,608,517</u>	<u>\$ 34,830,478</u>

Billings Public Schools
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended June 30, 2025

	Elementary General Subfund	High School General Subfund	Totals
Revenues			
Property taxes	\$ 23,073,353	\$ 12,859,197	\$ 35,932,550
Intergovernmental:			
State aid	54,882,884	32,257,298	87,140,182
State other	7,991,441	6,990,239	14,981,680
Tuition and fees	394,006	74,081	468,087
Interest	78,795	591,609	670,404
Miscellaneous	86,066	52,553	138,619
Total revenues	<u>86,506,545</u>	<u>52,824,977</u>	<u>139,331,522</u>
Expenditures			
Current			
Instruction	55,747,232	32,637,374	88,384,606
Support services			
Students	5,121,348	2,723,867	7,845,215
Instructional staff	5,459,870	2,698,297	8,158,167
General administration	2,236,984	1,160,202	3,397,186
School administration	6,842,780	4,575,372	11,418,152
Business services	1,534,429	815,435	2,349,864
Operating and maintenance	9,556,166	6,470,130	16,026,296
Student transportation	59,831	92,514	152,345
Food services	-	9,355	9,355
Extracurricular	724,419	2,051,544	2,775,963
Capital outlay	253,530	658,314	911,844
Debt Service			
Principal	424,778	-	424,778
Interest	18,404	-	18,404
Total expenditures	<u>87,979,771</u>	<u>53,892,404</u>	<u>141,872,175</u>
Deficiency of Revenues under Expenditures	(1,473,226)	(1,067,427)	(2,540,653)
Other Financing Sources (Uses)			
Intrafund transfer in	-	24,752	24,752
Intrafund transfer out	(24,752)	-	(24,752)
Leases issued	142,383	-	142,383
Total other financing sources (uses)	<u>117,631</u>	<u>24,752</u>	<u>142,383</u>
Net Change in Fund Balance	(1,355,595)	(1,042,675)	(2,398,270)
Fund Balance, Beginning of Year	<u>18,571,750</u>	<u>14,448,162</u>	<u>33,019,912</u>
Fund Balance, End of Year	<u>\$ 17,216,155</u>	<u>\$ 13,405,487</u>	<u>\$ 30,621,642</u>

Billings Public Schools
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Major Debt Service Fund
Elementary Debt Service Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 9,728,997	\$ 9,728,997	\$ 9,469,103	\$ -	\$ 9,469,103
Intergovernmental:					
State other	-	-	2,082,302	-	2,082,302
Federal	563,000	563,000	556,561	-	556,561
Interest	-	-	235,705	-	235,705
Total revenues	<u>10,291,997</u>	<u>10,291,997</u>	<u>12,343,671</u>	<u>-</u>	<u>12,343,671</u>
Expenditures					
Debt Service					
Principal	7,915,378	7,915,378	7,560,000	-	7,560,000
Interest	<u>2,376,619</u>	<u>2,376,619</u>	<u>2,374,119</u>	<u>-</u>	<u>2,374,119</u>
Total expenditures	<u>10,291,997</u>	<u>10,291,997</u>	<u>9,934,119</u>	<u>-</u>	<u>9,934,119</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,409,552	-	2,409,552
Fund Balance, Beginning of Year			<u>10,763,343</u>	<u>-</u>	<u>10,763,343</u>
Fund Balance, End of Year			<u>\$ 13,172,895</u>	<u>\$ -</u>	<u>\$ 13,172,895</u>

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Budgeted

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

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

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

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

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

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

Non-Budgeted

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

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

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

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

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

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

Debt Service Funds

The Debt Service Funds account for the accumulation of property taxes and other revenues for the periodic payment of interest and principal of general obligation and certain special improvement district bonds or warrants and related servicing costs. The following is a list of non-major debt service funds.

Budgeted:

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

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed in proprietary fund types.

Budgeted:

Building Reserve Fund – (Elementary and High School) To account for the financial resources segregated for the acquisition, construction or repair of major capital facilities.

Nonbudgeted:

Building Fund – (Elementary and High School) To account for the proceeds of bonds, insurance proceeds for damaged property or the sale or rental of property.

Billings Public Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 25,520,323	\$ 9,359,560	\$ 7,713,605	\$ 42,593,488
Receivables				
Property taxes, net	864,325	15,720	38,203	918,248
Governments	524,911	252,342	-	777,253
Other	115,483	-	2,613	118,096
Total assets	<u>\$ 27,025,042</u>	<u>\$ 9,627,622</u>	<u>\$ 7,754,421</u>	<u>\$ 44,407,085</u>
Liabilities				
Accounts payable	\$ 444,155	\$ 12,658	\$ 117,351	\$ 574,164
Retainage payable	-	-	37,041	37,041
Due to other governmental units	-	52,736	-	52,736
Salaries payable	276,230	-	3,857	280,087
Unearned revenue	147,069	-	-	147,069
Total liabilities	<u>867,454</u>	<u>65,394</u>	<u>158,249</u>	<u>1,091,097</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>411,356</u>	<u>7,549</u>	<u>19,389</u>	<u>438,294</u>
Fund Balance				
Restricted	20,499,844	9,554,679	7,576,783	37,631,306
Committed	4,484,703	-	-	4,484,703
Assigned	761,685	-	-	761,685
Total fund balance	<u>25,746,232</u>	<u>9,554,679</u>	<u>7,576,783</u>	<u>42,877,694</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 27,025,042</u>	<u>\$ 9,627,622</u>	<u>\$ 7,754,421</u>	<u>\$ 44,407,085</u>

Billings Public Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Property taxes	\$ 19,186,518	\$ 359,040	\$ 841,912	\$ 20,387,470
Intergovernmental				
County	21,019,163	-	-	21,019,163
State aid	41,510	198,756	-	240,266
State other	1,584,099	-	1,052,200	2,636,299
Federal	5,266,972	502,968	-	5,769,940
Tuition and fees	635,643	-	-	635,643
Charges for services	5,448,987	-	83,088	5,532,075
Interest	935,367	120,115	283,120	1,338,602
Miscellaneous	1,487,100	-	-	1,487,100
Total revenues	55,605,359	1,180,879	2,260,320	59,046,558
Expenditures				
Current				
Instruction	23,948,169	-	-	23,948,169
Support services				
Students	5,679,609	-	-	5,679,609
Instructional staff	2,790,951	-	-	2,790,951
General administration	123,691	-	-	123,691
School administration	2,823,911	-	-	2,823,911
Business services	296,760	-	26,495	323,255
Operations and maintenance	1,294,950	-	785,117	2,080,067
Student transportation	9,796,254	-	-	9,796,254
Food services	7,654,703	-	-	7,654,703
Extracurricular activities	3,989,575	-	-	3,989,575
Capital outlay	1,263,670	-	1,654,792	2,918,462
Debt service				
Interest	-	573,667	-	573,667
Total expenditures	59,662,243	573,667	2,466,404	62,702,314
Excess (Deficiency) of Revenues over (under) Expenditures	(4,056,884)	607,212	(206,084)	(3,655,756)
Other Financing Sources (Uses)				
Transfer in	29,836	-	-	29,836
Transfer out	(29,836)	-	-	(29,836)
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(4,056,884)	607,212	(206,084)	(3,655,756)
Fund Balance, Beginning of Year, as previously reported	29,803,116	19,710,810	7,782,867	57,296,793
Adjustments (Note 14)	-	(10,763,343)	-	(10,763,343)
Fund Balance, Beginning of Year, as restated	29,803,116	8,947,467	7,782,867	46,533,450
Fund Balance, End of Year	\$ 25,746,232	\$ 9,554,679	\$ 7,576,783	\$ 42,877,694

Billings Public Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition	Elementary Retirement	High School Retirement
Assets							
Cash and cash equivalents	\$ 1,232,037	\$ 590,314	\$ 2,174,635	\$ 1,110	\$ 3,677	\$ 3,721,001	\$ 1,684,244
Receivables							
Property taxes, net	254,309	113,719	-	256,095	58,710	-	-
Governments	-	-	246,315	-	-	-	-
Other	15,600	-	94,054	-	-	-	-
Total assets	\$ 1,501,946	\$ 704,033	\$ 2,515,004	\$ 257,205	\$ 62,387	\$ 3,721,001	\$ 1,684,244
Liabilities							
Accounts payable	\$ -	\$ -	\$ 444,155	\$ -	\$ -	\$ -	\$ -
Salaries payable	9,186	3,381	634	1,110	3,677	115,402	51,408
Unearned revenue	-	-	147,069	-	-	-	-
Total liabilities	9,186	3,381	591,858	1,110	3,677	115,402	51,408
Deferred Inflows of Resources							
Unavailable revenue-property taxes	132,400	52,821	-	132,618	14,863	-	-
Fund Balance							
Restricted	1,360,360	647,831	1,923,146	123,477	43,847	3,605,599	1,632,836
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balance	1,360,360	647,831	1,923,146	123,477	43,847	3,605,599	1,632,836
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,501,946	\$ 704,033	\$ 2,515,004	\$ 257,205	\$ 62,387	\$ 3,721,001	\$ 1,684,244

Billings Public Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education	High School Traffic Education	High School Lease Rental	Elementary Flexibility	High School Flexibility
Assets							
Cash and cash equivalents	\$ 2,470,864	\$ 364,627	\$ 785,635	\$ 203,109	\$ 543	\$ 1,215,399	\$ 2,442,913
Receivables							
Property taxes, net	-	29,748	50,513	-	-	191	161
Governments	158,586	-	-	120,010	-	-	-
Other	-	-	-	-	-	-	-
Total assets	\$ 2,629,450	\$ 394,375	\$ 836,148	\$ 323,119	\$ 543	\$ 1,215,590	\$ 2,443,074
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries payable	2,621	6,465	18,483	34,294	-	-	803
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	2,621	6,465	18,483	34,294	-	-	803
Deferred Inflows of Resources							
Unavailable revenue-property taxes	-	15,457	23,657	-	-	179	145
Fund Balance							
Restricted	1,865,144	372,453	794,008	288,825	543	1,113,153	1,107,322
Committed	-	-	-	-	-	102,258	1,334,804
Assigned	761,685	-	-	-	-	-	-
Total fund balance	2,626,829	372,453	794,008	288,825	543	1,215,411	2,442,126
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,629,450	\$ 394,375	\$ 836,148	\$ 323,119	\$ 543	\$ 1,215,590	\$ 2,443,074

Billings Public Schools
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2025

	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust	Elementary Technology	High School Technology	Total
Assets							
Cash and cash equivalents	\$ 551,042	\$ 2,964,990	\$ 1,067,598	\$ 1,983,713	\$ 1,513,944	\$ 548,928	\$ 25,520,323
Receivables							
Property taxes, net	-	-	-	-	53,700	47,179	864,325
Governments	-	-	-	-	-	-	524,911
Other	-	-	5,649	180	-	-	115,483
Total assets	\$ 551,042	\$ 2,964,990	\$ 1,073,247	\$ 1,983,893	\$ 1,567,644	\$ 596,107	\$ 27,025,042
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,155
Salaries payable	150	4,905	5,649	3,850	5,387	8,825	276,230
Unearned revenue	-	-	-	-	-	-	147,069
Total liabilities	150	4,905	5,649	3,850	5,387	8,825	867,454
Deferred Inflows of Resources							
Unavailable revenue-property taxes	-	-	-	-	28,174	11,042	411,356
Fund Balance							
Restricted	550,892	2,960,085	-	-	1,534,083	576,240	20,499,844
Committed	-	-	1,067,598	1,980,043	-	-	4,484,703
Assigned	-	-	-	-	-	-	761,685
Total fund balance	550,892	2,960,085	1,067,598	1,980,043	1,534,083	576,240	25,746,232
Total liabilities, deferred inflows of resources, and fund balance	\$ 551,042	\$ 2,964,990	\$ 1,073,247	\$ 1,983,893	\$ 1,567,644	\$ 596,107	\$ 27,025,042

Billings Public Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Elementary Transportation	High School Transportation	High School School Food	Elementary Tuition	High School Tuition	Elementary Retirement	High School Retirement
Revenues							
Property taxes	\$ 5,516,368	\$ 2,629,624	\$ -	\$ 5,652,360	\$ 1,336,314	\$ -	\$ -
Intergovernmental							
County	394,411	227,758	-	-	-	13,348,552	7,048,442
State aid	-	-	-	-	41,510	-	-
State other	394,411	227,758	-	-	-	-	-
Federal	-	-	4,650,250	-	-	-	-
Tuition and fees	37,637	-	-	-	23,358	-	-
Charges for services	-	-	1,718,663	-	-	-	-
Interest	32,599	13,735	95,085	5,052	2,819	72,593	33,729
Miscellaneous	51,011	-	346,123	2,767	-	-	-
Total revenues	6,426,437	3,098,875	6,810,121	5,660,179	1,404,001	13,421,145	7,082,171
Expenditures							
Current							
Instruction	-	-	-	3,061,445	1,018,434	9,465,941	5,034,188
Support services							
Students	-	-	-	2,345,406	600,223	1,195,404	458,625
Instructional staff	-	-	-	112,040	55,153	793,081	361,945
General administration	-	-	-	-	-	55,108	62,105
School administration	192,145	94,824	-	63,395	24,178	1,105,464	665,754
Business services	-	-	-	-	-	191,248	105,512
Operations and maintenance	4,425	2,297	-	-	-	775,774	415,447
Student transportation	6,531,105	3,014,705	-	-	-	182,872	67,572
Food services	-	-	7,639,905	-	-	-	14,798
Extracurricular activities	-	-	-	-	-	102,102	214,948
Capital outlay	-	-	113,046	-	-	-	-
Total expenditures	6,727,675	3,111,826	7,752,951	5,582,286	1,697,988	13,866,994	7,400,894
Excess (Deficiency) of Revenues over (under) Expenditures	(301,238)	(12,951)	(942,830)	77,893	(293,987)	(445,849)	(318,723)
Other Financing Uses							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-	-
Net Change in Fund Balance	(301,238)	(12,951)	(942,830)	77,893	(293,987)	(445,849)	(318,723)
Fund Balance, Beginning of Year	1,661,598	660,782	2,865,976	45,584	337,834	4,051,448	1,951,559
Fund Balance, End of Year	\$ 1,360,360	\$ 647,831	\$ 1,923,146	\$ 123,477	\$ 43,847	\$ 3,605,599	\$ 1,632,836

Billings Public Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	High School Miscellaneous Programs	Elementary Adult Education	High School Adult Education	High School Traffic Education	High School Lease Rental	Elementary Flexibility	High School Flexibility
Revenues							
Property taxes	\$ -	\$ 650,865	\$ 1,156,800	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
County	-	-	-	-	-	-	-
State aid	-	-	-	-	-	-	-
State other	247,540	-	-	65,034	-	141,065	406,158
Federal	616,722	-	-	-	-	-	-
Tuition and fees	-	7,295	200,710	361,433	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	-	6,045	16,125	4,943	12	61,831	72,803
Miscellaneous	220,968	1,676	347	295	-	-	7
Total revenues	1,085,230	665,881	1,373,982	431,705	12	202,896	478,968
Expenditures							
Current							
Instruction	591,392	334,234	534,406	557,483	-	1,361,253	508,330
Support services							
Students	76,527	70,410	247,185	-	-	16,438	34,745
Instructional staff	97,941	2,838	30	-	-	231,022	275,294
General administration	-	-	-	-	-	4,340	2,138
School administration	930	76,996	591,984	-	-	-	-
Business services	-	-	-	-	-	-	-
Operations and maintenance	12,769	45,557	32,610	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-
Capital outlay	344,297	1,920	-	-	-	192,637	96,318
Total expenditures	1,123,856	531,955	1,406,215	557,483	-	1,805,690	916,825
Excess (Deficiency) of Revenues over (under) Expenditures	(38,626)	133,926	(32,233)	(125,778)	12	(1,602,794)	(437,857)
Other Financing Sources (Uses)							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net Change in Fund Balance	(38,626)	133,926	(32,233)	(125,778)	12	(1,602,794)	(437,857)
Fund Balance, Beginning of Year	2,665,455	238,527	826,241	414,603	531	2,818,205	2,879,983
Fund Balance, End of Year	\$ 2,626,829	\$ 372,453	\$ 794,008	\$ 288,825	\$ 543	\$ 1,215,411	\$ 2,442,126

Billings Public Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Elementary Extracurricular	High School Extracurricular	Elementary Miscellaneous Trust	High School Miscellaneous Trust	Elementary Technology	High School Technology	Total
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,167,631	\$ 1,076,556	\$ 19,186,518
Intergovernmental							
County	-	-	-	-	-	-	21,019,163
State aid	-	-	-	-	-	-	41,510
State other	-	-	-	-	64,544	37,589	1,584,099
Federal	-	-	-	-	-	-	5,266,972
Tuition and fees	-	-	-	5,210	-	-	635,643
Charges for services	655,427	3,067,252	7,645	-	-	-	5,448,987
Interest	10,729	60,693	20,552	50,025	204,890	171,107	935,367
Miscellaneous	8,059	3,906	441,077	392,923	1,128	16,813	1,487,100
Total revenues	674,215	3,131,851	469,274	448,158	1,438,193	1,302,065	55,605,359
Expenditures							
Current							
Instruction	10,107	4,220	93,451	64,833	717,642	590,810	23,948,169
Support services							
Students	9,810	774	339,622	284,245	195	-	5,679,609
Instructional staff	4,953	383	2,997	2,233	461,092	389,949	2,790,951
General administration	-	-	-	-	-	-	123,691
School administration	-	555	7,686	-	-	-	2,823,911
Business services	-	-	-	-	-	-	296,760
Operations and maintenance	-	263	5,800	-	-	8	1,294,950
Student transportation	-	-	-	-	-	-	9,796,254
Food services	-	-	-	-	-	-	7,654,703
Extracurricular activities	616,498	3,050,186	4,488	1,353	-	-	3,989,575
Capital outlay	-	-	-	-	-	515,452	1,263,670
Total expenditures	641,368	3,056,381	454,044	352,664	1,178,929	1,496,219	59,662,243
Excess (Deficiency) of Revenues over (under) Expenditures	32,847	75,470	15,230	95,494	259,264	(194,154)	(4,056,884)
Other Financing Sources (Uses)							
Transfer in	29,836	-	-	-	-	-	29,836
Transfer out	-	-	(4,221)	(25,615)	-	-	(29,836)
Total other financing sources (uses)	29,836	-	(4,221)	(25,615)	-	-	-
Net Change in Fund Balance	62,683	75,470	11,009	69,879	259,264	(194,154)	(4,056,884)
Fund Balance, Beginning of Year	488,209	2,884,615	1,056,589	1,910,164	1,274,819	770,394	29,803,116
Fund Balance, End of Year	\$ 550,892	\$ 2,960,085	\$ 1,067,598	\$ 1,980,043	\$ 1,534,083	\$ 576,240	\$ 25,746,232

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Elementary Transportation Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 5,714,963	\$ 5,714,963	\$ 5,516,368	\$ -	\$ 5,516,368
Intergovernmental:					
County	452,779	452,779	394,411	-	394,411
State other	452,779	452,779	394,411	-	394,411
Tuition and fees	15,750	15,750	37,637	-	37,637
Interest	-	-	32,599	-	32,599
Miscellaneous	-	-	51,011	-	51,011
	<u>6,636,271</u>	<u>6,636,271</u>	<u>6,426,437</u>	<u>-</u>	<u>6,426,437</u>
Total revenues					
Expenditures					
Current					
Support services					
School administration	250,000	250,000	192,145		192,145
Operating and maintenance	6,200	6,200	4,425	-	4,425
Student transportation	6,658,691	6,658,691	6,531,105	-	6,531,105
	<u>6,914,891</u>	<u>6,914,891</u>	<u>6,727,675</u>	<u>-</u>	<u>6,727,675</u>
Total expenditures					
Net Change in Fund Balance	<u>\$ (278,620)</u>	<u>\$ (278,620)</u>	(301,238)	-	(301,238)
Fund Balance, Beginning of Year			1,661,598	-	1,661,598
Fund Balance, End of Year			<u>\$ 1,360,360</u>	<u>\$ -</u>	<u>\$ 1,360,360</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
High School Transportation Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 2,679,744	\$ 2,679,744	\$ 2,629,624	\$ -	\$ 2,629,624
Intergovernmental:					
County	227,758	227,758	227,758	-	227,758
State other	227,758	227,758	227,758	-	227,758
Interest	-	-	13,735	-	13,735
Total revenues	<u>3,135,260</u>	<u>3,135,260</u>	<u>3,098,875</u>	<u>-</u>	<u>3,098,875</u>
Expenditures					
Current					
Support services					
School administration	125,000	125,000	94,824	-	94,824
Operating and maintenance	2,330	2,330	2,297	-	2,297
Student transportation	<u>3,036,038</u>	<u>3,036,038</u>	<u>3,014,705</u>	<u>-</u>	<u>3,014,705</u>
Total expenditures	<u>3,163,368</u>	<u>3,163,368</u>	<u>3,111,826</u>	<u>-</u>	<u>3,111,826</u>
Net Change in Fund Balance	<u>\$ (28,108)</u>	<u>\$ (28,108)</u>	(12,951)	-	(12,951)
Fund Balance, Beginning of Year			<u>660,782</u>	<u>-</u>	<u>660,782</u>
Fund Balance, End of Year			<u>\$ 647,831</u>	<u>\$ -</u>	<u>\$ 647,831</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds

Elementary Tuition Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 5,805,562	\$ 5,805,562	\$ 5,652,360	\$ -	\$ 5,652,360
Interest	-	-	5,052	-	5,052
Miscellaneous	-	-	2,767	-	2,767
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,805,562</u>	<u>5,805,562</u>	<u>5,660,179</u>	<u>-</u>	<u>5,660,179</u>
Expenditures					
Current					
Instruction	4,260,214	4,260,214	3,061,445	-	3,061,445
Support services					
Students	1,336,290	1,336,290	2,345,406	-	2,345,406
Instructional staff	-	-	112,040	-	112,040
School administration	254,641	254,641	63,395	-	63,395
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,851,145</u>	<u>5,851,145</u>	<u>5,582,286</u>	<u>-</u>	<u>5,582,286</u>
Net Change in Fund Balance	<u>\$ (45,583)</u>	<u>\$ (45,583)</u>	77,893	-	77,893
Fund Balance, Beginning of Year			<u>45,584</u>	<u>-</u>	<u>45,584</u>
Fund Balance, End of Year			<u>\$ 123,477</u>	<u>\$ -</u>	<u>\$ 123,477</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds

High School Tuition Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 1,362,276	\$ 1,362,276	\$ 1,336,314	\$ -	\$ 1,336,314
Intergovernmental:					
State aid	-	-	41,510	-	41,510
Tuition and fees	-	-	23,358	-	23,358
Interest	-	-	2,819	-	2,819
Total revenues	<u>1,362,276</u>	<u>1,362,276</u>	<u>1,404,001</u>	<u>-</u>	<u>1,404,001</u>
Expenditures					
Current					
Instruction	1,503,776	1,503,776	1,018,434	-	1,018,434
Support services					
Students	174,939	174,939	600,223	-	600,223
Instructional staff	-	-	55,153	-	55,153
School administration	<u>21,396</u>	<u>21,396</u>	<u>24,178</u>	<u>-</u>	<u>24,178</u>
Total expenditures	<u>1,700,111</u>	<u>1,700,111</u>	<u>1,697,988</u>	<u>-</u>	<u>1,697,988</u>
Net Change in Fund Balance	<u>\$ (337,835)</u>	<u>\$ (337,835)</u>	(293,987)	-	(293,987)
Fund Balance, Beginning of Year			<u>337,834</u>	<u>-</u>	<u>337,834</u>
Fund Balance, End of Year			<u>\$ 43,847</u>	<u>\$ -</u>	<u>\$ 43,847</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds

Elementary Retirement Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Intergovernmental:					
County	\$ 13,348,552	\$ 13,348,552	\$ 13,348,552	\$ -	\$ 13,348,552
Interest	-	-	72,593	-	72,593
Total revenues	<u>13,348,552</u>	<u>13,348,552</u>	<u>13,421,145</u>	<u>-</u>	<u>13,421,145</u>
Expenditures					
Current					
Instruction	10,699,677	10,699,677	9,465,941	-	9,465,941
Support services					
Students	1,008,101	1,008,101	1,195,404	-	1,195,404
Instructional staff	738,754	738,754	793,081	-	793,081
General administration	48,087	48,087	55,108	-	55,108
School administration	971,354	971,354	1,105,464	-	1,105,464
Business services	184,166	184,166	191,248	-	191,248
Operating and maintenance	685,870	685,870	775,774	-	775,774
Student transportation	153,430	153,430	182,872	-	182,872
Extracurricular	10,559	10,559	102,102	-	102,102
Total expenditures	<u>14,499,998</u>	<u>14,499,998</u>	<u>13,866,994</u>	<u>-</u>	<u>13,866,994</u>
Net Change in Fund Balance	<u>\$ (1,151,446)</u>	<u>\$ (1,151,446)</u>	(445,849)	-	(445,849)
Fund Balance, Beginning of Year			<u>4,051,448</u>	<u>-</u>	<u>4,051,448</u>
Fund Balance, End of Year			<u>\$ 3,605,599</u>	<u>\$ -</u>	<u>\$ 3,605,599</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds

High School Retirement Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Intergovernmental:					
County	\$ 7,048,442	\$ 7,048,442	\$ 7,048,442	\$ -	\$ 7,048,442
Interest	-	-	33,729	-	33,729
Total revenues	<u>7,048,442</u>	<u>7,048,442</u>	<u>7,082,171</u>	<u>-</u>	<u>7,082,171</u>
Expenditures					
Current					
Instruction	5,502,619	5,502,619	5,034,188	-	5,034,188
Support services				-	
Students	421,065	421,065	458,625	-	458,625
Instructional staff	306,369	306,369	361,945	-	361,945
General administration	55,728	55,728	62,105	-	62,105
School administration	637,499	637,499	665,754	-	665,754
Business services	97,196	97,196	105,512	-	105,512
Operating and maintenance	374,668	374,668	415,447	-	415,447
Student transportation	60,790	60,790	67,572	-	67,572
Food services	13,445	13,445	14,798	-	14,798
Extracurricular	30,621	30,621	214,948	-	214,948
Total expenditures	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,400,894</u>	<u>-</u>	<u>7,400,894</u>
Net Change in Fund Balance	<u>\$ (451,558)</u>	<u>\$ (451,558)</u>	(318,723)	-	(318,723)
Fund Balance, Beginning of Year			<u>1,951,559</u>	<u>-</u>	<u>1,951,559</u>
Fund Balance, End of Year			<u>\$ 1,632,836</u>	<u>\$ -</u>	<u>\$ 1,632,836</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Elementary Adult Education Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 669,074	\$ 669,074	\$ 650,865	\$ -	\$ 650,865
Tuition and fees	5,000	5,000	7,295	-	7,295
Interest	-	-	6,045	-	6,045
Miscellaneous	-	-	1,676	-	1,676
Total revenues	<u>674,074</u>	<u>674,074</u>	<u>665,881</u>	<u>-</u>	<u>665,881</u>
Expenditures					
Current					
Instruction	420,654	420,654	334,234	-	334,234
Support services					
Students	61,210	61,210	70,410	-	70,410
Instructional staff	-	-	2,838	-	2,838
School administration	148,858	148,858	76,996	-	76,996
Operating and maintenance	45,277	45,277	45,557	-	45,557
Capital outlay	-	-	1,920	-	1,920
Total expenditures	<u>675,999</u>	<u>675,999</u>	<u>531,955</u>	<u>-</u>	<u>531,955</u>
Net Change in Fund Balance	<u>\$ (1,925)</u>	<u>\$ (1,925)</u>	133,926	-	133,926
Fund Balance, Beginning of Year			<u>238,527</u>	<u>-</u>	<u>238,527</u>
Fund Balance, End of Year			<u>\$ 372,453</u>	<u>\$ -</u>	<u>\$ 372,453</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
High School Adult Education Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 1,180,242	\$ 1,180,242	\$ 1,156,800	\$ -	\$ 1,156,800
Tuition and fees	150,000	150,000	200,710	-	200,710
Interest	-	-	16,125	-	16,125
Miscellaneous	-	-	347	-	347
Total revenues	<u>1,330,242</u>	<u>1,330,242</u>	<u>1,373,982</u>	<u>-</u>	<u>1,373,982</u>
Expenditures					
Current					
Instruction	589,792	589,792	534,406	-	534,406
Support services					
Students	245,481	245,481	247,185	-	247,185
Instructional staff	-	-	30	-	30
School administration	695,423	695,423	591,984	-	591,984
Operating and maintenance	40,100	40,100	32,610	-	32,610
Capital outlay	<u>26,600</u>	<u>26,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,597,396</u>	<u>1,597,396</u>	<u>1,406,215</u>	<u>-</u>	<u>1,406,215</u>
Net Change in Fund Balance	<u>\$ (267,154)</u>	<u>\$ (267,154)</u>	(32,233)	-	(32,233)
Fund Balance, Beginning of Year			<u>826,241</u>	<u>-</u>	<u>826,241</u>
Fund Balance, End of Year			<u>\$ 794,008</u>	<u>\$ -</u>	<u>\$ 794,008</u>

Billings Public Schools

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds

Elementary Flexibility Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Intergovernmental:					
State other	\$ 141,065	\$ 141,065	\$ 141,065	\$ -	\$ 141,065
Interest	-	-	61,831	-	61,831
Total revenues	<u>141,065</u>	<u>141,065</u>	<u>202,896</u>	<u>-</u>	<u>202,896</u>
Expenditures					
Current					
Instruction	2,186,388	2,186,388	1,361,253	-	1,361,253
Support services					
Students	-	-	16,438	-	16,438
Instructional staff	772,884	772,884	231,022	-	231,022
General administration	-	-	4,340	-	4,340
Capital outlay	-	-	192,637	-	192,637
Total expenditures	<u>2,959,272</u>	<u>2,959,272</u>	<u>1,805,690</u>	<u>-</u>	<u>1,805,690</u>
Net Change in Fund Balance	<u>\$ (2,818,207)</u>	<u>\$ (2,818,207)</u>	(1,602,794)	-	(1,602,794)
Fund Balance, Beginning of Year			<u>2,818,205</u>	<u>-</u>	<u>2,818,205</u>
Fund Balance, End of Year			<u>\$ 1,215,411</u>	<u>\$ -</u>	<u>\$ 1,215,411</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
High School Flexibility Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Intergovernmental:					
State other	\$ 406,158	\$ 406,158	\$ 406,158	\$ -	\$ 406,158
Interest	-	-	72,803	-	72,803
Miscellaneous	-	-	7	-	7
Total revenues	<u>406,158</u>	<u>406,158</u>	<u>478,968</u>	<u>-</u>	<u>478,968</u>
Expenditures					
Current					
Instruction	2,093,772	2,093,772	508,330	-	508,330
Support services					
Students	128,762	128,762	34,745	-	34,745
Instructional staff	1,063,607	1,063,607	275,294	-	275,294
General administration	-	-	2,138	-	2,138
Capital outlay	-	-	96,318	-	96,318
Total expenditures	<u>3,286,141</u>	<u>3,286,141</u>	<u>916,825</u>	<u>-</u>	<u>916,825</u>
Net Change in Fund Balance	<u>\$ (2,879,983)</u>	<u>\$ (2,879,983)</u>	(437,857)	-	(437,857)
Fund Balance, Beginning of Year			<u>2,879,983</u>	<u>-</u>	<u>2,879,983</u>
Fund Balance, End of Year			<u>\$ 2,442,126</u>	<u>\$ -</u>	<u>\$ 2,442,126</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Elementary Technology Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,167,631	\$ -	\$ 1,167,631
Intergovernmental:					
State other	64,544	64,544	64,544	-	64,544
Interest	-	-	204,890	-	204,890
Miscellaneous	-	-	1,128	-	1,128
Total revenues	<u>1,264,544</u>	<u>1,264,544</u>	<u>1,438,193</u>	<u>-</u>	<u>1,438,193</u>
Expenditures					
Current					
Instruction	748,366	748,366	717,642	-	717,642
Support services			-	-	-
Students	130	130	195	-	195
Instructional staff	564,766	564,766	461,092	-	461,092
Capital outlay	<u>1,226,098</u>	<u>1,226,098</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,539,360</u>	<u>2,539,360</u>	<u>1,178,929</u>	<u>-</u>	<u>1,178,929</u>
Net Change in Fund Balance	<u>\$ (1,274,816)</u>	<u>\$ (1,274,816)</u>	259,264	-	259,264
Fund Balance, Beginning of Year			<u>1,274,819</u>	<u>-</u>	<u>1,274,819</u>
Fund Balance, End of Year			<u>\$ 1,534,083</u>	<u>\$ -</u>	<u>\$ 1,534,083</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
High School Technology Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 1,099,459	\$ 1,099,459	\$ 1,076,556	\$ -	\$ 1,076,556
Intergovernmental:					
State other	37,589	37,589	37,589	-	37,589
Interest	-	-	171,107	-	171,107
Miscellaneous	-	-	16,813	-	16,813
Total revenues	<u>1,137,048</u>	<u>1,137,048</u>	<u>1,302,065</u>	<u>-</u>	<u>1,302,065</u>
Expenditures					
Current					
Instruction	849,782	849,782	590,810	-	590,810
Support services					
Instructional staff	490,814	490,814	389,949	-	389,949
Operating and maintenance	-	-	8	-	8
Capital outlay	<u>259,151</u>	<u>259,151</u>	<u>515,452</u>	<u>-</u>	<u>515,452</u>
Total expenditures	<u>1,599,747</u>	<u>1,599,747</u>	<u>1,496,219</u>	<u>-</u>	<u>1,496,219</u>
Net Change in Fund Balance	<u>\$ (462,699)</u>	<u>\$ (462,699)</u>	(194,154)	-	(194,154)
Fund Balance, Beginning of Year			<u>770,394</u>	<u>-</u>	<u>770,394</u>
Fund Balance, End of Year			<u>\$ 576,240</u>	<u>\$ -</u>	<u>\$ 576,240</u>

Billings Public Schools
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2025

	Fund Previously Reported as Nonmajor	High School Debt Service	Total
Assets			
Cash and cash equivalents		\$ 9,359,560	\$ 9,359,560
Receivables			
Property taxes, net		15,720	15,720
Governments		252,342	252,342
Total assets		\$ 9,627,622	\$ 9,627,622
Liabilities			
Accounts payable		\$ 12,658	\$ 12,658
Due to other governmental units		52,736	52,736
Total liabilities		65,394	65,394
Deferred Inflows of Resources			
Unavailable revenue-property taxes		7,549	7,549
Fund Balance			
Restricted		9,554,679	9,554,679
Total liabilities, deferred inflows of resources, and fund balance		\$ 9,627,622	\$ 9,627,622

Billings Public Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2025

	Fund Previously Reported as Nonmajor	High School Debt Service	Total
Revenues			
Property taxes		\$ 359,040	\$ 359,040
Intergovernmental:			
State aid		198,756	198,756
Federal		502,968	502,968
Interest		120,115	120,115
Total revenues		1,180,879	1,180,879
Expenditures			
Debt service			
Interest		573,667	573,667
Net Change in Fund Balance		607,212	607,212
Fund Balance, Beginning of Year, as previously reported	10,763,343	8,947,467	19,710,810
Adjustments (Note 14)	(10,763,343)	-	(10,763,343)
Fund Balance, Beginning of Year, as restated		8,947,467	8,947,467
Fund Balance, End of Year		\$ 9,554,679	\$ 9,554,679

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Debt Service Funds
High School Debt Service Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 366,736	\$ 366,736	\$ 359,040	\$ -	\$ 359,040
Intergovernmental:					
State aid	-	-	198,756	-	198,756
Federal	495,000	495,000	502,968	-	502,968
Interest	-	-	120,115	-	120,115
Total revenues	<u>861,736</u>	<u>861,736</u>	<u>1,180,879</u>	<u>-</u>	<u>1,180,879</u>
Expenditures					
Debt Service					
Principal	290,166	290,166	-	-	-
Interest	<u>571,570</u>	<u>571,570</u>	<u>573,667</u>	<u>-</u>	<u>573,667</u>
Total expenditures	<u>861,736</u>	<u>861,736</u>	<u>573,667</u>	<u>-</u>	<u>573,667</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	607,212	-	607,212
Fund Balance, Beginning of Year			<u>8,947,467</u>	<u>-</u>	<u>8,947,467</u>
Fund Balance, End of Year			<u>\$ 9,554,679</u>	<u>\$ -</u>	<u>\$ 9,554,679</u>

Billings Public Schools
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
Assets					
Cash and cash equivalents	\$ 1,961,894	\$ 21,537	\$ 4,699,031	\$ 1,031,143	\$ 7,713,605
Receivables					
Property taxes, net	-	-	24,630	13,573	38,203
Other	2,613	-	-	-	2,613
Total assets	<u>\$ 1,964,507</u>	<u>\$ 21,537</u>	<u>\$ 4,723,661</u>	<u>\$ 1,044,716</u>	<u>\$ 7,754,421</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 117,351	\$ -	\$ 117,351
Retainage payable	-	-	37,041	-	37,041
Salaries payable	2,946	911	-	-	3,857
Total liabilities	<u>2,946</u>	<u>911</u>	<u>154,392</u>	<u>-</u>	<u>158,249</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	-	-	12,956	6,433	19,389
Fund Balance					
Restricted	<u>1,961,561</u>	<u>20,626</u>	<u>4,556,313</u>	<u>1,038,283</u>	<u>7,576,783</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,964,507</u>	<u>\$ 21,537</u>	<u>\$ 4,723,661</u>	<u>\$ 1,044,716</u>	<u>\$ 7,754,421</u>

Billings Public Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year Ended June 30, 2025

	Elementary Building	High School Building	Elementary Building Reserve	High School Building Reserve	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 533,710	\$ 308,202	\$ 841,912
Intergovernmental:					
State other	-	-	724,644	327,556	1,052,200
Charges for services	44,570	38,518	-	-	83,088
Interest	151,398	10,647	102,627	18,448	283,120
Total revenues	195,968	49,165	1,360,981	654,206	2,260,320
Expenditures					
Current					
Support services					
Business services	17,750	8,745	-	-	26,495
Operations and maintenance	51,276	25,225	438,451	270,165	785,117
Capital outlay	469,425	1,004	929,875	254,488	1,654,792
Total expenditures	538,451	34,974	1,368,326	524,653	2,466,404
Net Change in Fund Balance	(342,483)	14,191	(7,345)	129,553	(206,084)
Fund Balance, Beginning of Year	2,304,044	6,435	4,563,658	908,730	7,782,867
Fund Balance, End of Year	\$ 1,961,561	\$ 20,626	\$ 4,556,313	\$ 1,038,283	\$ 7,576,783

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Capital Projects Funds
Elementary Building Reserve Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 548,426	\$ 548,426	\$ 533,710	\$ -	\$ 533,710
Intergovernmental:					
State other	724,644	724,644	724,644	-	724,644
Interest	-	-	102,627	-	102,627
Total revenues	<u>1,273,070</u>	<u>1,273,070</u>	<u>1,360,981</u>	<u>-</u>	<u>1,360,981</u>
Expenditures					
Current					
Support services					
Operating and maintenance	537,640	537,640	438,451	-	438,451
Capital outlay	<u>5,299,089</u>	<u>5,299,089</u>	<u>929,875</u>	<u>-</u>	<u>929,875</u>
Total expenditures	<u>5,836,729</u>	<u>5,836,729</u>	<u>1,368,326</u>	<u>-</u>	<u>1,368,326</u>
Net Change in Fund Balance	<u>\$ (4,563,659)</u>	<u>\$ (4,563,659)</u>	(7,345)	-	(7,345)
Fund Balance, Beginning of Year			<u>4,563,658</u>	<u>-</u>	<u>4,563,658</u>
Fund Balance, End of Year			<u>\$ 4,556,313</u>	<u>\$ -</u>	<u>\$ 4,556,313</u>

Billings Public Schools
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Capital Projects Funds
High School Building Reserve Fund
Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>
Revenues					
Property taxes	\$ 327,556	\$ 327,556	\$ 308,202	\$ -	\$ 308,202
Intergovernmental:					
State other	315,894	315,894	327,556	-	327,556
Interest	-	-	18,448	-	18,448
Total revenues	<u>643,450</u>	<u>643,450</u>	<u>654,206</u>	<u>-</u>	<u>654,206</u>
Expenditures					
Current					
Support services					
Operating and maintenance	200,000	200,000	270,165	-	270,165
Capital outlay	<u>1,352,180</u>	<u>1,352,180</u>	<u>254,488</u>	<u>-</u>	<u>254,488</u>
Total expenditures	<u>1,552,180</u>	<u>1,552,180</u>	<u>524,653</u>	<u>-</u>	<u>524,653</u>
Net Change in Fund Balance	<u>\$ (908,730)</u>	<u>\$ (908,730)</u>	129,553	-	129,553
Fund Balance, Beginning of Year			<u>908,730</u>	<u>-</u>	<u>908,730</u>
Fund Balance, End of Year			<u>\$ 1,038,283</u>	<u>\$ -</u>	<u>\$ 1,038,283</u>

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

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

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

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

Billings Public Schools
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total
Assets				
Cash and cash equivalents	\$ 150,201	\$ 10,130,691	\$ 350	\$ 10,281,242
Accounts receivable, net	636	456,163	-	456,799
Capital assets, net of accumulated amortization	6,124	-	-	6,124
Total assets	156,961	10,586,854	350	10,744,165
Deferred Outflows of Resources				
Other postemployment benefits	-	7,006,235	-	7,006,235
Liabilities				
Current liabilities				
Salaries payable	6,471	4,979	-	11,450
Unearned revenue	-	75,681	-	75,681
Claims incurred but not reported	-	3,089,397	-	3,089,397
Current portion of compensated absences	4,609	5,488	-	10,097
Current portion of leases payable	7,099	-	-	7,099
Current portion of other post-employment benefits	-	796,911	-	796,911
Total current liabilities	18,179	3,972,456	-	3,990,635
Noncurrent liabilities				
Compensated absences	78,650	93,647	-	172,297
Other post-employment benefits	-	28,115,709	-	28,115,709
Total noncurrent liabilities	78,650	28,209,356	-	28,288,006
Total liabilities	96,829	32,181,812	-	32,278,641
Deferred Inflows of Resources				
Other postemployment benefits	-	6,148,509	-	6,148,509
Net Position (Deficit)				
Net investment in capital assets	(975)	-	-	(975)
Unrestricted	61,107	(20,737,232)	350	(20,675,775)
Total net position (deficit)	\$ 60,132	\$ (20,737,232)	\$ 350	\$ (20,676,750)

Billings Public Schools
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2025

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total
Operating Revenues				
Charges for services	\$ 298,902	\$ 28,859,355	\$ -	\$ 29,158,257
Operating Expenses				
Personal services - salaries	158,022	207,130	-	365,152
Personal services - benefits	44,720	37,064	-	81,784
Purchased property services	55,380	24,963	-	80,343
Other purchased services	43,150	4,657,196	-	4,700,346
Supplies and materials	76,312	654	-	76,966
Insurance claims and expenses	-	23,058,722	-	23,058,722
Miscellaneous	-	15,888	-	15,888
Amortization	10,549	-	-	10,549
Total operating expenses	388,133	28,001,617	-	28,389,750
Operating Income (Loss)	(89,231)	857,738	-	768,507
Nonoperating Revenues (Expenses)				
Interest income	-	284,802	-	284,802
Interest expense	(1,233)	-	-	(1,233)
Total nonoperating revenues (expenses)	(1,233)	284,802	-	283,569
Change in Net Position	(90,464)	1,142,540	-	1,052,076
Net Position (Deficit), Beginning of Year, as previously reported	191,037	(21,813,185)	350	(21,621,798)
Adjustments (Note 14)	(40,441)	(66,587)	-	(107,028)
Net Position (Deficit), Beginning of Year, as adjusted	150,596	(21,879,772)	350	(21,728,826)
Net Position (Deficit), End of Year	\$ 60,132	\$ (20,737,232)	\$ 350	\$ (20,676,750)

Billings Public Schools
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Warehouse	Self-Insurance Health	Self-Insurance Property	Total
Operating Activities				
Cash received from print center services	\$ 298,303	\$ -	\$ -	\$ 298,303
Cash received from health insurance	-	28,671,200	-	28,671,200
Cash paid to employees	(177,489)	(237,876)	-	(415,365)
Cash paid to suppliers for goods and services	(234,270)	(25,888,752)	-	(26,123,022)
Net cash (used for) from operating activities	(113,456)	2,544,572	-	2,431,116
Capital and Related Financing Activities				
Debt service				
Principal	(11,284)	-	-	(11,284)
Interest	(1,233)	-	-	(1,233)
Net cash used for capital and related financing activities	(12,517)	-	-	(12,517)
Investing Activity				
Interest on investments	-	284,802	-	284,802
Net Change in Cash and Cash Equivalents	(125,973)	2,829,374	-	2,703,401
Cash and Cash Equivalents, July 1	276,174	7,301,317	350	7,577,841
Cash and Cash Equivalents, June 30	\$ 150,201	\$ 10,130,691	\$ 350	\$ 10,281,242
Reconciliation of Operating Income (Loss) to Net Cash (Used for) from Operating Activities				
Operating income (loss)	\$ (89,231)	\$ 857,738	\$ -	\$ 768,507
Adjustments to reconcile operating income (loss) to net cash (used for) from operating activities				
Amortization	10,549	-	-	10,549
Changes in assets and liabilities				
Accounts receivable	(599)	(246,819)	-	(247,418)
Deferred outflows of resources	-	1,109,139	-	1,109,139
Accounts payable	(59,428)	(41,585)	-	(101,013)
Salaries payable	(1,075)	921	-	(154)
Unearned revenue	-	58,664	-	58,664
Compensated absences	26,328	5,397	-	31,725
Other postemployment benefits	-	(2,590,136)	-	(2,590,136)
Deferred inflows of resources	-	3,391,253	-	3,391,253
Net cash (used for) from operating activities	\$ (113,456)	\$ 2,544,572	\$ -	\$ 2,431,116

Supplemental Information Mandated by
Montana Office of Public Instruction
June 30, 2025

Billings Public Schools

Billings Public Schools
Schedule of Changes in Net Position – Extracurricular
Year Ended June 30, 2025

	Beginning Balance	Revenues	Expenditures	Ending Balance
Extended Studies	\$ -	\$ 31,216	\$ 221	\$ 30,995
Native American	9,441	15,960	13,801	11,600
Career Center	167,436	130,533	120,479	177,490
Senior High School	657,675	727,223	718,775	666,123
West High School	598,463	879,071	776,318	701,216
Skyview High School	572,968	811,508	778,273	606,203
Opportunity School	-	530	360	170
Middle Schools-Athletics	140,022	147,776	141,518	146,280
Lewis & Clark Middle School	32,763	60,178	47,194	45,747
Lincoln Education Center	1,027	1,937	1,253	1,711
Riverside Middle School	39,878	20,811	18,345	42,344
Will James Middle School	55,112	112,058	105,429	61,741
Castlerock Middle School	66,767	89,900	86,925	69,742
Ben Steele Middle School	76,684	110,533	121,366	65,851
Medicine Crow Middle School	25,818	43,638	39,757	29,699
Arrowhead Elementary	3,067	1,013	1,295	2,785
Beartooth Elementary	2,755	6,667	8,908	514
Bench Elementary	6,209	5,239	3,473	7,975
Boulder Elementary	-	4,284	3,086	1,198
Broadwater Elementary	348	1,475	1,702	121
Burlington Elementary	(56)	9,307	6,671	2,580
Central Heights Elementary	37	5,024	4,979	82
McKinley Elementary	1,371	906	-	2,277
Meadowlark Elementary	2,779	3,482	3,705	2,556
Miles Elementary	1,001	2,221	333	2,889
Newman Elementary	705	2,316	2,532	489
Orchard Elementary	4,395	2,570	5,208	1,757
Poly Elementary	1,598	5,324	5,425	1,497
Ponderosa Elementary	1,600	2,306	3,151	755
Special Olympics	-	86	-	86
Rose Park Elementary	635	13	-	648
Sandstone Elementary	367	7	-	374
Washington Elementary	700	14	-	714
Alkali Creek Elementary	1,364	26	-	1,390
Big Sky Elementary	13,210	12,785	12,252	13,743
Exec Director of Activities	835,542	417,443	544,247	708,738
Coordinator of Music	51,143	170,522	120,768	100,897
Total	<u>\$ 3,372,824</u>	<u>\$ 3,835,902</u>	<u>\$ 3,697,749</u>	<u>\$ 3,510,977</u>

Billings Public Schools
Schedule of Enrollment
Year Ended June 30, 2025

Appendix A



Enrollment Schedule
Fiscal Year 2025
Other Supplemental Information

School District Name:	Billings Public School		Note: If the District has multiple schools, please indicate the school and grade level where the variance occurs.
Legal Entity (LE) Name:			
School Code (SC) Name:			

Students Grade K – 8

Full-Time Students:

Fall Enrollment-EI District	MAEFAIRS REPORTS	DISTRICT REPORTS	Difference
Kindergarten	1126	1126	0
Grades 1-6	7234	7234	0
Grades 7-8	2506	2506	0
Classroom Based Early Literacy	0	0	0
Jumpstart			
Kindergarten	94	94	0
1st Grade	38	38	0
2nd Grade	49	49	0
3rd Grade	37	37	0
Spring Enrollment-EI District	MAEFAIRS REPORTS	DISTRICT REPORTS	Difference
Kindergarten	1128	1128	0
Grades 1-6	7227	7227	0
Grades 7-8	2521	2521	0
Classroom Based Early Literacy	1	1	0

Part Time Students:

Fall Enrollment EI	Per MAEFAIRS Enrollment Reports				Per District Reports				Difference
	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	
Early Childhood Literacy	0	0	118	0	0	0	118	0	0
Transition 1-6	1	11	5	10	1	11	5	10	0
Kindergarten	0	0	1	0	0	0	1	0	0
1-6	0	0	0	0	0	0	0	0	0
7-8	1	13	0	15	1	13	0	15	0
Extra Curricular Previous Year	16	0	0	0	16	0	0	0	0
Spring Enrollment EI	Per MAEFAIRS Enrollment Reports				Per District Reports				Difference
	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	
Early Childhood Literacy	0	0	114	0	0	0	114	0	0
Transition 1-6	3	12	2	12	3	12	2	12	0
Kindergarten	0	1	1	0	0	1	1	0	0
1-6	0	0	0	0	0	0	0	0	0
7-8	2	14	3	15	2	14	3	15	0

Students Grade 9 – 12:

Full-Time Students:

Fall Enrollment-HS District	MAEFAIRS REPORTS	DISTRICT REPORTS	Difference
Grade 9 - 12	5312	5312	0
19-year olds included	9	9	0
Job Corps	0	0	0
Youth challenge	0	0	0
Spring Enrollment-HS District	MAEFAIRS REPORTS	DISTRICT REPORTS	Difference
Grade 9 - 12	5154	5154	0
19-year olds included	8	8	0
Job Corps	0	0	0
Youth challenge	0	0	0
Early Graduates	21	21	0

Part Time Students:

Fall Enrollment HS	Per MAEFAIRS Enrollment Reports				Per District Reports				Difference
	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	
9 - 12	4	35	147	31	4	35	147	31	0
Extra Curricular Previous Year	25	0	0	0	25	0	0	0	0
Spring Enrollment HS	Per MAEFAIRS Enrollment Reports				Per District Reports				Difference
	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	
9 - 12	6	37	143	30	6	37	143	30	0

Statistical Section

Year Ended June 30, 2025

Billings Public Schools

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

Financial Trends – These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

Revenue Capacity– These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.

Debt Capacity– These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

Billings Public Schools
Components of Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 51,729,935	\$ 51,818,256	\$ 51,101,069	\$ 50,535,448	\$ 49,955,870	\$ 49,450,364	\$ 51,001,007	\$ 53,419,167	\$ 53,769,155	\$ 58,722,775
Restricted	16,398,869	18,713,270	18,731,517	22,958,641	24,876,408	38,034,357	42,419,203	49,545,600	53,693,853	55,110,989
Unrestricted	<u>(103,472,531)</u>	<u>(127,071,672)</u>	<u>(133,392,674)</u>	<u>(138,083,731)</u>	<u>(141,880,118)</u>	<u>(148,832,654)</u>	<u>(141,677,172)</u>	<u>(145,728,112)</u>	<u>(146,179,934)</u>	<u>(161,843,600)</u>
Total Governmental Activities Net Position	<u>\$ (35,343,727)</u>	<u>\$ (56,540,146)</u>	<u>\$ (63,560,088)</u>	<u>\$ (64,589,642)</u>	<u>\$ (67,047,840)</u>	<u>\$ (61,347,933)</u>	<u>\$ (48,256,962)</u>	<u>\$ (42,763,345)</u>	<u>\$ (38,716,926)</u>	<u>\$ (48,009,836)</u>

Note – prior years have not been restated for the effects of the implementation of the following GASB Statements:

Fiscal Year 2017 – GASB Statement No. 73
Fiscal Year 2018 – GASB Statement No. 74
Fiscal Year 2021 – GASB Statement No. 84
Fiscal Year 2022 – GASB Statement No. 87
Fiscal Year 2023 – GASB Statement No. 96
Fiscal Year 2025 – GASB Statement No. 101

Billings Public Schools
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Instruction	\$ 97,005,016	\$ 105,539,862	\$ 111,758,344	\$ 118,621,733	\$ 129,428,619	\$ 146,237,476	\$ 131,643,610	\$ 131,265,683	\$ 134,129,874	\$ 134,145,523
Support Services										
Students	12,726,817	13,901,843	14,041,977	15,671,822	17,091,484	18,707,694	18,256,096	17,996,707	18,628,594	16,537,569
Instructional staff	8,909,748	8,520,641	10,138,104	10,225,276	10,454,633	10,941,020	10,870,823	11,534,345	11,989,252	12,636,736
General administration	2,094,473	2,255,636	1,964,370	1,943,138	1,855,131	2,008,889	2,322,275	3,175,173	3,824,952	3,762,733
School administration	10,911,561	11,154,175	11,915,815	12,318,998	13,908,822	14,498,993	14,067,493	15,176,165	13,457,755	14,719,261
Business services	2,336,752	2,330,041	2,528,926	2,772,612	2,601,673	2,996,494	2,706,205	2,853,060	2,942,035	3,472,007
Operation and maintenance	12,297,661	14,026,596	15,707,111	15,573,888	16,001,493	18,876,172	18,299,121	18,871,911	17,142,054	18,704,762
Student transportation	5,795,959	6,126,048	6,674,494	6,527,449	6,550,565	7,297,869	7,640,182	7,737,728	9,053,232	10,100,079
Food services	6,285,333	6,536,691	6,728,995	6,798,120	5,786,392	6,102,984	7,591,968	7,147,535	7,510,744	7,870,273
Community services	6,150	-	-	-	-	-	-	-	-	-
Extracurricular	2,729,817	3,073,078	3,180,993	3,422,143	3,470,394	5,153,499	6,518,792	7,031,404	7,251,745	6,883,277
Interest	5,583,903	5,536,184	5,424,464	5,262,594	5,251,382	5,598,471	3,498,328	3,128,936	3,557,560	2,416,654
Total expenses	166,683,190	179,000,795	190,063,593	199,137,773	212,400,588	238,419,561	223,414,893	225,918,647	229,487,797	231,248,874
Program Revenues										
Charges for services										
Instruction	\$ 840,445	\$ 770,718	\$ 906,861	\$ 1,373,797	\$ 993,227	\$ 1,000,762	\$ 988,908	\$ 876,569	\$ 872,658	\$ 1,043,825
Support Services										
School administration	-	-	-	-	-	38,252	-	-	50,000	-
Business services	-	-	-	-	-	-	-	-	57,310	83,052
Operation and maintenance	418,069	160,782	57,945	78,734	79,176	208,730	1,137,767	67,561	45,498	37,637
Student transportation	40,285	36,411	56,946	70,783	62,636	43,327	49,747	50,109	1,540,831	1,718,663
Food services	2,303,357	2,042,033	2,031,519	2,135,611	1,655,999	465,757	516,194	1,948,447	3,852,399	3,539,571
Operating grants and contributions	34,311,787	36,670,029	34,920,643	38,061,642	48,098,641	72,610,223	69,315,970	54,143,027	51,744,552	44,021,066
Capital grants and contributions	177,026	422,990	320,499	164,404	193,938	-	-	-	-	-
Total governmental activities program revenues	38,090,969	40,102,963	38,294,413	41,884,971	51,083,617	74,367,051	72,008,586	57,085,713	58,163,248	50,443,814
Net Revenue (Expense)	\$ (128,592,221)	\$ (138,897,832)	\$ (151,769,180)	\$ (157,252,802)	\$ (161,316,971)	\$ (164,052,510)	\$ (151,406,307)	\$ (168,832,934)	\$ (171,324,549)	\$ (180,805,060)
General Revenues										
Property taxes	\$ 51,132,533	\$ 54,492,742	\$ 58,103,653	\$ 61,058,675	\$ 62,686,937	\$ 63,670,285	\$ 62,272,881	\$ 63,716,823	\$ 66,110,229	\$ 66,700,165
Unrestricted intergovernmental										
State aid	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390	80,729,162	83,037,954	82,376,866	89,462,750
State other	6,907,224	6,928,173	623,278	153,971	264,776	260,474	232,867	248,019	778,416	788,946
County	15,643,024	17,154,480	17,735,249	18,525,340	18,406,726	20,865,016	16,193,869	19,220,969	20,251,554	20,396,994
Interest	582,535	735,757	872,224	1,326,947	1,100,598	201,992	204,062	1,901,663	3,682,816	3,036,745
Contributions and donations	838,217	667,437	528,760	304,256	271,894	396,692	741,633	405,813	423,893	423,226
Miscellaneous	568,855	746,367	1,082,835	1,092,444	844,536	2,920,491	4,367,010	5,506,386	1,747,194	2,221,293
Gain on disposal of capital assets	-	-	305	14,699	-	-	-	-	-	-
Total general revenues	139,181,918	145,332,325	147,990,255	156,223,248	158,858,773	167,314,340	164,741,484	174,037,627	175,370,968	183,030,119
Change in Net Position	\$ 10,589,697	\$ 6,434,493	\$ (3,778,925)	\$ (1,029,554)	\$ (2,458,198)	\$ 3,261,830	\$ 13,335,177	\$ 5,204,693	\$ 4,046,419	\$ 2,225,059

Billings Public Schools
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ -	\$ -	\$ 8,650	\$ 30,000	\$ -	\$ -	\$ 1,188,893	\$ 871,491	\$ -	\$ -
Assigned	274,135	349,511	165,846	30,000	129,287	101,685	271,806	387,756	892,890	10,476
Unassigned	<u>16,216,463</u>	<u>17,236,642</u>	<u>15,553,390</u>	<u>13,164,574</u>	<u>12,830,370</u>	<u>24,993,301</u>	<u>27,374,951</u>	<u>30,312,768</u>	<u>32,127,022</u>	<u>30,611,166</u>
Total General Fund	<u>\$ 16,490,598</u>	<u>\$ 17,586,153</u>	<u>\$ 15,727,886</u>	<u>\$ 13,224,574</u>	<u>\$ 12,959,657</u>	<u>\$ 25,094,986</u>	<u>\$ 28,835,650</u>	<u>\$ 31,572,015</u>	<u>\$ 33,019,912</u>	<u>\$ 30,621,642</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	53,229,035	31,443,705	23,937,766	24,849,725	31,905,152	42,514,974	45,019,761	50,023,388	53,624,373	54,588,622
Committed	4,221,789	4,729,480	5,065,484	5,164,372	6,060,618	6,898,226	7,612,361	5,805,196	5,749,249	4,484,703
Assigned	<u>10,175,831</u>	<u>11,392,598</u>	<u>12,195,610</u>	<u>12,577,161</u>	<u>12,058,011</u>	<u>9,944,816</u>	<u>10,209,018</u>	<u>10,472,812</u>	<u>10,681,779</u>	<u>9,355,533</u>
Total All Other Governmental Funds	<u>\$ 67,626,655</u>	<u>\$ 47,565,783</u>	<u>\$ 41,198,860</u>	<u>\$ 42,706,258</u>	<u>\$ 50,023,781</u>	<u>\$ 59,358,016</u>	<u>\$ 62,841,140</u>	<u>\$ 66,301,396</u>	<u>\$ 70,055,401</u>	<u>\$ 68,428,858</u>

Billings Public Schools
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	\$ 53,365,029	\$ 52,928,392	\$ 59,688,055	\$ 60,901,465	\$ 60,704,851	\$ 65,918,571	\$ 62,191,348	\$ 63,304,459	\$ 66,190,331	\$ 65,789,123
Intergovernmental:										
County	16,477,104	17,958,672	18,550,708	19,275,036	19,142,277	21,598,301	16,923,560	19,933,420	20,895,643	21,019,163
State aid	63,509,530	64,607,369	69,043,951	73,746,916	75,283,306	78,999,390	80,729,162	83,037,954	82,376,866	87,380,448
State other	25,342,892	27,744,479	19,405,841	20,996,830	28,021,070	31,619,944	25,709,312	26,284,343	26,390,958	22,832,558
Federal	15,011,200	15,032,163	15,312,111	16,455,487	19,466,798	40,415,148	42,689,914	27,192,272	24,687,370	23,307,023
Tuition	204,913	330,996	336,731	747,032	575,426	449,716	450,258	352,442	353,241	1,103,730
Charges for services	3,014,927	2,751,143	2,716,540	2,911,893	2,215,612	1,076,942	1,155,013	2,603,344	2,213,056	5,532,075
Interest	530,978	644,480	745,116	1,140,929	944,008	176,117	181,419	1,732,605	3,427,435	3,050,768
Miscellaneous	1,437,911	1,433,784	1,622,105	1,410,300	1,256,428	3,419,503	5,528,563	6,101,079	6,026,405	2,505,786
Total revenues	178,894,484	183,431,478	187,421,158	197,585,888	207,609,776	243,673,632	235,558,549	230,541,918	232,561,305	232,520,674
Expenditures										
Instruction	97,255,949	100,659,911	105,519,529	110,265,854	120,561,969	127,594,888	127,795,412	121,200,459	121,953,287	127,324,597
Support services:										
Students	12,579,662	13,486,341	13,480,220	14,944,978	16,090,236	17,042,189	17,319,100	16,935,274	18,570,630	16,770,683
Instructional staff	8,851,876	8,323,039	9,792,095	9,902,452	9,852,505	10,098,398	10,465,472	10,874,719	11,771,668	12,760,739
General administration	2,101,720	2,213,056	1,951,195	1,907,776	1,795,310	1,928,809	2,310,504	3,297,308	3,617,500	3,564,262
School administration	11,206,165	11,117,070	11,661,222	12,039,005	13,401,069	13,429,886	13,863,256	14,733,024	13,160,133	15,007,851
Business services	2,366,351	2,360,883	2,418,418	2,713,934	2,466,019	2,878,108	2,718,814	2,662,091	2,945,442	3,428,936
Operations and maintenance	12,710,622	14,287,143	15,095,368	15,198,855	16,332,088	19,842,533	19,460,167	17,806,691	16,984,110	18,474,125
Student transportation	5,814,423	6,119,000	6,603,013	6,563,372	6,472,898	7,141,451	7,633,930	7,514,067	9,317,234	9,948,599
Food services	6,165,203	6,361,179	6,526,032	6,589,819	5,570,415	5,881,494	7,358,972	6,861,771	7,407,885	7,664,058
Community services	6,150	-	-	-	-	-	-	-	-	-
Extracurricular	2,636,320	2,890,536	2,961,203	3,164,849	3,087,992	4,737,576	6,227,690	6,830,677	7,084,536	6,768,813
Capital outlay	41,129,075	24,964,129	9,310,879	5,063,782	4,729,452	5,357,012	3,703,469	5,399,685	4,701,764	4,024,239
Debt service										
Principal	2,869,250	4,114,250	4,234,250	4,315,000	4,505,000	5,207,163	8,084,716	7,434,459	7,768,715	7,984,778
Interest and fiscal charges	6,132,494	6,213,824	6,092,924	5,927,274	5,823,897	6,302,877	3,928,528	3,487,827	3,243,692	2,966,190
Total expenditures	211,825,260	203,110,361	195,646,348	198,596,950	210,688,850	227,442,384	230,870,030	225,038,052	228,526,596	236,687,870
Excess (Deficiency) of										
Revenues over (under)										
Expenditures	(32,930,776)	(19,678,883)	(8,225,190)	(1,011,062)	(3,079,074)	16,231,248	4,688,519	5,503,866	4,034,709	(4,167,196)

Billings Public Schools
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	2,400,000	652,179	-	-	7,622	29,836
Transfers out	-	-	-	-	(2,400,000)	(652,179)	-	-	(7,622)	(29,836)
Software subscriptions	-	-	-	-	-	-	-	719,605	824,241	-
Leases issued	-	-	-	-	-	-	64,042	-	342,952	142,383
Premium on long-term debt issue	5,119,685	-	-	-	712,645	-	-	-	-	-
Insurance recoveries	859,494	507,789	-	-	1,019,035	2,353,369	2,471,227	-	-	-
Long-term debt issued	33,000,000	-	-	-	8,400,000	81,305,000	-	-	-	-
Payment to refunded bond agent	-	-	-	-	-	(80,858,130)	-	-	-	-
Sale of capital assets	-	205,777	-	15,148	-	-	-	-	-	-
Total other financing sources (uses)	38,979,179	713,566	-	15,148	10,131,680	2,800,239	2,535,269	719,605	1,167,193	142,383
Net Change in Fund Balances	<u>\$ 6,048,403</u>	<u>\$ (18,965,317)</u>	<u>\$ (8,225,190)</u>	<u>\$ (995,914)</u>	<u>\$ 7,052,606</u>	<u>\$ 19,031,487</u>	<u>\$ 7,223,788</u>	<u>\$ 6,223,471</u>	<u>\$ 5,201,902</u>	<u>\$ (4,024,813)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.3%	5.8%	5.5%	5.3%	5.0%	5.2%	5.3%	5.0%	4.9%	4.7%

Billings Public Schools
General Fund Expenditures by Function
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenditures										
Instruction	\$ 72,270,831	\$ 76,287,523	\$ 79,163,807	\$ 82,836,991	\$ 87,422,540	\$ 86,631,493	\$ 84,488,313	\$ 84,966,979	\$ 84,823,419	\$ 88,384,606
Support services:										
Students	7,078,580	7,423,399	7,492,513	8,234,720	8,909,313	8,838,101	9,313,577	9,319,961	9,779,354	7,845,215
Instructional staff	6,598,488	6,372,883	7,384,705	7,169,843	7,413,001	7,877,074	7,328,637	7,325,245	7,682,802	8,158,167
General administration	1,684,614	1,808,934	1,894,009	1,856,733	1,739,833	1,874,995	2,240,570	3,056,566	3,484,644	3,397,186
School administration	8,805,402	8,845,283	9,289,126	9,630,170	10,692,590	6,156,297	8,742,499	10,432,349	9,968,416	11,418,152
Business services	1,829,231	1,685,627	1,683,725	1,968,641	1,819,495	2,017,454	2,101,353	1,873,759	2,219,288	2,349,864
Operations and maintenance	11,021,525	12,300,559	13,200,719	13,419,996	12,993,990	13,934,752	14,856,297	14,916,256	14,594,039	16,026,296
Student transportation	74,376	47,659	118,420	51,131	78,732	107,480	119,710	91,613	84,452	152,345
Community services/Food service	-	-	1,140	1,402	1,387	4,515	4,759	2,360	3,214	9,355
Extracurricular	2,353,949	2,642,100	2,633,238	2,839,163	2,712,417	2,585,144	2,909,279	2,881,733	2,996,083	2,775,963
Capital outlay	580,466	925,201	1,068,645	724,591	617,704	488,379	287,508	889,244	2,704,897	911,844
Debt service	84,250	84,250	84,800	-	-	-	18,609	113,834	499,585	443,182
Total expenditures	<u>\$ 112,381,712</u>	<u>\$ 118,423,418</u>	<u>\$ 124,014,847</u>	<u>\$ 128,733,381</u>	<u>\$ 134,401,002</u>	<u>\$ 130,515,684</u>	<u>\$ 132,411,111</u>	<u>\$ 135,869,899</u>	<u>\$ 138,840,193</u>	<u>\$ 141,872,175</u>

Billings Public Schools
Property Tax Assessment and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value	Estimated Actual Value	Percent of Assessed Value to Est. Actual Value	Mill Levy	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy		Amount	Percentage of Levy
Elementary District:										
2025	\$ 294,739,106	\$ 18,640,215,856	1.58%	160.69	\$ 47,366,850	\$ 44,966,112	94.93%	\$ -	\$ 44,966,112	94.93%
2024	292,674,726	18,437,303,433	1.59%	158.72	46,449,695	44,663,332	96.15%	831,264	45,494,596	97.94%
2023	236,494,552	14,459,658,399	1.64%	185.65	43,905,214	43,454,731	98.97%	579,535	44,034,266	100.29%
2022	232,859,420	14,324,206,085	1.63%	184.38	42,934,620	41,990,878	97.80%	175,121	42,165,999	98.21%
2021	224,174,751	13,673,306,701	1.64%	202.02	45,287,783	44,056,452	97.28%	602,271	44,658,723	98.61%
2020	220,594,741	13,538,463,900	1.63%	195.58	43,143,919	40,901,016	94.80%	1,617,487	42,518,503	98.55%
2019	210,943,808	12,828,718,518	1.64%	200.37	42,266,811	41,182,157	97.43%	689,316	41,871,473	99.06%
2018	208,808,937	12,511,911,961	1.67%	197.33	41,204,268	39,734,170	96.43%	581,356	40,315,526	97.84%
2017	198,430,778	11,739,775,974	1.69%	190.24	37,749,471	35,633,279	94.39%	901,450	36,534,729	96.78%
2016	194,587,614	11,650,594,235	1.67%	178.55	34,743,618	34,618,695	99.64%	118,022	34,736,717	99.98%
High School District:										
2025	\$ 369,641,630	\$ 23,234,132,227	1.59%	54.33	\$ 20,110,343	\$ 19,151,958	95.23%	\$ -	\$ 19,151,958	95.23%
2024	365,076,554	22,843,898,857	1.60%	56.79	20,766,874	20,003,589	96.32%	355,028	20,358,617	98.03%
2023	296,879,780	18,021,255,728	1.65%	65.89	19,561,409	19,386,289	99.10%	306,338	19,692,627	100.67%
2022	291,580,565	17,784,825,902	1.64%	67.23	19,602,961	19,194,058	97.91%	129,196	19,323,254	98.57%
2021	278,825,706	16,893,462,738	1.65%	70.89	19,765,954	19,291,805	97.60%	272,359	19,564,164	98.98%
2020	273,951,707	16,720,129,997	1.64%	73.48	20,129,971	19,160,959	95.19%	720,268	19,881,227	98.76%
2019	261,369,448	15,885,942,424	1.65%	72.36	18,912,693	18,471,081	97.66%	326,533	18,797,614	99.39%
2018	283,156,573	16,626,343,898	1.70%	66.63	18,866,722	18,199,329	96.46%	302,226	18,501,555	98.06%
2017	269,574,516	15,595,752,243	1.73%	65.28	17,597,824	16,686,155	94.82%	444,905	17,131,060	97.35%
2016	264,033,676	15,451,136,712	1.71%	66.53	17,566,160	17,513,945	99.70%	47,892	17,561,837	99.98%

Source: Montana Department of Revenue
Yellowstone County Treasurer

Billings Public Schools
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Forest and Agricultural Land	Residential	Commercial	Other	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Value	Total Direct Rate
Elementary District:								
2025	\$ 3,390,871	\$ 14,074,418,876	\$ 2,857,973,200	\$ 1,704,432,909	\$ 18,640,215,856	1.64%	\$ 305,590,293	160.69
2024	3,508,838	13,886,998,291	2,818,494,335	1,733,544,317	18,442,545,781	1.65%	303,931,277	158.72
2023	3,545,536	10,544,319,091	2,471,568,955	1,488,973,737	14,508,407,319	1.69%	245,517,385	185.65
2022	3,586,635	10,344,923,325	2,512,974,739	1,524,531,739	14,386,016,438	1.68%	242,254,661	184.38
2021	3,955,427	9,697,517,804	2,496,704,984	1,548,719,267	13,746,897,482	1.69%	232,730,057	202.02
2020	3,998,143	9,583,698,842	2,501,776,754	1,517,925,946	13,607,399,685	1.69%	229,514,103	195.58
2019	3,781,750	8,985,738,447	2,425,187,449	1,488,673,633	12,903,381,279	1.70%	218,879,455	200.37
2018	3,567,668	8,823,846,226	2,450,924,446	1,214,814,319	12,493,152,659	1.74%	217,454,879	197.33
2017	3,222,429	8,131,584,232	2,428,808,679	1,164,304,676	11,727,920,016	1.75%	205,672,718	190.24
2016	3,187,810	8,018,376,528	2,452,252,649	1,165,986,141	11,639,803,128	1.75%	203,169,677	184.43
High School District:								
2025	\$ 27,527,730	\$ 16,788,509,650	\$ 4,519,396,172	\$ 1,899,558,231	\$ 23,234,991,783	1.64%	\$ 382,140,734	54.33
2024	28,091,042	16,478,632,471	4,368,330,911	1,974,086,781	22,849,141,205	1.65%	377,991,388	56.79
2023	27,962,827	12,507,497,965	3,855,554,222	1,678,989,634	18,070,004,648	1.70%	307,244,381	65.89
2022	28,394,444	12,216,770,902	3,873,835,206	1,727,656,473	17,846,657,025	1.69%	302,341,416	67.23
2021	30,269,563	11,364,691,864	3,833,119,457	1,738,972,635	16,967,053,519	1.70%	288,694,228	70.89
2020	30,362,075	11,197,011,388	3,845,275,985	1,712,571,744	16,785,221,192	1.69%	284,044,924	73.48
2019	28,629,702	10,482,223,166	3,722,295,772	1,662,500,604	15,895,649,244	1.70%	270,294,412	72.36
2018	29,835,506	10,748,240,209	4,032,797,240	1,787,665,835	16,598,538,790	1.77%	293,037,782	66.63
2017	27,176,869	9,884,831,869	3,898,833,351	1,778,283,711	15,589,125,800	1.78%	277,573,545	65.28
2016	26,613,215	9,718,463,873	3,952,407,813	1,784,033,702	15,481,518,603	1.77%	274,208,077	68.85

Billings Public Schools
Principal Property Taxpayers in the Elementary District
Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Valuation	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Phillips 66 Company	\$ 23,994,258	1	8.14%	\$ 16,918,785	1	8.69%
Northwestern Energy - T & D	17,631,686	2	5.98%	13,472,820	2	6.92%
Montana Dakota Utilities - Gas Dist	4,626,637	3	1.57%	2,630,499	4	1.35%
Charter Communications Inc	2,987,684	4	1.01%	3,762,075	3	1.93%
MTSUN LLC	2,142,604	5	0.73%	-	N/A	N/A
Phillips 66 Carrier LLC	1,693,325	6	0.57%	-	N/A	N/A
Jupiter Sulphur LLC	1,450,556	7	0.49%	-	N/A	N/A
Yellowstone Pipeline Co	1,203,006	8	0.41%	958,574	9	0.49%
Western Sugar Company	1,218,534	9	0.41%	-	N/A	N/A
Verizon Inc	1,159,983	10	0.39%	1,132,066	7	0.58%
Century Link, LLC	-	N/A	N/A	2,078,411	5	1.07%
Phillips 66 Pipeline LLC	-	N/A	N/A	1,748,846	6	0.90%
AT&T Mobility	-	N/A	N/A	1,031,820	8	0.53%
Rimrock Owner LP	-	N/A	N/A	923,652	10	0.47%
Total attributable to top taxpayers	58,108,273		19.72%	44,657,548		22.95%
Total of all other properties	236,630,833		80.28%	149,930,066		77.05%
	<u>\$ 294,739,106</u>		<u>100.00%</u>	<u>\$ 194,587,614</u>		<u>100.00%</u>

Source: Montana Department of Revenue

Billings Public Schools
Principal Property Taxpayers in the High School District
Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Valuation	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Valuation
Phillips 66 Company	\$ 23,997,585	1	6.49%	\$ 16,921,689	1	6.41%
Northwestern Energy - T & D	20,219,206	2	5.47%	15,651,324	2	5.93%
Montana Dakota Utilities - Gas Dist	5,510,280	3	1.49%	3,217,868	5	1.22%
Charter Communications Inc	2,987,684	4	0.81%	3,762,075	4	1.42%
Phillips 66 Carrier LLC	2,372,427	5	0.64%	-	N/A	N/A
MTSUN LLC	2,142,604	6	0.58%	-	N/A	N/A
Jupiter Sulphur LLC	1,450,556	7	0.39%	-	N/A	N/A
Verizon Inc	1,346,777	8	0.36%	1,341,528	9	0.51%
Par Rocky Mountain Midstream LLC	1,259,716	9	0.34%	-	N/A	N/A
BNSF Railway co	1,243,468	10	0.34%	-	N/A	N/A
ExxonMobile Corporation	-	N/A	N/A	8,836,711	3	3.35%
Phillips 66 Pipeline LLC	-	N/A	N/A	2,413,580	6	0.91%
Century Link, LLC	-	N/A	N/A	2,347,716	7	0.89%
AT&T Mobility LLC	-	N/A	N/A	1,408,651	8	0.53%
Yellowstone Energy Limited Partnership	-	N/A	N/A	1,128,354	10	0.43%
Total attributable to top taxpayers	62,530,303		16.92%	57,029,496		21.60%
Total of all other properties	307,111,327		83.08%	207,004,180		78.40%
	<u>\$ 369,641,630</u>		<u>100.00%</u>	<u>\$ 264,033,676</u>		<u>100.00%</u>

Source: Montana Department of Revenue

Billings Public Schools
Revenue by Source – All Governmental Fund Types
Year Ended June 30, 2025

Source	Actual Revenue	Percent of Total Revenue
Revenue from local and intermediate sources:		
Property taxes	\$ 65,789,123	28.32%
Tuition	1,103,730	0.47%
Interest	3,050,768	1.31%
Charges for service	5,532,075	2.38%
County retirement	20,396,994	8.77%
County transportation	622,169	0.27%
Miscellaneous	2,505,786	1.08%
Total revenue from local and intermediate sources	99,000,645	42.60%
Revenue from state sources:		
Direct state aid	54,232,359	23.32%
State quality educator	4,558,758	1.96%
State at risk	677,247	0.29%
State Indian education for all	421,666	0.18%
State American Indian achievement gap	537,966	0.23%
State special education allowable cost payment	4,614,152	1.98%
State Data for Achievement	403,690	0.17%
State guaranteed tax base aid	32,907,823	14.15%
State transportation	622,169	0.27%
State Medicaid	557,732	0.24%
State on-behalf payment	3,768,201	1.62%
State other	6,911,243	2.97%
Total revenue from state sources	110,213,006	47.38%
Revenue from federal sources:		
Federal grants	18,656,773	8.02%
Federal food service	4,650,250	2.00%
Total revenue from federal sources	23,307,023	10.02%
Total revenue	\$ 232,520,674	100.00%

Billings Public Schools
General Fund Revenue by Source
Last Ten Fiscal Years

Year	Property Taxes	State of Montana	Tuition	Interest	Miscellaneous	Total
2025	\$ 35,932,550	\$ 102,121,862	\$ 468,087	\$ 670,404	\$ 138,619	\$ 139,331,522
2024	38,006,996	99,986,533	395,550	731,818	-	139,120,897
2023	36,912,150	100,385,758	339,342	405,079	-	138,042,329
2022	37,238,011	98,332,895	450,258	114,207	182	136,135,553
2021	38,762,253	102,728,355	449,716	18,510	40,000	141,998,834
2020	36,272,793	96,072,499	575,426	115,367	-	133,036,085
2019	36,340,558	88,948,435	747,032	194,044	-	126,230,069
2018	39,050,117	82,621,625	336,731	148,107	-	122,156,580
2017	33,306,466	85,762,048	330,996	119,463	-	119,518,973
2016	35,308,571	82,271,777	204,913	60,076	-	117,845,337

Billings Public Schools
General Fund Revenue Per Student
Last Ten Fiscal Years

Year	District Revenue	State Revenue	Total Revenue	October Enrollment	Revenue per Student			
					District	State	Federal	Total
2025	\$ 35,932,550	\$ 102,121,862	\$ 138,054,412	16,462	\$ 2,183	\$ 6,203	\$ -	\$ 8,386
2024	38,006,996	99,986,533	137,993,529	16,510	2,302	6,056	-	8,358
2023	37,656,571	100,385,758	138,042,329	16,595	2,269	6,049	-	8,318
2022	37,802,658	98,332,895	136,135,553	16,732	2,259	5,877	-	8,136
2021	39,270,479	102,728,355	141,998,834	16,532	2,375	6,214	-	8,589
2020	36,963,586	96,072,499	133,036,085	17,030	2,170	5,641	-	7,811
2019	37,281,634	88,948,435	126,230,069	16,966	2,197	5,243	-	7,440
2018	39,534,955	82,621,625	122,156,580	16,645	2,375	4,964	-	7,339
2017	33,756,925	85,762,048	119,518,973	16,637	2,029	5,155	-	7,184
2016	35,573,560	82,271,777	117,845,337	16,356	2,175	5,030	-	7,205

Billings Public Schools
Ratio of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	General Obligation Bonded Debt	Less: Amounts Available in Debt Service Funds	Net General Obligation Bonded Debt	Percentage of Net G.O. Bonded Debt to Assessed Value	Net G.O. Bonded Debt Per Capita	Net G.O. Bonded Debt as a Percentage of Per Capita Income
Elementary District:								
2025	125,316	\$ 294,739,106	\$ 91,343,502	\$ 13,172,895	\$ 78,170,607	26.52%	\$ 623.79	0.98%
2024	123,749	292,674,726	98,903,502	10,763,343	88,140,159	30.12%	\$ 712.25	1.13%
2023	122,130	236,494,552	107,504,089	9,733,199	97,770,890	41.34%	\$ 800.55	1.34%
2022	120,682	232,859,420	115,104,569	8,589,849	106,514,720	45.74%	\$ 882.61	1.62%
2021	119,227	224,174,751	123,531,049	8,458,103	115,072,946	51.33%	\$ 965.16	1.79%
2020	117,790	220,594,741	126,184,982	7,154,300	119,030,682	53.96%	\$ 1,010.53	1.89%
2019	116,370	210,943,808	122,249,940	6,605,955	115,643,985	54.82%	\$ 993.76	1.91%
2018	114,967	208,808,937	127,237,543	5,338,967	121,898,576	58.38%	\$ 1,060.29	2.18%
2017	113,581	198,430,778	132,144,396	4,103,545	128,040,851	64.53%	\$ 1,127.31	2.39%
2016	111,902	194,587,614	136,931,249	4,457,585	132,473,664	68.08%	\$ 1,183.84	2.66%
High School District:								
2025	143,257	\$ 369,641,630	\$ 11,360,000	\$ 9,554,679	\$ 1,805,321	0.49%	\$ 12.60	0.02%
2024	142,023	365,076,554	11,360,000	8,947,467	2,412,533	0.66%	\$ 16.99	0.03%
2023	144,702	296,879,780	11,360,000	7,989,973	3,370,027	1.14%	\$ 23.29	0.04%
2022	142,986	291,580,565	11,360,000	7,225,177	4,134,823	1.42%	\$ 28.92	0.05%
2021	141,263	278,825,706	11,360,000	6,478,595	4,881,405	1.75%	\$ 34.56	0.06%
2020	139,560	273,951,707	11,360,000	5,798,721	5,561,279	2.03%	\$ 39.85	0.07%
2019	137,877	261,369,448	11,360,000	5,153,235	6,206,765	2.37%	\$ 45.02	0.09%
2018	136,215	283,156,573	11,360,000	4,464,184	6,895,816	2.44%	\$ 50.62	0.10%
2017	134,573	269,574,516	11,360,000	3,777,519	7,582,481	2.81%	\$ 56.34	0.12%
2016	132,584	264,033,676	11,360,000	3,238,093	8,121,907	3.08%	\$ 61.26	0.14%

Source and other information:

Census taken every ten years. Actual census figures given for 2021.

All other years are estimated by City/County Planning department, Yellowstone County, Montana Department Revenue/State of Montana/Yellowstone County, Montana, Assessors office (these amounts do not include the incremental increases to the tax increment district).

Billings Public Schools
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Leases	General Subscription IT Liabilities	Total Outstanding Debt	Percentage of Personal Income	Population	Debt Per Capita
2025	\$ 103,178,598	\$ -	\$ 362,389	\$ 647,451	\$ 104,188,438	1.14%	143,257	\$ 727.28
2024	110,988,610	-	330,731	972,788	112,292,129	1.25%	142,023	790.66
2023	118,864,089	-	119,366	487,864	119,471,319	1.38%	144,702	841.21
2022	126,464,569	-	298,585	-	126,763,154	1.63%	142,986	876.03
2021	134,891,049	-	223,954	-	135,115,003	1.77%	141,263	944.95
2020	137,544,982	-	331,117	-	137,876,099	1.84%	139,560	976.02
2019	133,609,940	-	435,195	-	134,045,135	1.87%	137,877	960.48
2018	138,597,543	-	536,276	-	139,133,819	2.10%	136,215	1,009.12
2017	143,420,146	84,250	-	-	143,504,396	2.26%	134,573	1,053.51
2016	148,122,749	168,500	-	-	148,291,249	2.51%	132,584	1,101.94

Personal income is disclosed in Demographic Statistics

Billings Public Schools
Computation of Legal Debt Margin
Last Ten Fiscal Years

Elementary District

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 384,973,600	\$ 405,467,400	\$ 404,230,800	\$ 431,019,180	\$ 434,107,800	\$ 472,250,740	\$ 469,826,550	\$ 514,845,600	\$ 537,081,520	\$ 660,772,080
Total net debt applicable to limit	<u>124,678,002</u>	<u>120,479,502</u>	<u>116,329,502</u>	<u>112,014,502</u>	<u>115,909,502</u>	<u>121,109,502</u>	<u>113,248,502</u>	<u>106,213,502</u>	<u>98,903,502</u>	<u>91,343,502</u>
Legal debt margin	<u>\$ 260,295,598</u>	<u>\$ 284,987,898</u>	<u>\$ 287,901,298</u>	<u>\$ 319,004,678</u>	<u>\$ 318,198,298</u>	<u>\$ 351,141,238</u>	<u>\$ 356,578,048</u>	<u>\$ 408,632,098</u>	<u>\$ 438,178,018</u>	<u>\$ 569,428,578</u>
Total net debt applicable to the limit as a percentage of debt limit	32.39%	29.71%	28.78%	25.99%	26.70%	25.65%	24.10%	20.63%	18.41%	13.82%

High School District

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 424,453,320	\$ 461,250,790	\$ 474,496,880	\$ 495,251,770	\$ 511,545,780	\$ 545,152,900	\$ 561,598,000	\$ 610,859,400	\$ 612,662,120	\$ 766,657,920
Total net debt applicable to limit	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>	<u>11,360,000</u>
Legal debt margin	<u>\$ 413,093,320</u>	<u>\$ 449,890,790</u>	<u>\$ 463,136,880</u>	<u>\$ 483,891,770</u>	<u>\$ 500,185,780</u>	<u>\$ 533,792,900</u>	<u>\$ 550,238,000</u>	<u>\$ 599,499,400</u>	<u>\$ 601,302,120</u>	<u>\$ 755,297,920</u>
Total net debt applicable to the limit as a percentage of debt limit	2.68%	2.46%	2.39%	2.29%	2.22%	2.08%	2.02%	1.86%	1.85%	1.48%

Billings Public Schools
Computation of Legal Debt Margin
Last Ten Fiscal Years

Debt Limitation Calculation for Fiscal Year 2025

	Elementary District	High School District
Legal Debt Margin Calculation for 2025		
2024-25 Statewide Average per ANB	\$ 57,780	\$ 134,880
x FY25 ANB	<u>11,436</u>	<u>5,684</u>
Total	<u>660,772,080</u>	<u>766,657,920</u>
x Debt Limit Rate of 1.0	<u>100%</u>	<u>100%</u>
Equals Maximum Debt Capacity	660,772,080	766,657,920
Less Bonded Indebtedness	<u>91,343,502</u>	<u>11,360,000</u>
Estimated Debt Capacity Remaining	<u><u>\$ 569,428,578</u></u>	<u><u>\$ 755,297,920</u></u>

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

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

Billings Public Schools
Computation of Direct and Overlapping General Obligation Bonded Debt
Year Ended June 30, 2025

Governmental Unit	Debt Outstanding	Applicable to Elementary District		Applicable to Portion of High School District Lying outside of Elementary District	
		Percent	Amount	Percent	Amount
Direct Indebtedness					
Elementary District	\$ 92,828,438	100.00%	\$ 92,828,438	0.00%	\$ -
High School District	11,360,000	80.48%	9,142,528	19.52%	2,217,472
Total Direct Debt	<u>\$ 104,188,438</u>		<u>\$ 101,970,966</u>		<u>\$ 2,217,472</u>
Overlapping Indebtedness					
Yellowstone County	\$ 6,358,263	64.31%	\$ 4,088,802	15.85%	\$ 1,007,882
City of Billings	61,393,673	49.55%	30,420,565	10.38%	6,372,663
Total overlapping debt	<u>67,751,936</u>		<u>34,509,367</u>		<u>7,380,545</u>
Total Direct and Overlapping Debt	<u>\$ 171,940,374</u>		<u>\$ 136,480,333</u>		<u>\$ 9,598,017</u>

Source and other information:

Does not include special assessment with government commitment or tax increment debt

Finance Department, Yellowstone County, Montana.

City of Billings, Montana

The percentage of overlapping debt applicable to the District is estimated using taxable property values.

Applicable percentages were estimated by determining the portion of the other government's taxable value that is within the district's boundaries and dividing it by the other government's total taxable value.

Billings Public Schools

Ratio of Annual Debt Service for General Obligation Bonded Debt to Total General Subfund Expenditures Last Ten Fiscal Years

Year	Debt Service			Total General Subfund Expenditures	Coverage
	Principal	Interest and Fiscal Charges	Total		
Elementary District:					
2025	\$ 7,560,000	\$ 2,374,119	\$ 9,934,119	\$ 87,979,771	11.3%
2024	7,310,000	2,631,252	9,941,252	86,075,334	11.5%
2023	7,035,000	2,903,016	9,938,016	83,454,957	11.9%
2022	7,861,000	3,349,484	11,210,484	80,044,557	14.0%
2021	5,100,000	5,017,283	10,117,283	74,848,573	13.5%
2020	4,505,000	5,252,527	9,757,527	80,121,216	12.2%
2019	4,315,000	5,355,904	9,670,904	79,245,339	12.2%
2018	4,150,000	5,606,104	9,756,104	79,756,039	12.2%
2017	4,030,000	5,643,304	9,673,304	76,154,334	12.7%
2016	2,785,000	5,561,348	8,346,348	71,748,948	11.6%
High School District:					
2025	\$ -	\$ 573,667	\$ 573,667	\$ 53,892,404	1.1%
2024	-	571,570	571,570	52,764,859	1.1%
2023	-	571,570	571,570	52,414,942	1.1%
2022	-	571,370	571,370	52,366,554	1.1%
2021	-	571,370	571,370	55,667,111	1.0%
2020	-	571,370	571,370	54,279,786	1.1%
2019	-	571,370	571,370	49,484,394	1.2%
2018	-	571,070	571,070	44,258,808	1.3%
2017	-	570,520	570,520	42,269,084	1.3%
2016	-	571,146	571,146	40,632,764	1.4%

Billings Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Elementary District Population	High School District Population	Per Capita Income	Total Elementary District Personal Income	Total High School District Personal Income	Median Age	Pre K-12 School Enrollment	Unemployment Rate
2025	125,316	143,257	\$ 63,879	\$ 8,005,060,764	\$ 9,151,113,903	38.1	16,462	2.9%
2024	123,749	142,023	63,257	7,827,990,493	8,983,948,911	38.4	16,510	3.0%
2023	122,130	144,702	59,959	7,322,792,670	8,676,187,218	38.5	16,595	2.3%
2022	120,682	142,986	54,505	6,577,772,410	7,793,451,930	39.5	16,732	4.2%
2021	119,227	141,263	54,019	6,440,523,313	7,630,885,997	39.7	16,532	4.5%
2020	117,790	139,560	53,580	6,311,188,200	7,477,624,800	39.5	17,030	4.5%
2019	116,370	137,877	52,019	6,053,451,030	7,172,223,663	39.4	16,966	3.5%
2018	114,967	136,215	48,553	5,581,992,751	6,613,646,895	38.0	16,645	3.5%
2017	113,581	134,573	47,169	5,357,502,189	6,347,673,837	37.1	16,637	3.5%
2016	111,902	132,584	44,573	4,987,807,846	5,909,666,632	38.0	16,356	4.0%

Sources and other information:
Bureau of Economic Analysis
United States Census
Big Sky Economic Development Corporation

Billings Public Schools
Principal Employers
Current Year and Nine Years Ago

2025		2016	
Private Employers by Class	Employer Class Size	Private Employers by Class	Employer Class Size
Billings Clinic	9	Billings Clinic Health System	9
Intermountain Health	9	St. Vincent Healthcare	9
Wal Mart Associates Inc	9	Wal-Mart	9
Albertsons LLC	8	Albertsons Food & Drug	8
Avitus Inc	8	Charter Communication	8
Charter Communications LLC	8	First Interstate Bank	8
Federal Express Corp	8	St. John's Lutheran Home	8
First Interstate Bank	8	Wells Fargo	8
Harvest States Cooperatives	8	Advanced Employment Services	7
JP2 LLC McDonalds	8	Cabelas Wholesale	7
Par Petroleum LLC	8	CHS Inc. (Cenex)	7
Phillips 66 Company	8	Costco	7
Scheels All Sports Inc	8	ExxonMobil	7
SCL Health Medical Group - Billings	8	Phillips 66 Company	7
St Johns Lutheran Ministries Inc	8	Rocky Mountain College	7
Texas Roadhouse Management Corp	8	Scheels	7
Town Pump Inc	8	Sysco Food Services	7
UPS	8	UPS	7
Wells Fargo Bank NA	8	WeldTech Services	7
Yellowstone Boys and Girls Ranch	8	Yellowstone Boys and Girls Ranch	7
Public Employers by Class	Employer Class Size	Public Employers by Class	Employer Class Size
Billings Public Schools District #2	9	Billings Public Schools #2	9
City of Billings	9	Montana State University Billings	8
Montana State University Billings	8	City of Billings	8
Yellowstone County	8	Yellowstone County	7

Size Class Breakdown

Class 6: 100-249 employees

Class 7: 250-499 employees

Class 8: 500-999 employees

Class 9: 1,000+ employees

Note: The percentage of total employment that each listed employer represents is not available.

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

Based on Yellowstone County

Data is derived from most current information available at this time, which is 2024.

Billings Public Schools
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenses (1)	Enrollment	Cost per Pupil	Percentage Change	Certified Staff (FTE) (2)	Pupil/Certified Staff Ratio
2025	\$ 231,248,874	16,462	\$ 14,047	1.06%	1,199.8	13.7
2024	229,487,797	16,510	13,900	2.10%	1,182.7	14.0
2023	225,918,647	16,595	13,614	1.96%	1,195.8	13.9
2022	223,414,893	16,732	13,353	-7.41%	1,205.5	13.9
2021	238,419,561	16,532	14,422	15.63%	1,193.1	13.9
2020	212,400,588	17,030	12,472	6.26%	1,218.3	14.0
2019	199,137,773	16,966	11,737	2.79%	1,216.4	13.9
2018	190,063,593	16,645	11,419	5.94%	1,187.4	14.0
2017	179,319,639	16,637	10,778	5.76%	1,141.1	14.6
2016	166,683,190	16,356	10,191	1.81%	1,143.2	14.3

(1) Expenses are from Statement of Activities

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

Billings Public Schools
Employee Full Time Equivalency (FTE) by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Certified Staff	1,009.5	1,008.4	1,050.5	1,075.9	1,074.6	1,061.7	1,053.6	1,044.0	1,022.9	1,037.7
Classified Employees	199.4	179.1	190.0	190.6	206.4	195.2	200.0	184.9	196.7	195.3
Support Services										
Administrators	6.0	7.0	7.0	7.0	7.0	7.9	7.9	8.9	9.4	9.3
Administrative Support	-	-	-	1.0	1.0	1.0	-	-	-	-
Certified Staff	132.7	132.7	136.9	140.5	143.7	131.4	151.9	151.8	159.8	162.1
Classified Employees	61.2	71.3	69.0	77.6	78.2	82.4	75.2	74.1	76.5	75.8
General Administration										
Administrators	9.9	9.0	8.4	9.6	9.7	9.7	9.8	10.0	8.1	8.3
Administrative Support	12.5	10.5	10.0	10.5	10.5	11.5	10.5	10.5	8.5	9.0
Classified Employees	21.5	25.7	18.2	20.1	16.7	20.1	18.2	19.5	19.9	19.7
Building Administration										
Administrators	47.0	47.9	52.0	52.0	52.0	52.0	52.0	52.0	58.2	57.8
Administrative Support	1.0	-	-	-	-	-	-	-	-	-
Classified Employees	79.2	70.8	89.5	87.9	87.4	81.8	80.8	81.0	83.4	82.7
Operations and Maintenance										
Administrators	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Classified Employees	144.7	145.9	142.4	142.1	151.0	136.0	140.2	139.7	135.6	136.2
Student Transportation										
Administrators	1.0	1.0	1.0	1.3	1.3	1.3	1.3	1.3	2.3	2.3
Administrative Support	-	-	-	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Classified Employees	33.3	42.6	42.4	33.3	37.4	40.7	40.1	37.4	39.2	38.9
Extracurricular Activities										
Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Classified Employees	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	<u>1,763.9</u>	<u>1,756.9</u>	<u>1,821.3</u>	<u>1,855.4</u>	<u>1,882.9</u>	<u>1,838.7</u>	<u>1,847.5</u>	<u>1,822.1</u>	<u>1,828.5</u>	<u>1,843.1</u>

Billings Public Schools
Summary Employee Full Time Equivalency (FTE) by Function
Year Ended June 30, 2025

	Admin	Admin Support	Certified Staff	Classified Employees	Total FTE
Instruction	-	-	1,037.7	195.3	1,233.0
Support Services	9.3	-	162.1	75.8	247.2
General Administration	8.3	9.0	-	19.7	37.0
Building Administration	57.8	-	-	82.7	140.5
Operations and Maintenance	3.0	-	-	136.2	139.2
Student Transportation	2.3	2.0	-	38.9	43.2
Extracurricular Activities	1.0	-	-	2.0	3.0
	<u>81.7</u>	<u>11.0</u>	<u>1,199.8</u>	<u>550.6</u>	<u>1,843.1</u>

Source: District Records

Billings Public Schools
 Certified Staff Education and Experience
 Year Ended June 30, 2025

<u>Educational Attainment</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
Bachelor's Degree	261.4	21.8%
Bachelor's Degree + 30 Credits	71.0	5.9%
Bachelor's Degree + 60 Credits	33.8	2.8%
Bachelor's Degree + 90 Credits	20.1	1.7%
Bachelor's Degree + 105 Credits	114.6	9.6%
Master's Degree	274.7	22.9%
Master's Degree + 30 Credits	91.7	7.6%
Master's Degree + 45 Credits	329.5	27.5%
Doctorate's Degree	3.0	0.3%
Total	<u><u>1,199.8</u></u>	

<u>Years of Experience</u>	<u>Full Time Equivalent</u>	<u>Percent of Total</u>
0-5	458.5	38.2%
6-10	266.1	22.2%
11-15	167.2	13.9%
16-20	133.8	11.2%
21-25	102.2	8.5%
26 and Above	72.0	6.0%
Total	<u><u>1,199.8</u></u>	

Source: District Records

Billings Public Schools
Educational Building Data
Year Ended June 30, 2025

	Year Built	Year Additions Built	Square Footage	Functional Capacity (1)	Enrollment	Percentage of Capacity Used
<u>Elementary Schools</u>						
<u>K-5 Schools:</u>						
Alkali Creek	1979	-	43,470	394	310	78.68%
Arrowhead	1978	-	41,700	460	434	94.35%
Beartooth	1974	1980	41,600	416	373	89.66%
Bench	1955	1974, 1978	39,930	394	328	83.25%
Big Sky	1986	-	43,505	394	373	94.67%
Bitterroot	1964	1965, 1970	26,800	350	264	75.43%
Boulder	1962	1971, 2007	40,185	416	495	118.99%
Broadwater	1910	1916, 1920, 1956, 2015	56,301	400	400	100.00%
Burlington	1956	1957	32,190	263	258	98.10%
Central Heights	1962	1965, 1979	36,400	329	285	86.63%
Eagle Cliffs	1986	-	44,000	460	443	96.30%
Highland	1947	1956	30,420	285	249	87.37%
McKinley	1906	1918, 1958, 2015	54,391	400	339	84.75%
Meadowlark	1964	1971, 2007	44,200	460	519	112.83%
Miles	1955	1957, 1965	30,081	329	325	98.78%
Newman	1953	1957	28,130	263	249	94.68%
Orchard	1960	1948, 1956, 1987, 2006	58,100	438	339	77.40%
Poly	1952	1955, 1960	34,388	329	283	86.02%
Ponderosa	1965	2007	39,800	394	277	70.30%
Rimrock (2)	1952	1976, 1979	23,043	-	-	0.00%
Rose Park	1958	1962	30,345	307	278	90.55%
Sandstone	1978	-	41,700	460	394	85.65%
Washington (3)	1948	1952, 1962	36,590	263	-	0.00%
<u>6-8 Schools</u>						
Ben Steele	2017	-	119,268	715	744	104.06%
Castle Rock	1979	-	110,417	715	692	96.78%
Lewis & Clark	1956	1962	146,008	743	748	100.67%
Medicine Crow	2016	-	117,632	715	521	72.87%
Riverside	1963	1979	86,609	604	438	72.52%
Will James	1967	1974	91,143	664	641	96.54%
<u>High Schools:</u>						
Career Center (5)	1975	-	133,394	N/A	N/A	N/A
Senior	1940	1953, 1967, 1974	228,314	1,560	1,666	106.79%
Skyview	1987	-	242,336	1,558	1,546	99.23%
West	1959	1962, 1966, 1975, 1976	218,458	1,601	2,165	135.23%
<u>Charter Schools</u>						
Early College (3)	1948	1952, 1962	36,590	263	60	22.81%
Opportunity (3)	1948	1952, 1962	36,590	263	76	28.90%
MLA MS (4)	1913	1921, 1935, 1951, 1964, 1968, 1985	136,805	N/A	21	N/A
MLA HS (4)	1913	1921, 1935, 1951, 1964, 1968, 1985	136,805	N/A	22	N/A
<u>Administration:</u>						
Lincoln Center (4)	1913	1921, 1935, 1951, 1964, 1968, 1985	136,805			
Facilities	1958	1962	24,000			
Warehouse	1994	-	35,460			
<u>Vacant Land Sites:</u>						
H.S. - 62.66 acres						

Source: District Records

(1) Tied to facilities master plan

(2) Rimrock Elementary serves as the Rimrock Learning Center for students aged 3-5 and provides early intervention for children with disabilities

(2) Beginning with the 2024-25 school year, Washington Elementary houses the Early College and Opportunity charter high schools

(4) Beginning with the 2024-25 school year, Lincoln Center also houses the Multi-Lingual Academy charter middle school and high school

(5) Students attending the Career Center High School are counted in the enrollment for their home high school

Billings Public Schools
Percentage of Students Who Qualified for Free and Reduced Lunch
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Elementary</u>										
<u>K-6 Schools:</u>										
Alkali Creek	20.20%	23.60%	31.70%	33.60%	33.80%	N/A	N/A	27.20%	36.20%	33.76%
Arrowhead	8.00%	11.50%	10.60%	16.30%	16.00%	N/A	N/A	12.30%	18.46%	19.22%
Beartooth	45.00%	47.80%	47.30%	47.20%	45.50%	N/A	N/A	53.40%	64.97%	61.23%
Bench	65.80%	65.80%	60.80%	66.60%	57.20%	N/A	N/A	100.00% *	100.00% *	100.00% *
Big Sky	33.20%	39.70%	45.20%	48.90%	46.20%	N/A	N/A	46.00%	59.94%	59.42%
Bitterroot	34.80%	40.50%	46.10%	46.00%	47.70%	N/A	N/A	46.20%	57.24%	58.71%
Boulder	21.70%	17.00%	13.10%	14.40%	12.80%	N/A	N/A	15.60%	19.01%	23.99%
Broadwater	63.10%	59.40%	53.40%	58.30%	56.00%	N/A	N/A	100.00% *	100.00% *	93.82%
Burlington	40.40%	42.70%	47.10%	52.00%	41.40%	N/A	N/A	45.00%	49.26%	56.20%
Central Heights	39.40%	35.30%	45.70%	51.90%	41.40%	N/A	N/A	48.10%	59.07%	60.76%
Eagle Cliffs	26.50%	24.00%	25.40%	27.00%	26.10%	N/A	N/A	21.70%	26.59%	27.13%
Highland	37.50%	36.50%	40.40%	43.00%	38.90%	N/A	N/A	38.90%	50.18%	48.61%
McKinley	63.90%	68.70%	100.00%	100.00%	100.00%	N/A	N/A	100.00% *	100.00% *	100.00% *
Meadowlark	30.90%	29.50%	24.10%	24.10%	20.70%	N/A	N/A	25.00%	31.23%	32.38%
Miles	62.00%	58.20%	60.30%	56.40%	51.20%	N/A	N/A	56.10%	63.60%	67.98%
Newman	71.20%	70.90%	100.00%	100.00%	100.00%	N/A	N/A	100.00% *	100.00% *	100.00% *
Orchard	100.00%	100.00%	100.00%	100.00%	100.00%	N/A	N/A	100.00% *	100.00% *	100.00% *
Poly	23.30%	22.30%	22.50%	24.90%	24.00%	N/A	N/A	30.20%	33.67%	34.13%
Ponderosa	72.80%	72.10%	100.00%	100.00%	100.00%	N/A	N/A	100.00% *	100.00% *	100.00% *
Rose Park	43.70%	39.50%	46.30%	54.80%	46.30%	N/A	N/A	42.50%	50.19%	51.42%
Sandstone	44.40%	42.20%	45.50%	47.20%	38.80%	N/A	N/A	45.30%	50.13%	55.86%
Washington (3)	100.00%	100.00%	100.00%	100.00%	100.00%	N/A	N/A	100.00% *	100.00% *	N/A
<u>7-8 Schools:</u>										
Ben Steele (2)	N/A	N/A	15.20%	19.30%	16.20%	N/A	N/A	19.90%	23.62%	24.40%
Castle Rock	35.00%	27.80%	27.30%	34.30%	28.80%	N/A	N/A	29.70%	34.49%	40.34%
Lewis & Clark	41.60%	38.60%	41.30%	49.90%	43.40%	N/A	N/A	50.90%	54.84%	60.05%
Medicine Crow (1)	N/A	40.60%	43.60%	52.20%	49.80%	N/A	N/A	57.10%	62.10%	61.38%
Riverside	64.40%	58.60%	61.90%	77.50%	100.00%	N/A	N/A	100.00% *	100.00% *	97.20%
Will James	18.10%	16.90%	34.10%	38.60%	34.80%	N/A	N/A	39.60%	46.19%	45.98%
<u>High Schools:</u>										
Senior	31.30%	32.80%	32.40%	41.50%	34.70%	N/A	N/A	42.10%	43.35%	50.48%
Skyview	22.40%	25.20%	25.60%	32.70%	26.10%	N/A	N/A	34.00%	35.38%	39.52%
West	19.00%	20.10%	17.60%	23.40%	18.20%	N/A	N/A	22.30%	27.99%	30.69%
Washington (3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51.06%

During fiscal years 2021 and 2022, all students ate for free due to the pandemic. As a result, the District did not determine who qualified for free and reduced lunch.

(1), (2) New school opened August 2016 and August 2017, respectively.

(3) Beginning with the 2024-25 school year, the Washington school no longer serves as an elementary school and houses two charter high schools, Early College and Opportunity.

* These schools now run under the USDA's Community Eligibility Program and do not collect Free & Reduced forms. All students at these schools eat free.

Source: District Records

Billings Public Schools
Attendance Data
Last Ten Fiscal Years

Fiscal Year	October Enrollment	Percent Change	Average Number Belonging (ANB)		
			ANB	Percentage Change	Percent of Prior Year's Enrollment
2025	16,462	-0.29%	17,120	-0.17%	99.83%
2024	16,510	-0.51%	17,149	-1.37%	98.63%
2023	16,595	-0.82%	17,387	-0.11%	99.89%
2022	16,732	1.21%	17,406	-1.48%	98.52%
2021	16,532	-2.92%	17,668	1.21%	101.21%
2020	17,030	0.38%	17,457	1.34%	101.34%
2019	16,966	1.93%	17,227	-0.95%	99.05%
2018	16,645	0.05%	17,392	0.70%	100.70%
2017	16,637	1.72%	17,271	0.99%	100.99%
2016	16,356	0.23%	17,101	1.11%	101.11%

Source: District Records

Billings Public Schools
Schedule of Insurance in Force
Year Ended June 30, 2025

I. Commercial Property	
A. Policy #:	3608-49-21 DAL
B. Carrier:	Chubb
C. Policy Period:	7/1/2024-7/1/2025
D. Coverage:	Buildings/Contents/Business Income & Extra Expense
E. Limits:	\$500,000,000
II. Commercial General Liability	
A. Policy #:	PK1036824
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/24-7/1/25
D. Coverage:	General Liability, Sexual Molestation, Employee Benefits
E. Limits:	\$5,000,000 per occurrence; \$7,000,000 aggregate
III. Commercial Auto	
A. Policy #:	PK1036824
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/24-7/1/25
D. Coverage:	Automobile Liability and Physical Damage
E. Limits:	\$5,000,000
IV. Boiler and Machinery Policy	
A. Policy #:	Included in Chubb Property Policy
B. Carrier:	
C. Policy Period:	
D. Limits:	
V. Environmental Liability	
A. Policy #:	ISPILLSCBI8O004
B. Carrier:	Ironshore Specialty Insurance Company
C. Policy Period:	7/1/2024-7/1/2025
D. Limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
VI. Crime	
A. Policy #:	PK1036824
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/24-7/1/25
D. Limits:	\$500,000
VII. Educators Legal Liability	
A. Policy #:	PK1036824
B. Carrier:	Lloyd's of London - Syndicate BRT 2987
C. Policy Period:	7/1/24-7/1/25
D. Limits:	\$5,000,000
VIII. Privacy Protection Policy	
A. Policy #:	107868791
B. Carrier:	Travelers Casualty and Surety Company
C. Policy Period:	7/1/2024-7/1/2025
D. Limits:	Crime (Kidnap & Ransom) \$250,000, Cyber Risk - \$2,000,000
IX. Builders Risk Reporting Policy	
A. Policy #:	IMP 4488435 12 00
B. Carrier:	Great American Insurance Company
C. Policy Period:	6/1/2024-6/1/2025
D. Limits:	\$450,000
X. Workers' Compensation	
A. Policy #:	WC-24-31147
B. Carrier:	Montana Schools Group Interlocal Authority (MSGIA)
C. Policy Period:	7/1/23-6/30/24
D. Limits:	
Coverage A:	Statutory
Coverage B:	\$1,000,000 bodily injury by accident, each accident. \$1,000,000 bodily injury by disease, each employee. \$1,000,000 bodily injury by disease, policy limit.

Compliance Reports

June 30, 2025

Billings Public Schools, Montana



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

The School Board of
Billings Public Schools
Billings, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-001, 2025-002, 2025-003, and 2025-004, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Montana Legal Compliance

The *Compliance Supplement for Audits of Montana Local Government Entities* contains nine categories of compliance to be tested. Our audit considered all of the nine categories. In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Compliance Supplement for Audits of Montana Local Government Entities*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
January 29, 2026

Section I - Financial Statement Findings

**2025-001 Preparation of Financial Statements, including Schedule of Expenditures of Federal Awards
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for internally preparing the District’s financial statements, including the schedule of expenditures of federal awards.

Condition – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited. The auditors were requested to, and did, draft the financial statements, including the schedule of expenditures of federal awards and accompanying notes to the financial statements.

Cause – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited. Turnover of staff within the accounting department contributed to this situation.

Effect – The disclosures in the financial statements could be incomplete.

Recommendation – It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2025-002 Material Adjustments
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition – During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District’s existing internal controls, and therefore could have resulted in a material misstatement of the District’s financial statements.

Cause – The District does not have an internal control system designed to identify all necessary adjustments.

Effect – This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation – A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

2025-003 Segregation of Duties over Journal Entries
Material Weakness

Criteria – A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets, record keeping and reconciliation functions.

Condition – During our testing of journal entries, it was noted that there is no formal review process over journal entries.

Cause – Turnover within the accounting department led to a shortage of personnel able to review journal entries.

Effect – Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials – There is no disagreement with the audit finding.

2025-004 Inaccurate and Untimely Bank Reconciliations
Material Weakness

Criteria – A good system of internal control provides for the accurate and timely completions of bank reconciliations.

Condition – During our testing of cash balances, it was noted that material reconciling items were not included in the bank reconciliation and monthly reconciliations were not being completed in a timely manner.

Cause – Turnover within the accounting department and implementation of new accounting software led to a shortage of personnel able to review journal entries.

Effect – Inaccurate and untimely bank reconciliations could adversely affect the District's ability to detect misstatements in cash balances that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – Bank reconciliations should be completed in an accurate and timely manner. Any discrepancies between the bank statement and the District's records should be investigated and resolved promptly.

Views of Responsible Officials – There is no disagreement with the audit finding.

Section II - State of Montana Compliance Findings

None reported

Federal Awards Reports in Accordance
with the Uniform Guidance
June 30, 2025

Billings Public Schools, Montana

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The School Board of
Billings Public Schools
Billings, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Billings Public Schools ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-002, 2025-003, and 2025-004, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Montana Legal Compliance

The *Compliance Supplement for Audits of Montana Local Government Entities* contains nine categories of compliance to be tested. Our audit considered all of the nine categories. In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Compliance Supplement for Audits of Montana Local Government Entities*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Fargo, North Dakota
January 29, 2026



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

The School Board of
Billings Public Schools
Billings, Montana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Billings Public Schools' ("the District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The 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 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the 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 with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the [Entity/Company]'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-005 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 29, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Fargo, North Dakota

February 3, 2026, except for our report on the schedule of expenditures of federal awards, for which the date is January 29, 2026

Billings Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	
Department of Agriculture				
<i>Passed through the State of Montana Office of Public Instruction</i>				
Child Nutrition Cluster				
Non-Cash Assistance (Commodities)				
National School Lunch Program	10.555	Unknown	\$ 478,908	
Cash Assistance:				
National School Lunch Program	10.555	Unknown	3,185,959	\$ 3,664,867
Total FFAL 10.555				796,911
School Breakfast Program	10.553	Unknown		188,473
Summer Food Service Program for Children	10.559	Unknown		
Total Child Nutrition Cluster				\$ 4,650,251
Total Department of Agriculture				\$ 4,650,251
Department of Justice				
<i>Direct Programs</i>				
Juvenile Justice and Delinquency Prevention	16.540	N/A		12,449
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	9,585	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	47,433	
Total FFAL 16.738				57,018
Stop School Violence	16.839	N/A		53,590
Total Department of Justice				123,057
Department of Education				
<i>Direct Programs</i>				
Indian Education Grants to Local Educational Agencies	84.060	N/A		380,624
<i>Passed through the State of Montana Office of Public Instruction</i>				
Adult Education - Basic Grants to States	84.002	560966562025		241,543
Title I Grants to Local Educational Agencies	84.010	560965312024	1,478,937	
Title I Grants to Local Educational Agencies	84.010	560965312025	5,938,406	
Title I Grants to Local Educational Agencies	84.010	560965372024	8,793	
Title I Grants to Local Educational Agencies	84.010	560965372025	42,075	
Total FFAL 84.010				7,468,211
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	560966312024	8,302	
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	560966312025	65,851	
Total FFAL 84.013				74,153
Special Education Cluster				
Special Education Grants to States	84.027	560965772024	5,831	
Special Education Grants to States	84.027	560965772025	4,568,459	
Total FFAL 84.027				4,574,290
Special Education Preschool Grants	84.173	560965792024	17,063	
Special Education Preschool Grants	84.173	560965792025	120,407	
Total FFAL 84.173				137,470
Total Special Education Cluster				4,711,760
Career and Technical Education - Basic Grants to States	84.048	560966812025		397,106
Education for Homeless Children and Youth	84.196	560965572024	1,700	
Education for Homeless Children and Youth	84.196	560965572025	40,215	
Total FFAL 84.196				41,915
English Language Acquisition State Grants	84.365	560965412024	1,390	
English Language Acquisition State Grants	84.365	560965412025	38,144	
Total FFAL 84.365				39,534
Supporting Effective Instruction State Grants	84.367	560965142024	244,249	
Supporting Effective Instruction State Grants	84.367	560965142025	1,978,327	
Total FFAL 84.365				2,222,576

Billings Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	
Department of Education (continued)				
<i>Passed through the State of Montana Department of Public Health and Human Services</i>				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	20011750032	23,350	321,025
Student Support and Academic Enrichment Program	84.424F	560965532024	180,503	
Student Support and Academic Enrichment Program Total FFAL 84.424F	84.424F	560965532025	203,853	
COVID-19 Education Stabilization Fund	84.425	5609659721	72,946	
COVID-19 Education Stabilization Fund	84.425	5609659321	84,035	
COVID-19 Education Stabilization Fund	84.425	5609659322	7,576	
COVID-19 Education Stabilization Fund Total FFAL 84.425	84.425	Unknown	144,728	309,285
Total Department of Education				16,411,585
Department of Health and Human Services				
<i>Passed through State of Montana Office of Public Instruction</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	560965382024		254,741
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	560965382024	471,756	
Total Department of Health and Human Services				726,497
Total Federal Financial Assistance				\$ 21,911,390

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position or fund balance of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Note 4 - Schoolwide Title I Program

Billings Public Schools operates a schoolwide Title I program. Since schoolwide programs are not a separate federal program, amounts used in the schoolwide programs are included in the total expenditures of the program contributing the funds in the accompanying schedule of expenditures of federal awards.

Note 5 - Food Distribution

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of commodities received and disbursed.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Title I Grants to Local Educational Agencies	84.010
Special Education Cluster	84.027, 84.173
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2025-001 Preparation of Financial Statements, including Schedule of Expenditures of Federal Awards
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for internally preparing the District’s financial statements, including the schedule of expenditures of federal awards.

Condition – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited. The auditors were requested to, and did, draft the financial statements, including the schedule of expenditures of federal awards and accompanying notes to the financial statements.

Cause – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited. Turnover of staff within the accounting department contributed to this situation.

Effect – The disclosures in the financial statements could be incomplete.

Recommendation – It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2025-002 Material Adjustments
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition – During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District’s existing internal controls, and therefore could have resulted in a material misstatement of the District’s financial statements.

Cause – The District does not have an internal control system designed to identify all necessary adjustments.

Effect – This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation – A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

2025-003 Segregation of Duties over Journal Entries
Material Weakness

Criteria – A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets, record keeping and reconciliation functions.

Condition – During our testing of journal entries, it was noted that there is no formal review process over journal entries.

Cause – Turnover within the accounting department led to a shortage of personnel able to review journal entries.

Effect – Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – The accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials – There is no disagreement with the audit finding.

2025-004 Inaccurate and Untimely Bank Reconciliations
Material Weakness

Criteria – A good system of internal control provides for the accurate and timely completions of bank reconciliations.

Condition – During our testing of cash balances, it was noted that material reconciling items were not included in the bank reconciliation and monthly reconciliations were not being completed in a timely manner.

Cause – Turnover within the accounting department and implementation of new accounting software led to a shortage of personnel able to review journal entries.

Effect – Inaccurate and untimely bank reconciliations could adversely affect the District's ability to detect misstatements in cash balances that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – Bank reconciliations should be completed in an accurate and timely manner. Any discrepancies between the bank statement and the District's records should be investigated and resolved promptly.

Views of Responsible Officials – There is no disagreement with the audit finding.

Section III – Federal Award Findings and Questioned Costs

**2025-005 Department of Education, passed through the State of Montana Office of Public Instruction, Federal Financial Assistance Listing 84.010, federal award numbers S010A240026 and S010240026, grant period 7/1/2024 – 9/30/2026
Title I Grants to Local Education Agencies**

**Special Tests and Provisions
Material Weakness in Internal Control over Compliance
and Immaterial Instance of Noncompliance**

Criteria – The District must report graduation rate data for all public high schools at the school, using the four-year adjusted cohort rate. The Elementary and Secondary Education Act of 1965 (ESEA) sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25)) states that to remove a student from the cohort, a District must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the District must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. A student who is retained in grade, enrolls in a GED program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort.

Condition – During our testing of the removal of students from the adjusted cohort, it was noted that six students were removed for unallowable reasons.

Cause – District staff were not following the guidance in ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25)).

Effect – Students were removed from the adjusted cohort due to dropout or lack of attendance, which are not allowable reasons to remove them from the adjusted cohort. This caused the graduation rate data to be inaccurate.

Questioned Costs – None reported

Context/Sampling – A nonstatistical sample of 13 students out of 55 students were selected for testing.

Repeat Finding from Prior Year – No

Recommendation – District staff should follow the guidance in ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25)), to ensure graduation rate data is reported correctly.

Views of Responsible Officials – There is no disagreement with the audit finding.

Section IV - State of Montana Compliance Findings

None reported