LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES
REGULAR BOARD MEETING

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

MONDAY, November 9, 2026

CALL TO ORDER (6:00pm)

1. Roll Call
2. Pledge of Allegiance
3. Motion to Set Agenda
4. Presentation – TIF/TEDD Advisory Board
5. Discussion – D.A. Davidson – Bond Issuance and Preliminary Financing Time Schedule
6. Report – Student Representative to the Board
7. Report – Lewistown Education Association (LEA)
8. Report – Committees of the Board
9. Report – Investments
10. Report – Superintendent

PUBLIC PARTICIPATION

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

ACTION ITEMS – CONSENT AGENDA

12. Minutes
13. Claims
14. Transportation
15. Personnel Report

ACTION ITEMS – OLD BUSINESS

16. Second Reading of Policies

ACTION ITEMS – NEW BUSINESS

17. Authorizing Bond Resolution that will set the Bond Finance Committee
18. Multi-District Agreement Between Lewistown Elementary Schools and Fergus High School

ADJOURNMENT

PUBLIC PARTICIPATION

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

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

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

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#4

MEETING DATE: November 9, 2026

ITEM TITLE: PRESENTATION – TIF/TEDD ADVISORY BOARD

PREPARED BY: _____

SUMMARY:

Members of the TIF/DED Advisory Board will provide a tax increment financing district overview to the Board of Trustees.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#5

MEETING DATE: November 9, 2026

ITEM TITLE: DISCUSSION – D.A. DAVIDSON – BOND ISSUANCE AND PRELIMINARY FINANCING TIME SCHEDULE

PREPARED BY: _____

SUMMARY:

Bridget Ekstrom with D.A. Davidson will be discussing the Bond Issuance and the Preliminary Financing Time Schedule for the Fergus High School Bond that was passed on September 29, 2026.

A Bond Financing Committee will need to be set during the Committees of Board portion of the Agenda.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

Lewistown High School District
General Obligation School Building Bonds, Series 2027
➢ PRELIMINARY FINANCING TIME SCHEDULE ≺

OCTOBER 2026

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

NOVEMBER 2026

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

DECEMBER 2026

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

JANUARY 2027

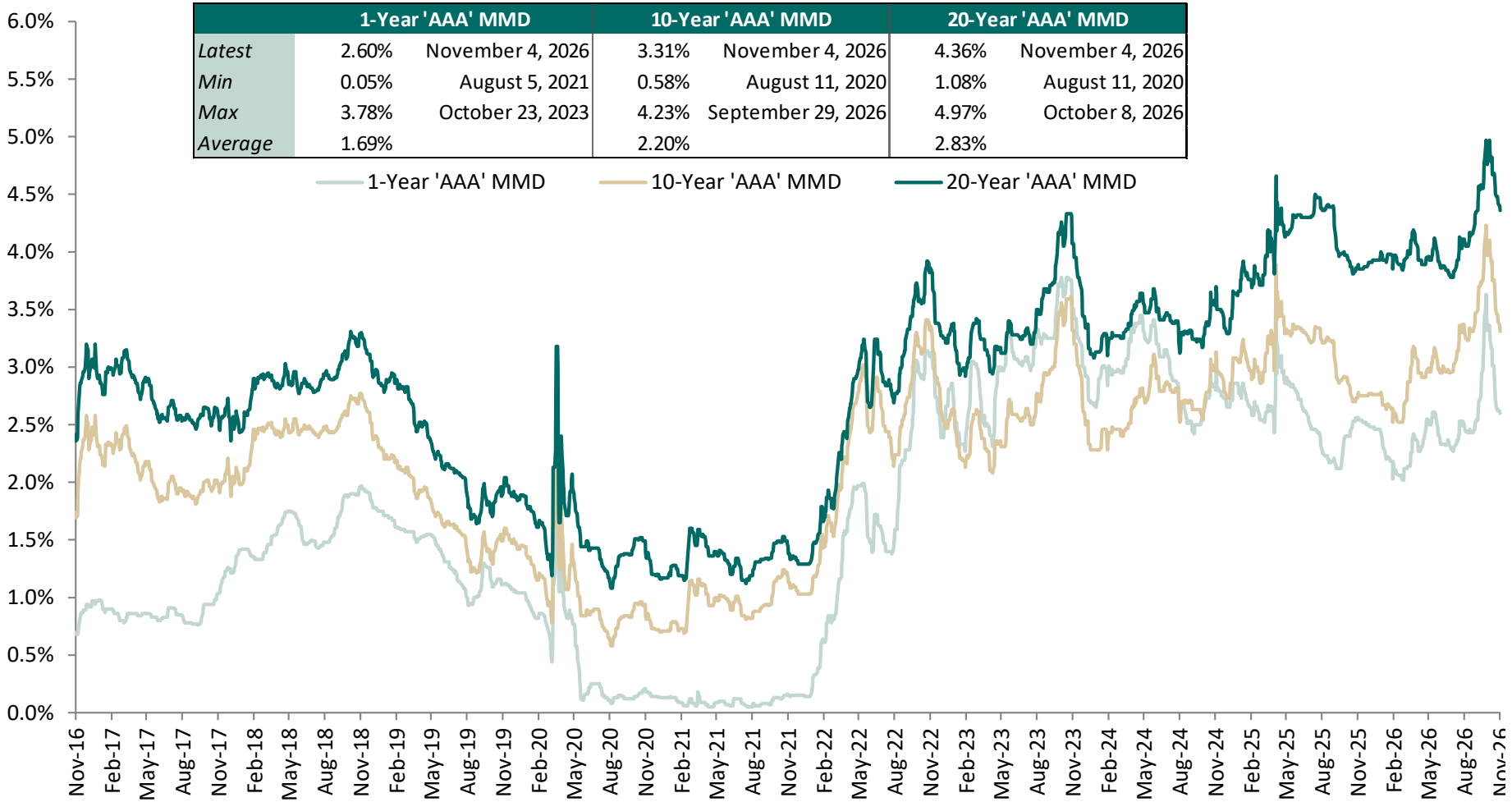
SU	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

DATE	*ACTION*	*PARTY*
September 29	• Bond Election Passes (60-day window over November 28)	District
October 28	• Send first Draft Preliminary Official Statement (POS) to the District and Dorsey for Review (Comments back by November 4)	DAD
November 9	• **BOARD MEETING –** The Board adopts the Resolution Authorizing Issuance of the Bonds as prepared by Dorsey & Whitney as Bond Counsel (DW) that names the Bond Finance Committee	All
November 10	• Send second Draft POS for Review	DAD
November 13	• Review S&P Rating/Insurance Power Point Presentation, POS, Bond Resolution and Due Diligence Checklist (Bond Finance Committee) (1:00-2:30)	DAD/District
November 20	• Distribute Insurance and Rating Information (Draft POS, Audit Reports and Budget) to S&P and Insurers to commence insurance and rating process	DAD
December 7	• Hold S&P Rating Meeting from (1:00-2:30) (Bond Finance Committee and analysts from S&P)	District/DAD
December 14	• **BOARD MEETING –** Bond Update	All
December 17	• Receive S&P Bond Rating and Insurance Quote	District/DAD
December 18	• Bond Finance Committee – Bond Issue Update and Review of Municipal Bond Insurance quote (1:00-2:00 pm)	District/DAD
January 5	• Print and Distribute POS/Marketing Materials to prospective investors • Send Tombstone Bond Advertisement announcing the Bond purchase opportunity to *The Lewistown News-Argus* and other publications	DAD/District DAD/District
January 11	• **BOARD MEETING –** Bond Update	All
January 19	• Bond Issue Preliminary Pricing Meeting to discuss Bond Market and Bond information with **Bond Finance Committee** (1:00-2:30)	DAD/District
January 21	• **OFFER Bonds to Individual Investors, Banks, and Other Purchasers** • **Bond Finance Committee Discuss Bond offering and finalize Bond Rates/Terms with DAD (11:00-11:30)** • **Bond Finance Committee Executes Bond Purchase Agreement (BPA) (1:00-1:30)** • **Distribute Final Financing Schedules to all Parties**	**DAD** **DAD/District** **DAD/District** **DAD**
January 22	• Distribute Closing Documents • Distribute Closing Instructions • Coordinate Investment of Proceeds with the County Treasurer	DW DAD District
January 25	• **SPECIAL BOARD MEETING - Board adopts final Bond Resolution**	All
February 4	• Closing/Delivery of Bond Proceeds	All

Municipal Bond Market Update

"AAA" Municipal Market Data Index (MMD)
1-Year, 10-Year & 20-Year Maturities
11/04/2016 – 11/04/2026

	1-Year 'AAA' MMD		10-Year 'AAA' MMD		20-Year 'AAA' MMD	
Latest	2.60%	November 4, 2026	3.31%	November 4, 2026	4.36%	November 4, 2026
Min	0.05%	August 5, 2021	0.58%	August 11, 2020	1.08%	August 11, 2020
Max	3.78%	October 23, 2023	4.23%	September 29, 2026	4.97%	October 8, 2026
Average	1.69%		2.20%		2.83%	



Source: © 2026 Refinitiv. All Rights reserved. (P1).

NEW ISSUE **[INSURANCE: TBD]**
BOOK-ENTRY ONLY **RATINGS: S&P Global Ratings: Insured "___"**
***NOT* BANK QUALIFIED** **Underlying: "Applied For"**
(See "BOND INSURANCE" and "RATINGS" herein.)

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, and (iii) is excludable from taxable income for Montana individual income tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is includable in the computation of income for purposes of the Montana corporate income tax and the Montana alternative corporate income tax. The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. (See "BONDS NOT QUALIFIED TAX-EXEMPT OBLIGATIONS" and "TAX CONSIDERATIONS" herein.)

$10,500,000*
High School District No. 1
Fergus County, Montana
General Obligation School Building Bonds, Series 2027

DATED: Date of Delivery (expected to be February 4, 2027) **DUE: July 1, as shown on the inside cover**

High School District No. 1, Fergus County, Montana (the "District") provides this Preliminary Official Statement in connection with the issuance of its General Obligation School Building Bonds, Series 2027 (the "Bonds"). The Bonds mature annually on July 1 in each of the years and amounts set forth on the inside cover hereof and will bear interest from their Date of Delivery to their respective maturities, or date of prior redemption, at the rates as shown on the inside cover herein.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only, in the principal amount of $5,000 within a single maturity and in integral multiples thereof. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical bond certificates. Interest on the Bonds will be payable semi-annually on each January 1 and July 1, commencing January 1, 2028. The District has appointed U.S. Bank Trust Company, National Association to serve as registrar and paying agent (the "Registrar") for the Bonds. The principal of and interest on the Bonds will be payable by the Registrar to DTC, which will in turn remit such principal and interest to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. (See "THE BONDS – Book-Entry Form" herein.)

The Bonds are general obligations of the District payable from the proceeds of an ad valorem tax that the District will covenant to levy annually on all taxable property within the District, without limitation as to rate or amount. The Bonds are being issued in accordance with the provisions of Title 20, Chapter 9, Montana Code Annotated.

The proceeds of the Bonds, together with other legally available funds, if any, will be used for the purpose of providing funds to pay costs (i) of repairing or replacing high school facility components that are beyond their useful lives and making Fergus High School more secure, to include: adding a secure vestibule, intercom system, camera system, and exterior door access control; repairing or replacing the fire alarm system; repairing or replacing the roof; painting and sealing the building exterior; making electrical system repairs; repairing or replacing heating, ventilation, and air condition systems; replacing doors, flooring, ceiling tiles, and bathroom features; repairing exterior door thresholds, sidewalks, concrete landings, and stairs; making related repairs or replacements at the high school (collectively, the "Project"); and (ii) associated with the sale and issuance of the Bonds. The District has determined to proceed with the issuance of the Bonds in the principal amount of $10,500,000* as a first and only series of bonds. (See "THE BONDS – Authorization," "– Security," and "– Purpose and Sources and Application of Funds" herein.)

The Bonds maturing on or after July 1, 2038* are subject to redemption at the option of the District on July 1, 2037* and on any date thereafter at a price equal to the principal amount being redeemed plus interest accrued to the date of redemption, without premium. Term Bonds, if any, will be subject to mandatory sinking fund redemption. (See "THE BONDS – Redemption" herein.)

[The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by _____.]

[Bond Insurer Logo]

The Bonds are offered when, as and if issued by the District, subject to prior sale, to withdrawal or modification of the offer without notice, and to the opinion as to validity and tax exemption of the Bonds by Dorsey & Whitney LLP, Missoula, Montana and Minneapolis, Minnesota, Bond Counsel. It is expected that the Bonds in definitive form will be available for book-entry delivery through the facilities of DTC on or about February 4, 2027 (the "Date of Delivery" or "Closing").

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to making an informed investment decision.

* Preliminary; subject to change.

D A DAVIDSON

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. The securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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$10,500,000*
High School District No. 1
Fergus County, Montana
General Obligation School Building Bonds, Series 2027

MATURITY SCHEDULE*

DATED: Date of Delivery (expected to be February 4, 2027)

DUE: July 1, as shown below

Year	Amount*	Interest Rate	Yield to Maturity	Price (% of Par)	CUSIP[1]
2028	$120,000	%	%	%	
2029	340,000				
2030	355,000				
2031	375,000				
2032	395,000				
2033	415,000				
2034	435,000				
2035	455,000				
2036	480,000				
2037	500,000				
2038	525,000				
2039	555,000				
2040	580,000				
2041	610,000				
2042	640,000				
2043	675,000				
2044	705,000				
2045	740,000				
2046	780,000				
2047	820,000				

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* Preliminary; subject to change.

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FERGUS HIGH SCHOOL DISTRICT
215 7th Avenue South
Lewistown, Montana 59457
(406) 535-8777
https://www.lewistown.k12.mt.us[1]

Officials of the District:

Board of Trustees	Mariah Shammel, Chair
	Whitney Brady, Vice Chair
	Karly DeMars
	Sam Helmer
	Jeff Southworth
	Carson Sweeney
	Eric Vanderbeek
Superintendent	Brad Moore
Business Manager/District Clerk	Rebekah Rhoades

Certain Park County Officials:

County Attorney	Kent Sipe
County School Superintendent	Rhonda Long
County Treasurer (Ex-Officio Treasurer for the District)	Kristy Taplin

U n d e r w r i t e r
D.A. DAVIDSON & CO.
8 Third Street North
Great Falls, Montana 59401

B o n d C o u n s e l
DORSEY & WHITNEY LLP
Millennium Building
125 Bank Street, Suite 600
Missoula, Montana 59802

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[1] Neither the information on the District's website nor any links from that website is a part of this Preliminary Official Statement, and such information cannot be relied upon to be accurate as of the date of this Preliminary Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District. The information in this Preliminary Official Statement was obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Preliminary Official Statement nor any sale made hereby shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriter has reviewed the information in the Preliminary Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information. This Preliminary Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The following descriptions of summaries of the Bonds and Bond Resolution and all references to other documents or materials not claiming to be quoted in full are only brief outlines of some of the provisions and do not claim to summarize or describe all provisions thereof. Copies of such documents may be obtained from the District.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In connection with the offering and issuance of the Bonds, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Certain statements included or incorporated by reference in this Preliminary Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "projection," "budget," or other similar words.

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[Bond Insurance Disclaimer]

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$10,500,000*
High School District No. 1
Fergus County, Montana
General Obligation School Building Bonds, Series 2027

SUMMARY STATEMENT

The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Preliminary Official Statement. No person is authorized to detach this Summary Statement from this Preliminary Official Statement or to otherwise use it without this entire Preliminary Official Statement.

ISSUER	High School District No. 1, Fergus County, Montana (the "District") is located in Fergus County (the "County") in central Montana and encompasses the City of Lewistown ("Lewistown") and portions of the surrounding area. The District's facilities are located in Lewistown, which is located along U.S. Highway 87 and the intersection of U.S. Highway 191 approximately 125 miles northwest of the City of Billings, the largest city in the State based on population, approximately 106 miles southeast of the City of Great Falls, the third largest city in the State based on population, approximately 175 miles south of the Montana/Canada border, and approximately 285 miles west of the Montana/North Dakota border. According to the U.S. Census Bureau estimates released January 2026, the District had a 2024 estimated population of 9,102. The District currently provides instruction to approximately 356 students in grades 9-12, which is based on the counts taken in 2025/26 for the actual ANB (defined herein) count used to determine the ANB that may be used for the 2026/27 Budget. (See "THE DISTRICT" herein.)
INTEREST AND REDEMPTION*	Interest on the Bonds is payable semi-annually each January 1 and July 1, commencing January 1, 2028. For so long as the Bonds are held in book-entry format, principal and interest payments will be made as described under the heading "THE BONDS – Book-Entry System." The Bonds maturing on or after July 1, 2038* are subject to redemption in whole or in part at the option of the District on July 1, 2037* and on any date thereafter at a price equal to the principal amount being redeemed plus interest accrued to the date of redemption, without premium. Term Bonds, if any, will be subject to mandatory sinking fund redemption. (See "THE BONDS – Redemption" herein.)
AUTHORITY FOR ISSUANCE	The Bonds are being issued pursuant to an authorizing resolution duly adopted by the District's Board of Trustees on November 9, 2026, and a bond resolution to be duly adopted by the District's Board of Trustees on or about January 25, 2027 (the "Bond Resolution") and pursuant to Title 20, Chapter 9, Montana Code Annotated. (See "THE BONDS – Authorization" herein.)
SOURCE OF REPAYMENT	The Bonds are general obligations of the District, payable from general ad valorem taxes to be levied on all taxable property in the District without limitation as to rate or amount. (See "THE BONDS – Security" herein.)
USE OF PROCEEDS	The proceeds of the Bonds, together with other legally available funds, if any, will be used for the purpose of providing funds to pay costs (i) of repairing or replacing high school facility components that are beyond their useful lives and making Fergus High School more secure, to include: adding a secure vestibule, intercom system, camera system, and exterior door access control; repairing or replacing the fire alarm system; repairing or replacing the roof; painting and sealing the building exterior; making electrical system repairs; repairing or replacing heating, ventilation, and air condition systems; replacing doors, flooring, ceiling tiles, and bathroom features; repairing exterior door thresholds, sidewalks, concrete landings, and stairs; making related repairs or replacements at the high school (collectively, the "Project"); and (ii) associated with the sale and issuance of the Bonds. The Bonds represent the first and only series of bonds to be issued under the Bond Authorization. (See "THE BONDS – Purpose and Sources and Application of Funds" herein.)

* Preliminary; subject to change

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THE BONDS

Description of Bonds

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for DTC (defined herein) as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only, in the principal amount of $5,000 within a single maturity and in integral multiples thereof.

The Bonds will be dated, as originally issued, as of their Date of Delivery. The Bonds shall mature annually on July 1 in the years and amounts set forth on the inside cover hereof and shall bear interest from the date of original registration to their respective maturities, or date of prior redemption, at the interest rate or rates per annum as shown on the inside cover hereof. Interest on the Bonds will be payable semi-annually on January 1 and July 1 (each an "Interest Payment Date"), commencing January 1, 2028, by wire transfer on the Interest Payment Dates to Cede & Co. Interest on the Bonds will be payable to the Beneficial Owners of record as of the close of business on the 15th day of the month immediately preceding an Interest Payment Date. Principal and interest payments to the Beneficial Owners of the Bonds are to be made as described herein under "Book-Entry Form."

Registrar

The District has appointed U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, to serve as paying agent and registrar (the "Registrar") for the Bonds. The Registrar is to carry out those duties assignable to it under the Bond Resolution. Except for the contents of this section, the Registrar has not reviewed or participated in the preparation of this Preliminary Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Preliminary Official Statement or for the recitals contained in the Bond Resolution or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

The mailing address of the Registrar is U.S. Bank Trust Company, National Association, 170 South Main, Suite 200, Salt Lake City, Utah 84101, Attention: Corporate Trust Services. Additional information about the Registrar may be found at its website at http://www.usbank.com/corporatetrust. The U.S. Bank website is not incorporated into this Preliminary Official Statement by such reference and is not a part hereof.

Redemption*

Optional Redemption*. The Bonds with stated maturities in the years 2028 through 2037* shall not be subject to redemption prior to their stated maturities. The Bonds with stated maturities on or after July 1, 2038* will be subject to redemption on July 1, 2037*, and any day thereafter, at the option of the District, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the District may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in $5,000 principal amounts selected by the Registrar by lot or other manner as directed by the District).

* Preliminary; subject to change.

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[Mandatory Sinking Fund Redemption. The Bonds with a stated maturity in the years _____ are Term Bonds and are subject to mandatory sinking fund redemption prior to maturity on July 1, in each of the years _____ for the Term Bond maturing in ____; in $5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the District, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption, from mandatory sinking fund deposits in the total principal amount set forth below.

20__ Term Bond		20__ Term Bond		20__ Term Bond	
Date	Redemption Amount	Date	Redemption Amount	Date	Redemption Amount
July 1, 20__	$___,000	July 1, 20__	$___,000	July 1, 20__	$___,000
July 1, 20__[1]	___,000	July 1, 20__[1]	___,000	July 1, 20__[1]	___,000

[1] Maturity.]

Notice of Redemption. Notice of redemption stating the redemption price, the date fixed for redemption, the numbers, the interest rates, CUSIP numbers, and the maturity date of the Bonds or portions thereof called for redemption will be given by first-class mail, or by such other means required by the securities depository, to the holder of each Bond to be redeemed at such person's address as shown in the bond register at least thirty days before the redemption date; provided that any defect in or failure to give such notice will not affect the validity of proceedings for the redemption of any Bond not affected thereby. Notice of the redemption of any Bond having been given as so provided and funds sufficient for its payment with accrued interest having been deposited with the Registrar on or before the redemption date, interest on such Bond will cease to accrue on the redemption date, and the holder will have no further rights with respect thereto or under the Bond Resolution except to receive the redemption price so deposited.

Book-Entry Form

The Bonds will be issued under a book-entry system, initially registered to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in the principal amount of $5,000, or integral multiples thereof within a single maturity. When the Bonds are issued, ownership interest will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by DTC or such other depository institution designated by the District pursuant to the Bond Resolution. See Appendix E to this Preliminary Official Statement for further information about the Book-Entry System. The information presented in Appendix E was obtained from DTC, and the District makes no representation as to the accuracy or completeness thereof. If the Bonds are removed from the Book-Entry System and delivered to the person named as the registered owner of the Bonds on the registration records maintained by the Registrar in physical form, as described in Appendix E, the discussion therein of the Book-Entry System will not apply.

Authorization

The Bonds are being issued pursuant to Title 20, Chapter 9, Montana Code Annotated and in accordance with the provisions of a resolution adopted by the District's Board of Trustees (the "Board") on November 9, 2026 (the "Authorizing Resolution"), and a final resolution to be duly adopted by the Board with regard to the Bonds on or about January 25, 2027 (the "Bond Resolution"), authorizing the issuance of the Bonds and providing for the security of the Bonds.

The electors of the District authorized the issuance of up to $10,500,000 in principal amount of general obligation in one or more series bonds (the "Bond Authorization") at an election duly called, noticed and held on September 29, 2026. A total of 48.2% of those registered to vote in the District cast ballots, with 1,748 (57.6%) voting in favor of and 1,288 (42.4%) voting against the issuance of the bonds. The Bonds represent the first and only series of bonds to be issued under the Bond Authorization.

Security

The Bonds are general obligations of the District payable from the proceeds of general ad valorem taxes which the District will covenant to levy annually on all taxable property within the District, with respect to the Bonds, without limitation as to rate or amount. (See "DISTRICT FINANCIAL INFORMATION – Schedule of General Obligation Bond Debt Service" herein.)

Pursuant to State of Montana (the "State") law, the District is currently eligible to receive debt service assistance from the State for a portion of its annual debt service requirements relating to its general obligation bond debt service requirements. Irrespective of the amount of debt service assistance received from the State, if any, the District will covenant to levy taxes on all taxable property in the District, so that the levy will raise sufficient funds to provide for the payment of principal of and interest on the Bonds. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – District Eligibility for State Debt Service Assistance" herein.)

Purpose and Sources and Application of Funds

The proceeds of the Bonds, together with other legally available funds, if any, will be used for the purpose of providing funds to pay costs (i) of repairing or replacing high school facility components that are beyond their useful lives and making Fergus High School more secure, to include: adding a secure vestibule, intercom system, camera system, and exterior door access control; repairing or replacing the fire alarm system; repairing or replacing the roof; painting and sealing the building exterior; making electrical system repairs; repairing or replacing heating, ventilation, and air condition systems; replacing doors, flooring, ceiling tiles, and bathroom features; repairing exterior door thresholds, sidewalks, concrete landings, and stairs; making related repairs or replacements at the high school (collectively, the "Project"); and (ii) associated with the sale and issuance of the Bonds. The Bonds represent the first and only series of bonds to be issued under the Bond Authorization.

Construction of the Projects is expected to commence in the spring of 2027 and is expected to be completed by the spring of 2030. The estimated sources and application of proceeds of the Bonds are shown in the table that follows.

Sources of Funds:[1]	Total
Principal Amount of the Bonds[1]	$10,500,000.00
Net Original Issue Premium/(Discount)	$
Total Sources of Funds	$
Application of Funds:[1]	
Deposit to the Project Fund Account	$
Costs of Issuance of the Bonds[2]	$
Total Application of Funds	$

[1] Preliminary; subject to change. Final amounts will be provided in the Official Statement.
[2] Includes Bond Counsel fees, Underwriter's discount, costs of printing and distributing the Preliminary and final Official Statements, initial Registrar fees, dissemination agent fees, rating agency fees, [bond insurance premium,] and other related fees and expenses.

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MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING

General Description

Montana public schools are governed by local boards of trustees. Districts may be organized as elementary districts providing education for grades K-8, high school districts providing education for grades 9-12, or K-12 districts providing education for grades K-12 for a single unified area.

The current method of budgeting and financing operating and capital expenditures of school districts in the State of Montana ("Montana" or the "State"), as described herein, is the result of legislation adopted during a special session of the State's legislature in 1993, as amended by the ensuing legislative sessions. The school legislation enacted was in response to a Montana Supreme Court ruling that found the previous system of school funding to be not in accordance with the State Constitution. The stated legislative intent of the revised school funding laws was to create more equity in the budgets of Montana schools, more equity in the burden of Montana taxpayers for funding public education and a funding formula that equitably distributes the State's share of the costs for the basic system.

The State Legislature meets on a biennial basis and changes to the State's current methods of budgeting and financing operating and capital expenditures of school districts are proposed and may be enacted during each legislative session.

2025 Decennial Study of School Funding In Montana. Montana law provides that a thorough examination of Montana school funding is conducted every ten years by select members of the Montana Legislature (the "School Funding Interim Commission"). Together, the Montana Quality Education Coalition ("MQEC") and Coalition of Advocates for Montana Public Schools ("CAMPS") have drafted K-12 school funding considerations for review by the study group. The School Funding Interim Commission provided its final report dated September 1, 2026 to the 70th Montana Legislature for consideration during the upcoming session that will commence January 4, 2027.

Potential Litigation Regarding Funding of Montana Public Schools. In late September 2025, the trustees of Missoula County Public Schools voted unanimously to join a potential forthcoming lawsuit against the State regarding school funding. As of the date of this document, no lawsuit has been filed.

History of Certain Litigation Regarding Funding of Montana Public Schools. In *Columbia Falls Sch. Dist. v. State*, 2005 MT 69 (the "Columbia Falls Litigation"), the Montana Supreme Court held that the State's system of funding public education violated the Montana Constitution in that, among other things, it failed to provide adequate funding for Montana public schools. The Montana Legislature was required to remedy the constitutional infirmity.

After regular and special legislative sessions in 2005 and 2007 in which legislation was enacted addressing some of the concerns raised by the Montana Supreme Court and additional funding was provided for public schools, the Columbia Falls Litigation resumed, with the plaintiffs requesting further supplemental relief in February 2008. On December 15, 2008, the Montana First Judicial District Court, Lewis and Clark County, issued an order in which it declined to award any supplemental relief to the school districts, finding that sufficient progress in regard to defining and funding public education had been made by the State. That order was not appealed. Although the Columbia Falls Litigation has not been renewed and the District Court's December 15, 2008 order denied the plaintiffs the relief they sought, the District Court did invite the plaintiffs to monitor the State's continued compliance with the Montana Supreme Court's holding in the Columbia Falls Litigation. School districts and school district associations have indicated they will closely monitor the adequacy of funding provided by the State for Montana public schools.

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On November 18, 2011, the Montana Quality Education Coalition ("MQEC"), a coalition of member State public schools and educational organizations, filed suit against the State for failing to comply with statutorily mandated inflationary adjustments. In a consent decree entered on April 4, 2012, the State agreed that school districts' budget limitations for general fund budgets, including each school district's BASE budget, maximum general fund budget and general fund budget without a vote would be adjusted using a 2.43% inflation factor on the basic and per-ANB entitlements for fiscal year 2013.

The 2015 Legislature increased the basic entitlements for public schools by approximately 25.0% for elementary schools, approximately 25.0% for middle schools and approximately 3.4% for high schools and per-ANB entitlements were increased by approximately 2.3% for each type of school, effective for fiscal year 2015/16.

Shown below are the inflation factors established at the current and past three legislative sessions and applied to certain entitlements and payments described as follows. The entitlements and payments impacted by the inflation factor include basic entitlements, per-ANB entitlements, Quality Educator and Qualified Staff payment, the Indian Education for All payment, the American Indian Achievement Gap payment, the Data for Achievement payment, the Future Ready Payment (will commence in fiscal year 2028), and the special education allowable cost payment (an addition pursuant to HB 46 (defined herein)). (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING — Legislative Session Highlights" herein.)

	2021 Biennium		2023 Biennium		2025 Biennium		2027 Biennium	
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Inflation Factor	0.91%	1.83%	1.50%	2.57%	2.70%	3.00%	3.00%	3.00%
Legislative Session	2019	2019	2021	2021	2023	2023	2025	2025

Accounting and Budgeting. The accounting systems of public school districts are organized on a fund basis. Each fund must be accounted for separately so that its resources, obligations, revenue and expenditures are kept apart from other funds. A budgeted fund is a fund for which the board of trustees must officially adopt a budget in order to expend money from such fund. Currently, there are 11 budgeted funds for school districts.

A non-budgeted fund is any fund for which an official budget is not required to be adopted in order to expend money on deposit in the fund, such as a Building Fund for purposes of accounting for bond proceeds.

The average number belonging ("ANB") is the official enrollment count for Montana schools for budget purposes. ANB is calculated by taking the average of the number of regularly enrolled full-time pupils enrolled as of both the first Monday in each of October and February (or the next school day if those dates do not fall on a school day), multiplying this number by the number of student instruction days (180 days) plus pupil instruction related ("PIR") days (7 days), and dividing the resulting product by the number of student instruction days. The determined ANB is used for budgeting purposes for the ensuing fiscal year. School districts may use the higher of the budget year ANB or the three-year average ANB for budgeting purposes.

General obligation bonds issued by school districts to finance capital improvements are payable from a local property tax appropriated to a budgeted fund called the Debt Service Fund. The State may provide debt service assistance to districts with a mill value per ANB that is less than the statewide Facility Guaranteed Mill Value per ANB for a portion of the debt service on such bonds, subject to the amounts available, if any, or appropriated by the Legislature, if any.

General Fund. The General Fund is used to finance instructional, administrative, facility maintenance, and other operational costs of a district not financed by other funds established for special purposes. As described

herein, in an effort to equalize school funding in Montana, state law requires schools to adopt general fund budgets with an equalized range between the BASE (minimum budget) and maximum budget.

The primary sources of funding for public education in the State are State, county and local property tax levies. State and county levies are collected and allocated to districts on an equalized basis. All districts receive direct state aid for a portion of their General Fund budget. A district is also eligible to receive guaranteed tax base aid from the State in support of a portion of its General Fund budget if the district's ratio of taxable valuation to direct state aid received in the current budget year is less than the ratio of statewide taxable valuation to total direct state aid for General Fund budgets.

The county treasurer of each county levies 33 mills for the elementary BASE funding and 22 mills for the high school BASE funding, known as the 55 BASE mills. Another statewide mill levy is the 40 mill State Equalization Aid Levy. The 55 BASE mills together with the 40 Equalization mills are known as the 95 statewide mills. The county treasurer is required to remit 100% of these collections to the State Treasurer for purposes of reallocating state equalization funding to individual districts.

Total general fund budgets for school districts in Montana as of 2026/27 were about $1.422 billion. Of this amount, the State funded about $0.724 billion or approximately 74.3% of total general fund budgets for school districts. For comparison, in fiscal year 1991, the State's share of district general fund revenue was 72.7%.

The following table shows the total general fund budget for all districts and the sources of revenue for such general fund budgets since fiscal year 2022/23. Totals may not foot due to rounding.

Revenue Sources for General Fund Budgets
(aggregate totals for all school districts)

	Fiscal Year				
	2022/23	2023/24	2024/25	2025/26	2026/27
Revenues					
State Sources	$870,474,176	$873,681,133	$922,016,275	$1,006,941,278	$724,315,353
Local Property Tax	350,187,950	369,766,826	354,181,185	346,083,652	216,384,248
Non-Levy Sources	9,779,306	15,517,797	17,317,265	28,116,871	28,845,955
Reappropriation[1]	3,682,430	5,462,887	5,139,805	4,054,499	5,102,627
Total Revenue	$1,234,123,862	$1,264,428,642	$1,298,654,529	$1,385,196,300	$974,648,183
Expenditures					
General Fund Budgets	$1,234,059,815	$1,264,365,984	$1,298,708,890	$1,385,171,631	$1,421,725,688
Total Expenditures	$1,234,059,815	$1,264,365,984	$1,298,708,890	$1,385,171,631	$1,421,725,688
Excess of Rev. Over Exp.	$64,046	$62,658	$(54,360)	$24,669	$(447,077,505)
% of Revenue from State	70.5%	69.1%	71.0%	72.7%	74.3%

[1] The amount in the general fund that may be reappropriated is capped at 15% of the maximum general fund budget.

Source: OPI Recap of All School District General Fund Budgets

The State's share includes the 95 statewide mills revenues derived from school trust lands and other state tax revenues. In 2024/25, there was a dispute regarding the 95 mills that stemmed from the State's historic property valuation growth as a result of the 2023 Department of Revenue reappraisal of Montana properties whereby the total Statewide assessed value grew by 39.4%, the Statewide taxable value grew by 29.6%, and the median residential property assessed value grew by an average of approximately 46%. Following the large jump in property values there was controversy over whether Montana counties should levy the full 95 mills for School Equalization as traditionally levied or a lower to 77.89 mills to account for revenue increases

due to the revaluations. Proponents of a reduction in the 95 mills referenced Montana tax cap statutes that limit growth in local government collections that they believed should also apply to the 95 mills. On November 22, 2023, the Montana Supreme Court ruled that counties must levy the full 95 mills.

The local share includes property taxes levied for schools by the district or the county, as well as other district and county revenue. Block grants are State payments to districts and county education accounts to reimburse these funds for revenues that now flow to the State.

Specific provisions of the methods for budgeting and funding public education in the State are summarized in following sections. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Operating Expenditures and Budgeting" herein.)

Legislative Session Highlights

Litigation Regarding SB 542. On January 21, 2026, three State of Montana Senators (one of whom is now a former State Senator) filed a complaint with the Gallatin County District Court against the State of Montana and the Montana Department of Revenue seeking that the court declare that Senate Bill 542 ("SB 542"), which was passed by the 2025 Legislature, violated the Montana Constitution. The Plaintiffs claim that the legislative process that culminated in the passage of SB 542 violated two components of the State Constitution: (i) the original purpose requirement set forth in Article V, Section 11(1) of the Montana Constitution; and (ii) the single subject requirement set forth in Article V, Section 11(4) of the Montana Constitution. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – General Description – Litigation Regarding 2025 Legislative Changes to Property Tax Rates from SB 542" herein.)

Just prior to adjournment, the 2025 Legislature passed House Bill 231 ("HB 231") and SB 542, with both bills having similar language and coordination requirements. SB 542 and HB 231, in coordination, among other things, revise Class 4 residential and commercial property tax rates, lower tax rates for certain long-term rentals, lower the tax rate for a portion of Class 4 commercial property, provide a property tax rebate on a principal residence, lower Class 3 agriculture property tax rates, and provide application and eligibility requirements and processes for appealing or providing for a refund for failure to apply for and claim the Homestead Reduced Tax Rate.

On October 13, 2026, the same three State of Montana Senators (one of whom is now a former State Senator) filed a second complaint with the Gallatin County District Court against the State of Montana and the Montana Department of Revenue over the new Montana property tax system laws established by SB 542. The Plaintiffs are seeking that the court declare SB 542 and the imposition of multiple tax rates on property within Class 4 violates (i) Montana's uniformity doctrine, which requires that property within the same class receive uniform tax treatment, and (ii) the equal protection guarantees of the Montana Constitution, which prohibit subjecting taxpayers to taxes not imposed on others within the same class. The suit asks the court to strike down the law and bring back the previous property tax system, which used the same rate for most residentially classified properties.

The District is unable to predict the outcome of such litigation; if the Plaintiffs were to prevail, the effect on the State's system of property taxes; or the effect it may have on the Districts, property values, or retroactive or future changes to the State property tax system. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – 2025 Legislative Session Highlights – SB 542 and 231" and "– The Montana Property Tax System" herein.)

2025 Legislative Session Highlights. The State Legislature meets on a biennial basis and the 69th Legislature adjourned April 30, 2025. Changes to the State's current methods of budgeting and financing operating and capital expenditures of school districts are proposed and may be enacted during each

legislative session. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – 2024 Property Tax Task Force" herein.)

As a result of the State's historic property valuation growth, the 2023 Department of Revenue ("DOR") reappraisal of Montana properties resulted in total Statewide assessed value growing by 39.4%, the Statewide taxable value grew by 29.6%, and the median residential property assessed value growing by an average of approximately 46%. This growth resulted in a shift in property tax burden to residential property from other classes of property. Governor Gianforte launched a property tax task force (the "Property Tax Task Force") on January 11, 2024, to provide recommendations to reform the State's property tax system and reduce the burden on property taxpayers. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – 2024 Property Tax Task Force" herein.)

2025 HB 15. The 2025 Legislature passed House Bill 15 ("2025 HB 15"), which was signed by the Governor on April 1, 2025, to help schools manage operational costs and adjust to inflation. 2025 HB 15 provides for inflationary adjustments to the school funding formula components, which will increase the K-12 Base Aid by approximately $52.1 million over the next two fiscal years (2025/26 and 2026/27), with high schools seeing the largest increase (approximately $20,000 to base budgets annually) and elementary schools receiving incremental funding adjustments based on enrollment. 2025 HB 15 increases the basic entitlements, per-ANB entitlements, Quality Educator and Qualified Staff payment, the Indian Education for All payment, the Total American Indian Achievement Gap payment, and the Total Data for Achievement payment for public schools by an inflation factor of 3.00% for fiscal year 2025/26 and an inflation factor of 3.00% for fiscal year 2026/27. Pursuant to 2025 HB 15, the Natural Resource Development ("NRD") Facility Payment is estimated to be $12.4 million in fiscal year 2025/26 and $12.3 million in fiscal year 2026/27. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Operating Expenditures and Budgeting" herein.)

2025 HB 2. The 2025 Legislature passed House Bill 2 ("2025 HB 2"), which is the primary appropriation bill. 2025 HB 2 appropriates (i) $1,029,386,349 in fiscal year 2026 and $1,094,947,576 in fiscal year 2027 for K-12 base aid, (ii) $16,000,000 in fiscal year 2026 and $17,093,051 in fiscal year 2027 for debt service assistance, and (ii) $22,895,443 in fiscal year 2026 and $27,477,381 in fiscal year 2027 for State School Major Maintenance Aid (defined herein). (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – District Eligibility for State Debt Service Assistance" herein.)

HB 156. The 2025 Legislature passed House Bill 156 ("HB 156") that provides for replacing the school district base levy with a countywide levy to support the BASE budgets. Provisions in HB 156 commenced with fiscal year 2025/26. The calculation of guaranteed tax base is applied to the new countywide base levy, along with adjustments to tuition, non-levy revenue and modifying duties of certain positions of a district and the county treasurer. Commencing in fiscal year 2026/27, HB 156 requires that the levies to support the BASE Budget (described herein) are countywide levies for all school districts in a county (the "Countywide BASE Funding"). There are countywide levies for (i) elementary equalization (33 mills); (ii) high school equalization (22 mills); (iii) transportation; (iv) retirement; (v) Countywide Base Funding; and (vi) any other countywide tax for schools (including community colleges). For districts that are located in more than one county, the guaranteed tax base budget is prorated to each county in the same proportion as district ANB is by pupil residence in each county.

Commencing in fiscal year 2025/26, GTB Aid is comprised of direct state aid for the first 44.7% of a school district's General Fund Entitlement; the total Quality Educator and Qualified Staff payment; total At-Risk Student payment; total Indian Education for All payment; total American Indian Achievement Gap payment; the Future Ready Payment (will be effective for fiscal year 2027/28); and State Special Education Allowable Cost payment. The "BASE Budget" for a school district's minimum General Fund

budget will continue to be equal to 80% of the Basic Entitlement, 80% of the Per-ANB Entitlement, 100% of the Quality Educator and Qualified Staff payment, 100% of the At-Risk-Student payment, 100% of the Indian Education for All payment, 100% of the American Indian Achievement Gap payment, 100% of the Data for Achievement payment created by SB 175 during the 2013 legislature, and 140% of the Special Education Allowable Cost payment, which collectively is called the "BASE Budget."

Commencing in fiscal year 2025/26, the "BASE budget levy funding revenue requirement" is the district levy amount calculated in support of the BASE budget of a district, which is funded by the Countywide BASE funding levy (not each district) for BASE funding support and may be supplemented by guaranteed tax base aid if the county is eligible under the provisions of 20-9-366 through 20-9-369 MCA.

HB 483. House Bill 483 ("HB 483") was passed by the 2025 Legislature and requires that the Office of Public Instruction ("OPI") and the DOR collaborate to mitigate effects from the reappraisal of property and the potential growth in collections related to the 95 state equalization mills. Pursuant to HB 483, the 95 statewide mills for equalization (i.e., 33 mills for the elementary BASE funding, 22 mills for the high school BASE funding, and 40 mills for State Equalization Aid Levy) and the 1.50 vocational-technical education mills are set and remain at these specific numbers and will not be subject to adjustments provided for in 15-10-420 MCA. HB 483 also revises the school district and retirement guaranteed tax base multiplier in fiscal year 2025/26 only. If taxable values decrease due to the property tax legislation passed at the 2025 legislative session such that the 95 mills produce less than a certain dollar amount, the State is required to make distributions to address the shortfalls in fiscal years 2027 through 2029, including distributions to fund county retirement GTB and BASE aid. Finally, HB 483 will have the effect of increasing the on-schedule reimbursement rates and adjusts the portion of pupil transportation reimbursement paid by the State and the county.

HB 252/STARS Act. House Bill 252 ("HB 252"), passed by the 2025 Legislature, is referred to as the "Student and Teacher Advancement for Results and Success Act" (the "STARS Act") and provides approximately $100 million of State funds towards teacher base pay incentive and the Quality Educator and Qualified Staff payments. The STARS Act updates and redefines the quality educator component to include a qualified staff component and defines the additional full-time equivalents ("FTE") that will qualify, which will referred to as the "Quality Educator and Qualified Staff" payment as a part of the school funding formula. HB 252 also establishes the "Future Ready Payment" as a new component to the school funding formula, provides for the maximum budget limitation to be increased to accommodate a housing cost budget authority allowance if certain conditions are met, and provides for the creation of a school funding data dashboard.

HB 252 provides additional school funding incentives to increase base salaries for teachers for educational entities, which includes public schools, public education cooperatives, Montana School for the deaf and blind, certain correctional facilities, and the Montana Youth Challenge program. To qualify for the teacher base salary incentive, the teacher base pay in the applicable year must be (i) equal to 11 times the Quality Educator and Qualified Staff payment and (ii) not less than the applicable percentage (as detailed in State law) of average teacher salary for the school (currently 62% for fiscal year 2026, 64% for fiscal year 2027, 66% for fiscal year 2028, 68% for fiscal year 2029, and 70% for fiscal year 2030 and subsequent fiscal years). A school that meets the requirements for the teacher base salary incentive will receive a Quality Educator and Qualified Staff payment that is double the base Qualified Educator and Qualified Staff payment. A school that qualified for the enhanced Quality Educator and Qualified Staff payments in a fiscal year will retain such qualification until the school district fails to qualify for two consecutive years, at which time the school will have to reestablish eligibility. If a school district meets the goal for the teacher base pay incentive and is located in a county where the assessed/market value of residential property meets certain criteria, the school district will be allowed to increase the maximum budget limit, which increase is limited to expenditures for housing stipends for employees, construction/purchase of district owned housing for

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employees, rental assistance for employees, down payment assistance for the purchase of a primary residence by an employee, and other employee housing related costs described in State law.

The Future Ready Payment, with the first payment to commence in fiscal year 2028, are incentive payments to school districts on three levels: (i) high school graduates who earned 15 or more post-secondary or CTE-equivalent credits while in high school; (ii) high school graduates who earned 30 or more post-secondary or CTE-equivalent credits while in high school; and (iii) high school graduates who earned an associate-level degree while in high school The Future Ready Payment will be included in the BASE aid and the Base and Maximum budget limitations. The Future Ready Payment is intended to (i) expand career and technical education opportunities; (ii) reduce out-of-pocket costs for families; (iii) empower students to engage in a post-secondary path; (iv) provide flexibility to school districts to support a student's post-secondary path. The STARS Act also includes approximately $100,000 per year to assist school districts maintain collegiate and career centric offerings through the State's existing Advanced Opportunities grant program.

HB 924. House Bill 924 ("HB 924"), passed by the 2025 Legislature, creates a new trust to be referred to as the Montana Growth and Opportunity Trust (the "Trust"), which will have a distribution portion and a reinvestment portion. The reinvestment portion is comprised of a pension fund and housing fund. Pursuant to HB 924, $30 million in fiscal year 2025 and $50 million in fiscal year 2026 will be transferred from the State General Fund to the pension fund held in the Trust. HB 924 also increased the employer's supplemental contribution rate to the Teacher's Retirement System ("TRS") and Public Employees' Retirement System ("PERS") by 0.10% each year for 20 years beginning July 1, 2027 through June 30, 2047 (or fiscal years 2027/28 through 2046/47). It is estimated that the increased contributions will reduce the amortization period for the unfunded actuarial accrued liability from 21 years to 19 years for TRS and from 27 years to 22 years for PERS.

SB 542 and HB 231. The 2025 Legislature passed House Bill 231 ("HB 231") and Senate Bill 542 ("SB 542"), with both bills having similar language and coordination requirements. SB 542 and HB 231, in coordination, among other things, revise Class 4 residential and commercial property tax rates, lower tax rates for certain long-term rentals, lower the tax rate for a portion of Class 4 commercial property, provide a property tax rebate on a principal residence based on tax year 2024 property paid, lower Class 3 agriculture property tax rates, and provide application and eligibility requirements and processes for appealing or providing for a refund for failure to apply for and claim the Homestead Reduced Tax Rate. Based on the fiscal note for SB 542 (which doesn't account for coordination with HB 231), it is expected that SB 542 changes will cause the statewide taxable value to decrease by approximately 8.4% ($438 million) in fiscal year 2026 (tax year 2025) and by approximately 12.1% (approximately $606 million) in fiscal year 2027 (tax year 2026) compared to prior law projections, which changes will adjust the general fund guaranteed tax base aid multiplier. Actual effects may vary materially statewide and for each local government or taxing jurisdiction. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – General Description – Litigation Regarding 2025 Legislative Changes to Property Tax Rates from SB 542" herein.)

SB 542 provides for a $400 rebate for tax year 2024 property taxes paid for a property that was owner-occupied as a principal residence, as well as certain long-term rentals that meet the requirements. If a property qualifies for the rebate, the property will automatically qualify for the "Homestead Reduced Tax Rate" that will commence for tax year 2026, otherwise a property owner will need to apply for such Homestead Reduced Tax Rate. Once a property is approved for the Homestead Reduced Tax Rate, the qualification will remain until (i) there is a change in ownership of the property; (ii) the owner no longer utilizes the property as the principal residence; (iii) the owner applies for the Homestead Reduced Tax Rate for a different principal residence; (iv) the property is no longer a long-term rental rented to tenants as a dwelling; (v) the lease changes and the property is no longer a qualified long-term rental; (vi) the property owner of a long-term rental fails to reapply; or (iv) the Homestead Reduced Tax Rate is terminated.

Commencing in tax year 2026, SB 542 creates three groups of Class 4 Residential property: (1) primary residences and long term rentals (that qualify for the Homestead Reduced Tax Rate); (2) residential improvements on qualified agricultural land (tax rate of 1.35%) (that do not qualify for the Homestead Reduced Tax Rate); and (3) all other residential property (tax rate of 1.90%).

For comparison, changes enacted during the 2015 legislative session assigned Class 4 residential property a tax rate of 1.35% for assessed values up to $1.5 million and a tax rate of 1.89% for the portion of assessed values over $1.5 million. Class 4 commercial property was assigned a tax rate of 1.89%, except for golf courses that had a tax rate of 0.945%.

SB 542, as amended by HB 231, provides for tax year 2025 to be a transition year in advance of the new tax rate tiers taking effect in tax years 2026 and beyond that are to be based on the State (i) median residential value ("MRV") for a residential property and (ii) median commercial and industrial value ("MCIV") for commercial and industrial property. The Montana Department of Revenue (the "Department of Revenue" or the "DOR") will calculate the MRV and MCIV every two years as a part of the two-year reappraisal process. Tax year 2025 is a reappraisal year and was used to calculate the MRV and MCIV used for tax year 2026. The MRV for Class 4 residential property was estimated to be approximately $360,000 when calculating the impact of SB 542, as amended by HB 231, which is subject to change based on the 2025 reappraisal. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – General Description – Litigation Regarding 2025 Legislative Changes to Property Tax Rates from SB 542" herein.)

For more information on the current Class 4 residential and commercial property tax rates, see the section "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – Class Four Property Tax Rates" below.

Class 3 agriculture land is taxed at a tax rate of 2.05% (was 2.16%) of its assessed/market value, which is determined by the productive value according to State law.

SB 542, as amended by HB 231, also affects local governments operating under a charter form of government that fixes mill levy limits of a specific number of mills. Under SB 542, as amended by HB 231, without revising the charter, a local government may levy in fiscal year 2026 (and subsequent years) the number of mills that will generate the same amount of property tax revenue generated in fiscal year 2025. A taxing entity that has a mill levy that was authorized as a specific number of mills prior to the enactment of SB 542 may (i) elect to transition the mill levy to a dollar-based levy equal to the amount of property tax assessed in fiscal year 2025 and thereafter or (ii) levy the number of mills in fiscal year 2026 (and subsequent years) that will generate the amount of property tax assessed in fiscal year 2025. In fiscal years after 2026, the local government may levy an amount not to exceed the number of mills levied in fiscal year 2026.

SB 542 may also affect the guaranteed tax base aid for an eligible school district general fund guaranteed tax base aid calculations. Based on the fiscal note for SB 542 (which doesn't account for coordination with HB 231), it is expected that SB 542 changes will cause the statewide taxable value to decrease by approximately 8.4% ($438 million) in fiscal year 2026 (tax year 2025) and by approximately 12.1% (approximately $606 million) in fiscal year 2027 (tax year 2026) compared to current law projections, which changes will adjust the general fund guaranteed tax base aid multiplier. Actual effects may vary materially statewide and for each local government or taxing jurisdiction. The school district guaranteed tax base aid multiplier is to be 259% for fiscal year 2025 and thereafter. An additional adjustment to the guaranteed tax base aid multiplier is to occur when the revenue from the 95 mills for the ensuing year is projected to be more than $2 million less than the prior year. The county guaranteed tax base multiplier for county retirement is also expected to be impacted by the taxable value changes.

Prior Legislative Session Highlights. *2023 Legislative Session Highlights.* 2023 House Bill 15 ("2023 HB 15") adopted by the 2023 Legislature increased the basic entitlements, per-ANB entitlements, Quality Educator payment, the Indian Education for All payment, the Total American Indian Achievement Gap payment, and the Total Data for Achievement payment for public schools.

House Bill 36 ("HB 36") adopted by the 2023 Legislature, revised funding laws related to enrollment increase and eliminated the current means for funding anticipated unusual enrollment increases. HB 36 creates a significant enrollment increase ("SEI") payment. To be eligible for a SEI payment, a district's October enrollment count converted to ANB must exceed the budget limitation ANB for the fiscal year three years prior by 110%. OPI must determine each year by December 1 following the October enrollment count if a school district qualifies for an SEI payment and notify such school districts by December 15 of eligibility. The SEI payment amount is determined by a formula described in State law and takes into consideration an 'absorption factor' for the school district.

House Bill 549 ("HB 549") and House Bill 562 ("HB 562") both establish the ability for charter/community choice schools, if created, to be eligible for state funding. Schools established under HB 549 would be subject to general supervision by the Board of Public Education and a local governing board, whereas schools established under HB 562 are only subject to supervision of a local governing board.

2021 Legislative Session Highlights. House Bill 192 ("HB 192") amended laws related to school major maintenance funding.

2019 Legislative Session Highlights. House Bill ("HB 159") enacted by the 2019 Legislature revised the NRD Facility Payment and set forth the legislature's intention with respect to general fund appropriations to support State School Major Maintenance Aid (defined herein).

2017 Legislative Session Highlights. Senate Bill 307 ("SB 307") renamed the "State Advance and Reimbursement for School Facilities Program" the "Debt Service Assistance Program", created a State revenue account program for major maintenance aid for schools (the "State School Major Maintenance Aid Account"), allows a school district to levy the Permissive Maintenance Levy for school maintenance and improvements as described herein in the section "State School Major Maintenance Aid" and further detailed in State law.

House Bill 647 ("HB 647") redirected Oil and Natural Gas production taxes ("O&G Taxes") that are not eligible to be retained by school districts to the State special revenue account (the "State Guarantee Account"), which is the initial source of funding for K-12 Base Aid. All realized capital gains and all distributable revenue must be deposited in the State Guarantee Account and may be appropriated only for K-12 public education purposes. The State Guarantee Account is intended to (i) stabilize the long-term growth of the permanent fund; and (ii) maintain a constant and increasing distributable revenue stream. Revenues in the State Guarantee Account are statutorily appropriated. Any excess revenue (in excess of $56 million) in the State Guarantee Account that is not distributed is to be transferred to the State School Major Maintenance Aid Account.

Senate Bill 260 ("SB 260") created a school facilities fund within the State's Coal Severance Tax Trust Fund. Commencing July 1, 2017, 75% of the amount in the State's Coal Severance Tax Trust Fund in excess of the amount necessary to meet all debt service payments in the coming year is transferred to the school facilities fund. The available earnings from the school facilities fund are transferred monthly to the State School Major Maintenance Aid Account created by SB 307 to meet the amount required for such payments. Once the balance in the school facilities fund is equal to at least $200 million, the transfers to the school facilities fund will cease commencing with the next quarter, and the amount that had been transferred to the school facilities is to be transferred to and retained in the coal severance permanent fund.

Operating Expenditures and Budgeting

General Fund Entitlement. Current school funding laws establish minimum and maximum operating budget levels that must be met by the board of trustees of a district in setting annual general fund budgets. The formula for calculating the allowable budgeting parameters for a district is based on a fixed basic entitlement plus an entitlement for each student enrolled in the district and certain adjustments for the costs of special education (the "General Fund Entitlement"). The 2025 Legislature and 2023 Legislature, pursuant to 2025 HB 15 and 2023 HB 15, respectively, increased the basic entitlements, per-ANB entitlements, Quality Educator and Qualified Staff payment, the Indian Education for All payment, the American Indian Achievement Gap payment, and the Data for Achievement payment for public schools by an inflation factor of 2.70% for fiscal year 2023/24, 3.00% for fiscal year 2024/25, 3.00% in fiscal year 2025/26, and 3.00% for fiscal year 2026/27. HB 46 adopted by the 2021 Legislature adds the special education allowable cost payment as a component of BASE aid to be increased by the inflation factor described above, with the inflationary increases that will commence in the 2025 Biennium. HB 252 adopted by the 2025 Legislature adds the Future Ready Payment as a payment and component of the BASE Aid formula that will commence in fiscal year 2028. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights" herein.)

Basic Entitlement. According to OPI, for fiscal year 2026/27, the fixed per-student basic entitlement: for K-6 elementary schools is equal to $62,554 (was $60,732 for fiscal year 2025/26) and for each succeeding fiscal year, plus $3,128 for fiscal year 2026/27 (was $3,037 for fiscal year 2025/26) and for each succeeding fiscal year) for each additional 25 ANB over 250; for 7-8 middle schools is equal to $125,110 for fiscal year 2026/27 (was $121,466 for fiscal year 2025/26) and for each succeeding fiscal year, plus $6,255 for fiscal year 2026/27 (was $6,073 for fiscal year 2025/26) and for each succeeding fiscal year for each additional 45 ANB over 450; and for 9-12 high school districts is equal to $375,333 for fiscal year 2026/27 (was $364,401 for fiscal year 2025/26) and for each succeeding fiscal year, plus $18,765 for fiscal year 2026/27 (was $18,221 for fiscal year 2025/26) and for each succeeding fiscal year for each additional 80 ANB over 800. This basic entitlement is added to the per-ANB entitlement described below to calculate the total General Fund Entitlement.

Per-ANB Entitlement. According to OPI, for fiscal year 2026/27 for students in kindergarten through sixth grade, the per-ANB budgetary entitlement is $6,691 (was $6,496 for fiscal year 2025/26) and for each succeeding fiscal year for the first student, which amount is decreased by $0.20 for each additional student through the 1,000th student. For fiscal year 2026/27, each student in kindergarten through sixth grade beyond 1,000 increases the district's budgetary entitlement by $6,491.20 (was $6,296.20 for fiscal year 2025/26) and for each succeeding fiscal year.

For fiscal year 2026/27, a district's per-ANB budgetary entitlement for the first seventh and eighth grade student is $8,567 (was $8,317 fiscal year 2025/26) and for each succeeding fiscal year, which amount is reduced by $0.50 for each additional student through the 800th student. For fiscal year 2026/27, each student in seventh and eighth grade after 800 provides an incremental $8,167.50 (was $7,917.50 for fiscal year 2025/26) and for each succeeding fiscal year of budgetary authority.

For a high school district for fiscal year 2026/27, the per-ANB budgetary entitlement is $8,567 (was $8,317 for fiscal year 2025/26) and for each succeeding fiscal year for the first student, which amount is decreased by $0.50 for each additional high school student up through the 800th student. For fiscal year 2026/27, each student in high school beyond 800 increases the high school district's budgetary entitlement by $8,167.50 (was $7,917.50 for fiscal year 2025/26) and for each succeeding fiscal year.

General Fund Budget. The Maximum General Fund Budget is defined as the General Fund Entitlement formula described above, plus the Quality Educator and Quality Staff payment (redefined and expanded by HB 252 during the 2025 Legislature), the At-Risk-Student payment, the Indian Education for All payment, the

American Indian Achievement Gap payment, the Data for Achievement payment, the total Future Ready Payment (added by HB 252 during the 2025 legislature and commencing in fiscal year 2028), and the greater of the district's Special Education Allowable Cost payment multiplied by (1) 175% or (2) the ratio of the district's Special Education Allowable Cost expenditures to the district's Special Education Allowable Cost payment for the fiscal year 2 years prior, with a maximum allowable ratio of 200%.

Districts use either the current year ANB or the 3-year average ANB ("Budget Limit ANB") to generate the greatest Maximum General Fund Budget. The minimum General Fund budget of a district is equal to 80% of the Basic Entitlement, 80% of the Per-ANB Entitlement, 100% of the Quality Educator payment, 100% of the At-Risk-Student payment, 100% of the Indian Education for All payment, 100% of the American Indian Achievement Gap payment, 100% of the Data for Achievement payment created by SB 175 during the 2013 legislature, 100% of the Future Ready Payment created by HB 252 during the 2025 legislature that will commence in fiscal year 2028, and 140% of the Special Education Allowable Cost payment, which is called the "BASE Budget."

The trustees of a district may adopt a General Fund budget up to the Maximum General Fund Budget or the previous year's General Fund budget, whichever is greater. HB 252, passed by the 2025 legislature, provides for the maximum budget limitation to be increased to accommodate a housing cost budget authority allowance if certain conditions are met. For purposes of calculating the previous year's General Fund budget, the trustees of a district may add any increase in state funding for the General Fund Entitlements to the district's previous year's General Fund budget. Whenever the trustees of a district propose to adopt a General Fund budget that exceeds the BASE budget (the "OverBASE" amount) but does not exceed the General Fund limitations as set by State law, including any increase in authorized local property taxes over revenue previously authorized by the electors of the district or imposed by the district in any of the previous 5 years, such OverBASE amount must be submitted to a vote of the electors of the district. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING –Legislative Session Highlights" and "THE DISTRICT – General Fund Budget and Summary of Budgeted Funds" herein.)

Direct State Aid and Guaranteed Tax Base Aid. The State distributes direct State aid to school districts in the amount of 10% each month during the year (with the exception of June where 20% is distributed and the months of July, November, and May where no distribution is made). Guaranteed tax base aid is distributed by the State to eligible school districts in equal amounts in November and May of each year.

The amounts appropriated by the current and past five Legislatures for direct state aid and guaranteed tax base aid are shown in the following table.

Fiscal Year	Total Appropriations for Direct State Aid and Guaranteed Tax Base Aid (in millions)	Fiscal Year	Total Appropriations for Direct State Aid and Guaranteed Tax Base Aid (in millions)
2026/27[1]	$1,094.1	2020/21	$771.2
2025/26[1]	1,029.4	2019/20	751.3
2024/25	930.3	2018/19	740.1
2023/24	879.1	2017/18	707.7
2022/23	823.0	2016/17	650.6
2021/22	784.6	2015/16	635.4

[1] Amounts appropriated by the 2025 Legislature and are subject to change.

Applicable through Fiscal Year 2025/26. The first 44.7% of a school district's General Fund Entitlement is funded through direct state aid. The next 35.3% of the General Fund Entitlement is known as the Guaranteed Tax Base Aid Budget Area ("GTBA Budget Area") and is funded by a combination of the following sources: (i) fund balance reappropriated from the prior fiscal year, (ii) non-levy revenues (i.e., investment earnings,

severance taxes, coal gross proceeds tax), (iii) local district property taxes, and (iv) State guaranteed tax base aid. The GTBA Budget Area is the portion of a district's BASE Budget after the following payments are subtracted: (a) direct state aid; (b) Data for Achievement payment; (c) Quality Educator and Qualified Staff payment; (d) total At-Risk Student payment; (e) total Indian Education for All payment; (f) total American Indian Achievement Gap payment; and (g) State Special Education Allowable Cost payment.

The State provides guaranteed tax base aid for the GTBA Budget Area to districts for which the ratio of taxable valuation to direct state aid received is lower than the ratio of statewide taxable valuation to total direct state aid for all districts. The State subsidizes the difference between an eligible district's ratio of taxable value to direct state aid and the statewide taxable value to direct state aid for all districts. The guaranteed tax base subsidy is available only for the GTBA Budget Area of the General Fund budget.

Applicable Commencing 2026/27 and Thereafter. The BASE funding revenue requirement for a district equals the district's final general fund budget less the (a) BASE Aid; (b) if applicable, the non-isolated BASE budget requirement met by a district levy. Other funds that reduce the BASE revenue requirement is the sum of (a) reappropriated general fund balance and (b) non-levy revenues (i.e., investment earnings, severance taxes, coal gross proceeds tax). If the BASE revenue requirement is less than the amount of the total funds that to reduce the BASE revenue requirement, such funds are applied to reducing the OverBASE levy.

The State provides guaranteed tax base aid to a county for which the ratio of the county elementary or high school guaranteed tax base ratio (the county taxable valuation divided by the sum to the GTB budgets for all elementary or high schools in the county) is lower than the statewide guaranteed tax base ratio for elementary or high school districts, respectively. If a county qualifies, the county may receive guaranteed tax base aid base on the number of mills levied for the Countywide BASE Funding Levy.

Elections

For Montana schools, there are different types of elections for different tax-related purposes. Historically these have been General Fund elections to increase the OverBASE tax levy, General Fund elections to adopt a budget that exceeds the Maximum General Fund Budget, elections to sell bonds, and elections for building reserve fund and technology fund tax levies. With the exception of the General Fund elections, which are annual levy elections held on the first Tuesday after the first Monday in May, all of the other elections described above can be held at any time and there is no restriction on running the elections more than one time as long as the proper election procedures are followed. In years when the legislature meets in a regular or special session that affects school funding, a school district may order an election on a date other than the first Tuesday after the Monday in May in order for the voters to consider a proposition requesting additional funding.

District Eligibility for State Debt Service Assistance

Pursuant to State law, the District is currently eligible to receive debt service assistance from the State for a portion of its annual debt service requirements relating to its general obligation bond debt service requirements, because for fiscal year 2026/27 the mill value per ANB for the District (43.83) is less than the statewide Facility Guaranteed Mill Value per ANB (139.86) for high school districts according to the Montana Office of Public Instruction. The State average portion of the calculation is inflated by 40% so more school districts qualify for debt service assistance. ***The District will covenant to levy taxes on all taxable property in the District, so that the levy will raise sufficient funds to provide for the payment of principal of and interest on the Bonds, irrespective of the amount of debt service assistance received from the State, if any.***

The amount of annual debt service assistance will be subject to the amount appropriated biennially, if any, by the State Legislature for this purpose and to the total amount of debt service assistance for which all school districts in the State are annually eligible, with such amount determined by a formula specified under State law and allocated pro rata to eligible districts. No assurance can be given that the State will appropriate any amount for the debt service assistance program or that this program of debt service assistance will not be altered or discontinued.

State law providing for State aid for debt service (now referred to as debt service assistance) commenced with fiscal year 1993/94. Historically, funds for this program were available in an amount as high as approximately $11 million in 2008/09 and allocated on a pro rata basis at a level between 80%-100% of total eligibility for most years. However, in more recent years the funding and allocation has been as low as $0. Appropriations are subject to the availability of funds.

Funding is uncertain because the revenue used to fund debt service assistance is derived from riverbed rent lease income that is currently in escrow pending the outcome of litigation and timber sales that do not occur until the end of each fiscal year. Additionally, pursuant to changes made by the 2017 Legislature, funds for debt service assistance are paid from the State School Facility Technology Account and are second in priority behind funds allocated for school technology as provided for in State law. Finally, the legislature may divert revenues from timber sales and riverbed rents leases, if any, to other purposes. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – Prior Legislative Session Highlights – 2017 Legislative Session Highlights" herein.)

The District is unable to predict the availability of funds or the reliability of receipt of such funds even if the District qualifies for debt service assistance in any year. *The Bonds are not obligations of the State and the payment of principal and interest on the Bonds is not guaranteed by the State.* (See "THE BONDS – Security" herein.)

The following table shows the appropriations from the current and prior three legislative bienniums and the allocation of funds available.

Fiscal Year	Total State Monies Appropriated for Debt Service Assistance	Amount Paid in May and Applied to Debt Service[1]	Pro-Rata Allocation to Eligible Districts for Debt Service Assistance	Number of School Districts Receiving Debt Service Assistance	Percent of School Districts in Montana
2026/27	$17,093,501	TBD	TBD	TBD	TBD
2025/26	16,000,000	TBD	TBD	TBD	TBD
2024/25	15,000,000	$13,982,909	100.00%	78	20%
2023/24	15,000,000	13,345,149	100.00	83	21
2022/23	2,500,000	2,500,000	16.59	80	20
2021/22	4,807,153	4,807,153	33.29	86	22
2020/21	2,500,000	2,500,000	17.73	89	22
2019/20	0	0	0.00	0	0

[1] For school districts that qualify for debt service assistance and have issued bonds in such fiscal year, the amount received is accounted for as an advance and applied to current year debt service, whereas school districts that qualify for debt service assistance that issued bonds in a prior year receive a payment that is accounted for as a reimbursement and applied to the following fiscal year debt service fund budget.

Source: OPI

State School Major Maintenance Aid

Senate Bill 307 ("SB 307") passed by the 2017 Legislature renamed the "State Advance and Reimbursement for School Facilities Program" the "Debt Service Assistance Program", created a State revenue account

program for major maintenance aid for schools (the "State School Major Maintenance Aid Account"), allows a school district to levy up to 10 mills annually on all taxable property within the school district without an election (the "Permissive Maintenance Levy") for school maintenance and improvements as described herein and further detailed in State law, phases-out/eliminates the quality school grant program, and creates a State payment to be distributed to school districts and deposited to the school district's appropriate sub-fund in the building reserve fund when amounts have been appropriated by the legislature.

Pursuant to SB 307, a school district's building reserve fund will be used, among other things, to account for voted building reserve fund revenue and non-voted revenue, which amounts will be accounted for by creating separate sub-funds for each source of revenue. In connection with non-voted revenue, school districts will create a sub-fund for school district major maintenance and repairs (the "Major Maintenance and Repair Sub-fund"). The Major Maintenance and Repair Sub-fund is used to record revenue and expenses with respect to a Permissive Maintenance Levy and any other funds eligible to be deposited to this sub-fund (together, the "Local Effort Amount"). The Local Effort Amount may not exceed the school district's "School Major Maintenance Amount," which as defined in SB 307 is an amount equal to the sum of $15,000 and the product of $100 (increased to $110 pursuant to House Bill 192 ("HB 192") adopted by the 2021 Legislature for school, year 2022/23 and thereafter) multiplied by the school district's ANB for the prior fiscal year. The Local Effort Amount resulting from a Permissive Maintenance Levy may be used only to pay for expenditures meeting the requirements as detailed in SB 307 and State law.

A school district must have a Local Effort Amount in a fiscal year to be eligible to receive aid from the State School Major Maintenance Fund ("State School Major Maintenance Aid") for that fiscal year, which amount may not exceed 80% of the amount of the school district's School Major Maintenance Amount. SB 307 provides a formula to determine the amount of State School Major Maintenance Aid per dollar of Local Effort Amount that a school district is eligible to receive, which total amount may be prorated. State School Major Maintenance Aid is to be distributed to school districts annually and prorated as necessary no later than the last working day of May to a school district with a permissive levy.

Additionally, HB 192 increased the amount of State School Major Maintenance Aid a school district can qualify to receive by increasing the multiplier in the formula as described in State law from 171% to 187%. The Local Effort Amount may not exceed the school district's School Major Maintenance Amount.

HB 192 eliminated the requirement that State School Major Maintenance Aid (defined herein) be used to first assist school districts with funding for school facility projects that are categorized as "safety," "damage/wear out," or "codes and standards" as referenced in the School Facilities Condition Inventory, June 30, 2008 report, and the requirement to update such report. HB 192 provided that school districts that have certified to OPI a current school safety plan or emergency operations plan may use State School Major Maintenance Aid first for improvements to school and student safety and security as described in Section 20-9-236, Montana Code Annotated, and then for projects that produce operational efficiencies as further described in State law.

The following table shows the State School Major Maintenance Aid appropriations from the current and prior legislative biennia.

Fiscal Year	Total Appropriations for State School Major Maintenance Aid (in millions)	Fiscal Year	Total Appropriations for State School Major Maintenance Aid (in millions)
2026/27	$27.5	2022/23	$10.0
2025/26	22.9	2021/22	10.0
2024/25	12.1	2020/21	10.1
2023/24	12.1	2019/20	10.1

NRD Facility Payment

HB 647 passed by the 2017 Legislature eliminated the NRD Payment as a funding component of K-12 BASE Aid, which was previously created by the 2013 Legislature, and replaced it with a NRD Facility Payment that is not a component of K-12 Base Aid. The NRD Facility Payment is meant to provide local property tax relief by providing funds for facility needs of schools. The NRD Facility Payment was expected to increase, in a similar manner as the NRD Payment was expected to increase through fiscal year 2022, when other revenue to support school facilities is expected to increase.

The 2019 Legislature adopted HB 159 setting forth the amounts of the NRD Facility Payment to be appropriated for school years 2019/20 through 2023/24 and thereafter, which takes into consideration O&G Tax in the State's General Fund and the projected earnings of the school facilities fund within the State's Coal Severance Tax Trust Fund for school years 2019/20 through 2022/23. Pursuant to HB 159, the amount appropriated for the NRD Facility Payment for fiscal years 2019/20, 2020/21, 2021/22, and 2022/23 is intended to be an amount equal to the greater of: (i) $6.8 million in 2019/20; $7.6 million in 2020/21; $10 million in 2021/22; and $10 million in 2022/23, with each fiscal year's appropriation reduced by the amount of projected earnings from the school facilities fund within the State's Coal Severance Tax Trust Fund; or (ii) 5% of the O&G Taxes deposited in the State's General Fund for the fiscal year occurring two fiscal years prior to the fiscal year of the NRD Facility Payment. For fiscal years 2023/24 and beyond, the general fund appropriation for the NRD Facility Payment is intended to be an amount equal to the greater of: (i) $10 million, increased by an inflationary adjustment applied in fiscal year 2023/24 and in each succeeding fiscal year; or (ii) 5% of the O&G Taxes deposited in the State's General Fund for the fiscal year occurring two fiscal years prior to the fiscal year of the NRD Facility Payment.

The following table shows the NRD Facility Payment appropriations from the current and prior legislative biennium:

Fiscal Year	Total Appropriation for NRD Facility Payment (in millions)	Fiscal Year	Total Appropriation for NRD Facility Payment (in millions)
2026/27	$12.3	2022/23	$10.0
2025/26	12.4	2021/22	10.0
2024/25	12.1	2020/21	7.6
2023/24	12.1	2019/20	6.8

The Montana Property Tax System

General. As a general rule, all real and personal property in the State is subject to taxation by both the State and its counties, municipalities and other political subdivisions to finance various general and special governmental functions and capital improvements. This rule is subject to exceptions in the case of specified classes of exempt property, including public property, property of churches, schools, hospitals, cemeteries and charities, household goods, certain agricultural products, automobiles, smaller trucks, business inventory, money and credits. The State imposes a beneficial use tax upon property otherwise exempt from property tax used by private parties or for industrial trade or business purposes. Property is classified according to its use and character, and the different classes of property are taxed at different percentages of their assessed valuation. Both cities and counties can grant property tax benefits to new and expanding businesses within their jurisdictions, but only with respect to the taxes they levy and only for a period of up to five years.

The amount of property tax payable with respect to any piece of property other than Class 3 and Class 10 property is the product of the assessed value of the property, times the rate of taxation per classification (the "taxable value"), which is set by the Legislature, times the number of mills levied by each taxing jurisdiction,

all as more fully described herein. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights" herein for a description of bills that were passed during the 2025 legislative session to make changes to the property tax system.)

Class-Action Lawsuit Filed Against the Montana Department of Revenue for Appraisal Practices. On February 2, 2026, a class-action lawsuit was filed in Madison County District Court by two Montana property owners, with the Plaintiffs claiming the Montana Department of Revenue ("DOR") is using appraisal methods that do not follow State law, resulting in inflated property valuations. The lawsuit claims the DOR does not follow the parameters of a 12-month window for comparable sales data to determine a property's appraised value as provided for in State law, which valuation is then utilized for property tax purposes. The Plaintiffs claim the DOR has used sales data spanning a period of up to five years. The complaint asks the court to order the DOR to (i) reassess properties statewide following State law, (ii) use the correct data for any reappraisal, (iii) refund any overpaid taxes to the taxpayer, (iv) allow taxpayers the opportunity to appeal any corrected reappraisal, and (v) cease using unlawful appraisal practices. If class-action certification is granted by the court, all affected Montana property owners would be included in the class, unless the property owner opts out. The District is unable to predict the outcome of such litigation; if the Plaintiffs were to prevail, the effect on the State's system of property taxes; or the effect it may have on the District, property values, or retroactive or future changes to the State property tax system. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – Appraisal, Assessment, and Revaluation" herein.)

2024 Property Tax Task Force. Governor Gianforte launched a property tax task force (the "Property Tax Task Force") on January 11, 2024, after the 95-mill State School Equalization dispute described herein, to provide recommendations to reform the State's property tax system and reduce the burden on property taxpayers following resolution by the Montana Supreme Court of the 95-mill School Equalization dispute. On November 22, 2023, the Montana Supreme Court ruled that counties must levy the full 95 mills. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – General Description – General Fund" herein.)

The Property Tax Task Force provided a written report with property tax recommendations and strategies in August of 2024 to be considered by the 2025 Legislature during the Legislative Session that commenced in January of 2025. The Governor specifically asked that the following items be addressed: (i) arrest the rate of growth of property taxes, including assessments and fees, as well as alleviate the impact of drastic increases of property appraisals; (ii) increase transparency of property tax bills, make them easier to understand, and improve customer service in the payment schedules for property taxpayers; (iii) increase transparency of and public engagement in public budgeting; (iv) increase public participation for mill levy ballot measures; (v) ensure property taxes paid by Montana resident homeowners and on Montana long-term rentals reflect well on supporting homeownership and workforce housing; (vi) ensure each Montana child has access to a quality education; and (vii) ensure lower-income Montana homeowners, Montana homeowners on a fixed income, and disabled Montana veterans or surviving spouse are not at risk of losing their home because of property taxes. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights" herein.)

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Classification. Currently, there are 16 classifications of property for tax purposes. The taxable value for property is determined by applying a statutorily established percentage tax rate to the assessed value of the property (or to other amount) as follows:

Property Class	Description	Tax Rate
One	Net Mine Proceeds	100% of annual net proceeds less expenses
Two	Gross Proceeds of Metal Mines	3.00% of annual gross proceeds
Three	Agricultural Land	2.05%[1] of productive capacity
Four	Residential	0.76% to 2.20%[1] of assessed value
	Commercial & Industrial	1.40% to 1.89%[1] of assessed value
Five	Pollution Control, Electric/Telephone Coops, etc.	3.00% of assessed value
Seven	Non-Centrally Assessed Utilities	8.00% of assessed value
Eight	Business Equipment	1.50% and/or 3.00% of assessed value[2]
Nine	Pipelines, Non-Electric Generating Property of Electric Utilities	12.00% of assessed value
Ten	Forest Land	0.37% of forest productivity value[3]
Twelve	Airlines and Railroads	Varies
Thirteen	Electrical Generation and Telecommunications	6.00% of assessed value
Fourteen	Renewable Energy Production and Transmission	3.00% of assessed value
Fifteen	Carbon Dioxide and Liquid Pipeline	3.00% of assessed value
Sixteen	High-Voltage Converter Station	2.25% of assessed value
Seventeen	Qualified Data Center Land/Improvements/Furniture/Fixtures, etc.	0.90% of assessed value
Eighteen	Green Hydrogen Facilities/Pipelines/Storage Systems	1.50% to 3.00% of assessed value

[1] See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – Class Four Property Tax Rates" and "– Legislative Session Highlights – 2025 Legislative Session Highlights" herein for changes to Class Three and Four property tax rates as adopted by the 2025 Legislature.)

[2] See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – Class Eight Property Tax Rates" herein.

[3] See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – The Montana Property Tax System – Appraisal, Assessment, and Revaluation" herein for changes the 2023 Legislature made with respect Class 10 Forest Land property valuation and applicable tax rates.

Appraisal, Assessment, and Revaluation. All taxable property except farmland and mines is to be assessed at 100 percent of assessed value, which is determined by the Montana Department of Revenue (the "Department of Revenue" or the "DOR"). The Department of Revenue determines the assessed value of most real property by appraisal using one or more of the three accepted appraisal approaches: (a) the cost approach, based on the cost of the property, using the national cost service manuals and the Montana Appraisal Manual; (b) the sales comparison approach, based on comparable arm's-length sales; and (c) the income approach, based on a calculation of the net property income (reflected by market rents minus property management and other expenses). The Montana Constitution requires that property tax values be equalized across the State, and the efforts to determine assessed values of taxable property on a consistent basis across the State are intended to ensure that similarly situated taxpayers are treated the same.

The assessed and taxable values of most classes of property are assessed on a county-by-county basis and are attributed to the local taxing jurisdictions in which the property is located.

Prior to January 1, 2015, Class Three, Four and Ten property was reappraised every six years and all other property was reappraised annually. Senate Bill 157 ("SB 157"), adopted by the 2015 Legislature, changed the reappraisal process for Class Three and Four property to a two-year cycle, changed certain tax rates, and eliminated certain exemptions utilized under prior law.

The Department of Revenue's most recent reappraisal for Class Three and Four property was as of the January 1, 2025 reappraisal and effective for fiscal years 2025/26 and 2026/27. Values were released to property owners in July 2025 and new certified assessed and taxable valuations were provided to taxing jurisdictions not later that the first Monday in August 2025. Pursuant to Senate Bill 54 ("SB 54") adopted by the 2023 Legislature, commencing January 1, 2024, centrally assessed property will be reappraised

every two years rather than annually. Pursuant to Senate Bill 3 ("SB 3") adopted by the 2023 Legislature, (i) commencing January 1, 2025, Class Ten property will be reappraised every two years rather than the six-year reappraisal cycle; (ii) the tax rate applied to Class Ten property for fiscal year 2023/24 changed from 0.37% to 0.29% and then to 0.27% in fiscal year 2024/25; and (iii) the methodology for assessing the productivity of forest land (stumpage price standard) will be based on a 10-year Olympic average. Class Ten property remains on its current six-year reappraisal cycle through fiscal year 2024/25. The DOR is required to appraise all other classes of property annually.

Current Two-Year Reappraisal Cycle and Taxation Timeline for Class Three, Four & Ten Property

	Dates		
	Tax Year 2025 Fiscal Year 2025/26	Tax Year 2026 Fiscal Year 2026/27	Action[1]
1.	January 1, 2025 (plus, new construction on the tax rolls as of January 1, 2025)	January 1, 2025 (plus, new construction on the tax rolls as of January 1, 2025 & 2026)	The date shown is effective date for the two-year reappraisal cycle values applicable for the tax rolls, which includes new construction valuation as of this date. The two-year reappraisal cycle commencing January 1, 2025 is based on sales data and other valuation methodologies established in State law as of January 1, 2024.
2.	July 2025 (not later than the first Monday in August)	July 2026 (not later than the first Monday in August)	The DOR sends new certified assessed and taxable valuations to taxing jurisdictions for budget purposes (based on the valuations effective as of the current two-year reappraisal date of January 1, 2025.
3.	July 2025	July 2026	The DOR mails classification and appraisal notices to all property taxpayers that identify the appraised value of such property.
4.	August 2025	August 2026	Budgets and mill levy rates are set by all taxing jurisdictions for the fiscal year which are provided to the county.
5.	October 30, 2025	October 30, 2026	Property tax bills are mailed to taxpayers.
6.	November 30, 2025	November 30, 2026	First half property taxes are due to the county treasurer by taxpayers.
7.	May 31, 2026	May 31, 2027	Second half property taxes are due to the county treasurer by taxpayers.

Centrally Assessed Property. The DOR is required to "centrally assess" certain types of property owned by corporations or other entities operated as a single, integrated continuous property located in more than one county. Property to be centrally assessed includes telegraph, telephone, microwave, electric power or transmission lines, natural gas or oil pipelines; property of scheduled airlines; railroad transportation properties operating in more than one county or more than one state; net proceeds of mines; and gross proceeds of coal mines. The property values, other than railroad property values, are apportioned by the DOR among the counties in which such property is located, either on a mileage basis or on the basis of the original installed cost of the property located in the respective counties. If neither of these methods is appropriate, the DOR may adopt such other method or basis of apportionment as it determines to be proper. Centrally assessed property constitutes a significant amount of taxable values of most counties. The DOR and the owner of property to be centrally assessed may agree to have the property assessed by a qualified independent appraiser, agree to share the costs of the appraisal and agree to accept the result. Otherwise, the DOR will assess those properties as described below.

Pursuant to SB 54, commencing January 1, 2024, centrally assessed property is reappraised every two years rather than annually, with certain property reappraised in even-numbered year and certain property reappraised in odd-numbered years.

State law does not describe the factors to be taken into consideration by the DOR in determining the assessed value of public utilities, but rather states the appraisal is to be made using factors determined proper by the DOR. Pursuant to its rules, the DOR uses the unit method of valuation to appraise centrally assessed property when appropriate. The unit method may include a cost indicator method, a capitalized income indicator and a market indicator. If in the DOR's judgment these indicators fail to reflect a company's value or there is insufficient information to use those methods, it may adopt a different method or methods to reflect the company's assessed value. Further, the DOR may derive a market, or stock and debt indicator of value based on outstanding securities and liabilities, or construct a market indicator using sales comparison data or any other analysis or data bases for similar property. The income indicator may be determined by using capitalization of historical income, capitalization of projected income, discounted cash flow analysis or other method.

As provided by law, a railroad system's property value is calculated by starting with the railroad system's property value for the previous year and adjusting up or down by an amount calculated to reflect the changes in the system's income, gross profit margin and depreciated property costs. Railroad property values are apportioned among the states and the counties in which the property is located, based on the average of the ratios of the track miles, revenue ton miles, gross investment, operating revenue and railroad car and locomotive miles in each state or county to the railroad system as a whole.

Under current law, on or before June 1 of each year, the DOR must notify owners of centrally assessed property that are to be reappraised in such year (as described in State law those scheduled to be reappraised on even numbed years and those scheduled to be reappraised in odd numbered years) of the appraisal and report. Such values must be reported to the counties on or before July 1 of each year. Property owners may appeal their assessed valuation to the State Board of Tax Appeals.

Class Four Property Tax Rates. The tax rates in the following table apply to Class Four property. The taxable value is calculated by applying the tax rate to the assessed value of property, which is then multiplied by the number of mills levied by each taxing jurisdiction to calculate the taxes payable by each property owner. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – 2025 Legislative Session Highlights" herein for changes to Class 4 Residential and Commercial and Industrial property tax rates.)

Commencing in tax year 2026, SB 542 creates three groups of Class 4 Residential property: (1) primary residences and long term rentals (that qualify for the Homestead Reduced Tax Rate); (2) residential improvements on qualified agricultural land (tax rate of 1.35%) (that do not qualify for the Homestead Reduced Tax Rate); and (3) all other residential property (tax rate of 1.90%).

For comparison, changes enacted during the 2015 legislative session assigned Class 4 residential property a tax rate of 1.35% for assessed values up to $1.5 million and a tax rate of 1.89% for the portion of assessed values over $1.5 million. Class 4 commercial property was assigned a tax rate of 1.89%, except for golf courses that had a tax rate of 0.945%.

SB 542 provides for tax year 2025 to be a transition year in advance of the new tax rate tiers, taking effect in tax years 2026 and beyond that are to be based on the State (i) median residential value ("MRV") for a residential property and (ii) median commercial and industrial value ("MCIV") for commercial and industrial property. The DOR will calculate the MRV and MCIV every two years as a part of the two-year reappraisal process. Tax year 2025 is a reappraisal year and will be used to calculate the MRV and MCIV to be used for tax year 2026. The MRV for Class 4 residential property was estimated to be approximately $360,000 when calculating the impact of SB 542, as amended by HB 231, and based on the 2025 reappraisal the MRV for Class 4 is equal to $378,000 and MCIV is equal to $379,000 for tax year 2026.

Class 4 – Residential[1]

Tax Year 2025
(Transition Year)

Assessed Value Breakpoints	Tax Rate
$0 - $400,000	0.76%
$400,001 - $1,500,000	1.10
Over $1.5 Million	2.20

Tax Year 2026 and Thereafter
Homestead Reduced Tax Rate for Qualified Properties
(Utilizes Median Residential Value "MRV")

Based on Assessed Value MRV Breakpoints	Tax Year 2026 MRV ($378,000) Breakpoints	Tax Rate
Less than/Equal to MRV	$1 - $378,000	0.76%
Greater than MRV–2 Times MRV	$378,001 - $756,000	0.90
More than 2 Times MRV-Less than 4 Times MRV	$756,001 - $1,511,999	1.10
4 Times MRV or More	$1,512,000 +	1.90

[1] Prior to Tax Year 2025, Class 4 residential property had a tax rate of 1.35% for the assessed value up to $1.5 million and a tax rate of 1.89% for the assessed value over $1.5 million. Qualified properties that are residential properties include primary residences and residences with long-term rentals. Other residential properties are taxed at different rates.

Class 4 – Commercial and Industrial Reduced Tax Rates[1]

Tax Year 2025
(Transition Year)

Assessed Value Breakpoints	Tax Rate
$0-$400,000	1.40%
$400,001 and over	1.89

Tax Year 2026 and Thereafter
(Utilizes Median Commercial & Industrial Value "MCIV")

Based on Assessed Value MCIV Breakpoints	Tax Year 2026 MCIV ($379,000) Breakpoints	Tax Rate
Less Than 6 Times the MCIV	$1 - $2,273,999	1.50%
6 Times MCIV or More	$2,274,000 +	1.90

[1] Prior to Tax Year 2025, Class 4 commercial property had a tax rate of 1.89%, except for golf courses that had a tax rate of 0.945%.

For tax year 2025, multifamily rentals with an assessed value greater than $2 million that qualify as long-term rentals will be taxed at the lower of the graduated residential property tax rate shown above or 1.89%. Commencing in tax year 2026, a multifamily rental that qualifies for the rental property reduced tax rate will be taxed at a rate of 1.1%. Based on the assessed value, golf courses will be taxed at one-half of the applicable tax rate shown above for commercial and industrial property.

Class 3 agriculture land will be taxed at a tax rate of 2.05% (was 2.16%) of its assessed/market value, which will be determined by the productive value according to State law.

Class Eight Property Tax Rates Under current law, the first $1,000,000 in assessed value of Class Eight business equipment property owned by a person or entity is exempt from taxation. Class Eight property is taxed at 1.5% for the first $6 million of assessed value subject to taxation in excess of the $1,000,000 exempt amount, and at a rate of 3% for assessed value subject to taxation in excess of $6 million. In addition, personal property intended for rent or lease in the ordinary course of business is generally exempt from property tax if the cost of such property is less than $15,000 and the lease period does not exceed one month. HB 212 also provides for local jurisdictions to be reimbursed for lost revenue from the State General Fund, with school districts reimbursed though an adjustment to such school district's guaranteed tax base aid ratio and all other local jurisdictions reimbursed through Entitlement Share distributions.

Pursuant to Senate Bill 530 ("SB 530") enacted by the 2023 Legislature, manufacturing machinery, fixtures, and equipment installed after December 31, 2022 is entitled to a property tax abatement, with taxes phased in over a 10-year period.

Certification of Values, Levy and Collection of Taxes and Tax Liens. The Department of Revenue is required by law to furnish assessed and taxable values to each taxing jurisdiction prior to the first Monday in August and the assessed and taxable values of centrally assessed property on or before July 1 to enable local governments to prepare fiscal year budgets.

The fiscal year of the Districts and other taxing jurisdictions commences July 1 of each year and ends June 30 of the following year. The amount of real property taxes and taxes on centrally assessed personal property and equipment to be levied and collected in each fiscal year by the District is determined in July and August as a part of the budget process. Taxes are levied against the taxable value of property in the Districts based on the certified taxable value as of the preceding January 1 as described above.

Tax bills are assembled by the County Treasurer based on the combined mill levies of the city, county, school district and special taxing jurisdictions in which the subject property is located, in addition to any State mill levies. Taxes are payable in two installments. Bills are normally sent to property owners on October 30, and installments become due on November 30 and May 31. For example, taxes for the fiscal year ending June 30, 2025 were payable in substantially equal installments due on November 30, 2024 and May 31, 2025, based on the mill levies established in August 2024 and on the assessed and taxable value of the property as of January 1, 2024. Taxes for fiscal year ending June 30, 2026 are payable in substantially equal installments due on November 30, 2025 and May 31, 2026, based on the mill levies established in August 2025 and on the assessed and taxable value of the property as of January 1, 2025.

Class Eight or "business equipment" taxes are billed and collected on a different schedule. The owners of personal property report the property they own as of January 1 of each year. The property is assessed by the local representatives of the DOR in May of each year. The tax bills are distributed in July and are due within 30 days of receipt.

All property taxes are collected by the counties and remitted to the various taxing jurisdictions. Under State law, if property taxes are not paid in full when due, the delinquent installment bears a penalty and interest at a delinquent rate and, if not paid, the property is sold at tax sale. Current law provides that delinquent installments bear interest at a rate of $^{5}/_{6}$ of 1% per month (10% per annum) and a penalty of 2%. Property subject to a property tax lien may be redeemed by the owner, the occupant, a mortgagee, a contract vendor or any other interested party within 36 months after the date of the tax sale or within 60 days after notice of application for a tax deed, whichever is later; provided, however, that if the property is subdivided as a residential or commercial lot upon which special improvement district assessments or rural special improvement district assessments are delinquent and upon which no habitable dwelling or commercial structure is situated, redemption must be made within 24 months after the date of the tax sale or within 60 days after notice of application for a tax deed, whichever is later. Enforcement of a property tax lien may be a lengthy process.

A local government taxing jurisdiction may also impose, without limitation: (a) additional levies authorized by the voters of the jurisdiction, including amounts necessary to pay voted general obligation debt; (b) taxes levied to pay premiums of certain insurance policies procured by the local government and contributions to certain state employment benefit plans; (c) certain mining proceeds taxes; (d) mills levied to account for a decrease in reimbursements from the State; (e) levies to pay for legal judgments against the jurisdiction; (f) levies to repay taxes paid under protest; or (g) an emergency levy in the case of a natural disaster or an unforeseen event affecting a school or community college district budget.

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DISTRICT FINANCIAL INFORMATION

Financial Summary

	As of the Date of Delivery of the Bonds
2024 District Population Estimate[1]	9,102
2026/27 Assessed Valuation	$1,715,480,226
2026/27 Taxable Valuation[2]	$21,211,255
General Obligation ("Direct") Debt Outstanding (including the Bonds)[3]	$10,500,000
Overlapping General Obligation Debt Outstanding	$18,881,908
Total Direct and Overlapping General Obligation Debt Outstanding[3]	$29,381,908
Total General Obligation Debt Capacity Remaining	$46,423,020

[1] According to data from the U.S. Census Bureau released January 2026.
[2] The taxable valuation excludes incremental valuations for tax increment financing districts within the District, which equaled $942,770 for fiscal year 2026/27.
[3] Preliminary; subject to change. Assumes the issuance of the Bonds. (See "DISTRICT FINANCIAL INFORMATION – Schedule of General Obligation Bond Debt Service" herein.)

Future Financing

Other than the Bonds, the District does not anticipate, as of the date of this Official Statement, the need to incur any additional general obligation indebtedness during the next five years.

Overlapping General Obligation Indebtedness

The following information sets forth the indebtedness of the District following the issuance of the Bonds and of taxing entities with boundaries that overlap with all or portions of the District.

	General Obligation Debt	Outstanding Debt Chargeable to Property within the District	
	Outstanding	Percent	Amount
Fergus County	$0	29.2%	$0
City of Lewistown	1,106,908	100.0	1,106,908
Lewistown Elementary School District	17,775,000	100.0	17,775,000
King Colony Elementary School District	0	100.0	0
Spring Creek Colony Elementary School District	0	100.0	0
Total Overlapping General Obligation Debt			$18,881,908
Total Direct Debt[1]			10,500,000
Total Direct and Overlapping General Obligation Debt[1]			$29,381,908

[1] Preliminary; subject to change. Assumes the issuance of the Bonds and includes other outstanding general obligation debt. (See "DISTRICT FINANCIAL INFORMATION – Schedule of General Obligation Bond Debt Service" herein.)

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General Obligation Debt Ratios

	As of the Date of Delivery of the Bonds
Direct Debt Per Capita[1]	$1,154
Direct and Overlapping General Obligation Debt Per Capita[1]	$3,228
Direct Debt to Assessed Valuation[1]	0.61%
Direct and Overlapping General Obligation Debt to Assessed Valuation[1]	1.71%
Direct Debt to Taxable Valuation[1, 2]	49.50%
Direct and Overlapping General Obligation Debt to Taxable Valuation[1, 2]	138.52%
Assessed Valuation Per Capita	$188,473
Taxable Valuation Per Capita[2]	$2,330

[1] Preliminary; subject to change. Assumes the issuance of the Bonds. (See "DISTRICT FINANCIAL INFORMATION – Schedule of General Obligation Bond Debt Service" herein.)
[2] The taxable valuation excludes incremental valuations for tax increment financing districts within the District, which equaled $942,770 for fiscal year 2026/27.

Schedule of General Obligation Bond Debt Service

As of the date of the issuance of the Bonds, other than the Bonds and the debt described herein and under "Other General Obligation Debt" below, the District will not have any other outstanding general obligation debt. Set forth in the following table is an estimated debt service schedule for the Bonds. Some of the interest figures shown below have been rounded.

	The Bonds[1]		
Fiscal Year	Principal[1]	Interest[1]	Total[1]
2027/28	$120,000	$739,375	$859,375
2028/29	340,000	519,000	859,000
2029/30	355,000	502,000	857,000
2030/31	375,000	484,250	859,250
2031/32	395,000	465,500	860,500
2032/33	415,000	445,750	860,750
2033/34	435,000	425,000	860,000
2034/35	455,000	403,250	858,250
2035/36	480,000	380,500	860,500
2036/37	500,000	356,500	856,500
2037/38	525,000	331,500	856,500
2038/39	555,000	305,250	860,250
2039/40	580,000	277,500	857,500
2040/41	610,000	248,500	858,500
2041/42	640,000	218,000	858,000
2042/43	675,000	186,000	861,000
2043/44	705,000	152,250	857,250
2044/45	740,000	117,000	857,000
2045/46	780,000	80,000	860,000
2046/47	820,000	41,000	861,000
Total	$10,500,000	$6,678,125	$17,178,125

[1] Preliminary; subject to change. Based on estimated maturities and interest rates. Final information will be provided in the Official Statement once final pricing information is available.

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Debt Limitation

Pursuant to State law, the maximum amount for which a high school district in Montana may become indebted by 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 the greater of the current year ANB utilized for budget purposes or the 3-year average ANB calculated under Section 20-9-311, Montana Code Annotated).

Debt Limitation Under Computation (i). The total debt limitation for the District based on computation (i) described above, is shown in the following table.

Debt Limitation under computation (i)

	The District
Debt Limit Based on 100% of Taxable Value	$21,211,255[1]
Total Debt Limitation for the District	$21,211,255

[1] The taxable valuation excludes incremental valuations for tax increment financing districts within the District, which equaled $942,770 for fiscal year 2026/27.

Debt Limitation Under Computation (ii). The total debt limitation for the District based on computation (ii) described above, is shown in the following table.

Debt Limitation under computation (ii)

100% of 2026/27 Facility Guaranteed Mill Value per ANB x 1,000	$139,860
Times the ANB Used for the 2026/27 Budget[1]	407
Total Debt Limitation for the District	$56,923,020

[1] Represents the three-year average ANB that was used for the 2026/27 budget.

District's Debt Limitation and Debt Capacity Remaining. Based on the information presented above, the District's total statutory debt limitation is $56,923,020. Giving effect to the issuance of the Bonds in the principal amount of $10,500,000[1] and no other outstanding general obligation debt, for a total of $10,500,000[1], the District is expected to have remaining debt capacity following such issuance of $46,423,020[1].

[1] Preliminary; subject to change. Assumes the issuance of the Bonds. (See "DISTRICT FINANCIAL INFORMATION – Schedule of General Obligation Bond Debt Service" herein.)

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Trends in Property Valuations

See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – 2025 Legislative Session Highlights" and "The Montana Property Tax System" herein for a description of the current assessment process, calculation of valuation figures, and recent changes to Montana's property tax system that were adopted during the 2025 Legislative session.

District Valuation Trends. Set forth in the following table are the assessed and taxable valuations of real and personal property located within the District for the fiscal years 2022/23 through 2026/27.

Fiscal Year	Assessed Valuation[1]	Percent Change	Taxable Valuation[2]	Percent Change
2026/27[1, 3]	$1,715,480,226	0.9%	$21,211,255	20.5%
2025/26[1, 3]	1,700,944,417	27.8	17,608,092	(10.9)
2024/25	1,330,663,628	0.1	19,751,079	(1.1)
2023/24[3]	1,329,884,636	36.80	19,960,772	29.8
2022/23	972,107,773	n/a	15,742,002	n/a

[1] The assessed valuations for fiscal years 2025/26 and 2026/27 are based on the reappraisal effective January 1, 2025.
[2] Taxable value represents the value after the applicable tax rates are applied to assessed value. The applicable mill levy rates are then applied to the taxable value of taxable property to determine tax revenue. The taxable valuation excludes incremental valuations for tax increment financing districts within the District, which equaled $942,770 for fiscal year 2026/27.
[3] In the recent reevaluation tax years of 2021, 2023, and 2025, property values have jumped due to the reappraisal process and growth in the Montana resale values. Taxable value in 2025/26 declined due to legislative changes enacted during the 2025 Legislative Session to give property tax relief, particularly to residential property. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – 2025 Legislative Session Highlights" herein.)

Source: Department of Revenue

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District Valuation By Property Classification. The following tables show the assessed and taxable values for each property classification in the District for the years presented. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – 2025 Legislative Session Highlights" and "– The Montana Property Tax System" herein for a description of the current assessment process, calculation of valuation figures, and recent changes to Montana's property tax system that were adopted during the 2025 Legislative session.)

Assessed Valuation[1]										
	Property Classification									
Fiscal Year	Class 3 agricultural land	Class 4 residential	Class 4 commercial	Class 5 pollution control, elec. & telephone coop, new industry	Class 8 business equipment	Class 9 pipelines and non-elec. generating property of elec. utility	Class 10 Forest land	Class 12 Airlines & Railroads	Class 13 electrical generation and telecommunication	Total[1]
2026/27	$59,617,566	$1,369,932,433	$202,611,962	$21,061,975	$22,752,432	$17,536,628	$20,841,270	$65,547	$3,162,606	$1,717,582,419
2025/26	59,653,805	1,360,471,011	202,395,458	19,082,557	20,165,264	15,097,490	20,851,886	60,118	3,166,828	1,700,944,417
2024/25	55,110,534	1,012,252,931	181,138,759	17,673,315	19,122,382	15,097,490	24,694,806	2,473,192	3,100,219	1,330,663,628
2023/24	55,382,241	994,619,618	184,348,376	19,601,911	33,348,894	14,412,837	22,505,596	2,738,207	2,926,956	1,329,884,636
2022/23	53,831,316	698,220,120	138,139,634	15,727,150	23,443,773	16,399,166	20,274,446	2,755,424	3,316,744	972,107,773

Taxable Valuation[1]										
	Property Classification									
Fiscal Year	Class 3 agricultural land	Class 4 residential	Class 4 commercial	Class 5 pollution control, elec. & telephone coop, new industry	Class 8 business equipment	Class 9 pipelines and non-elec. generating property of elec. utility	Class 10 Forest land	Class 12 Airlines & Railroads	Class 13 electrical generation and telecommunication	Total[1]
2026/27	$1,315,819	$14,373,242	$3,054,819	$630,636	$406,367	$2,104,398	$77,115	$1,874	$189,755	$22,154,025
2025/26	1,315,791	10,808,416	3,206,137	571,255	395,783	1,811,701	77,154	1,696	190,007	18,377,940
2024/25	1,278,369	13,055,395	3,376,648	529,365	338,344	1,811,701	66,682	68,509	186,012	20,711,025
2023/24	1,286,228	13,029,332	3,433,903	587,921	556,772	1,729,543	65,245	83,789	175,616	20,948,349
2022/23	1,251,826	9,118,683	2,579,081	471,765	374,810	1,967,897	62,849	84,316	199,002	16,110,229

[1] Represents information provided at the State level, includes incremental valuations for tax increment financing districts and may differ from certified valuations due to timing of the data being compiled.

Source: Department of Revenue

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Tax Levies [Have been communicating with the County Treasurer to get the missing data.]

The table below shows the mill rates per $1,000 of taxable value for property located in the District for the fiscal years 2022/23 through 2026/27. The "Total" shown below is equal to the aggregate number of mills levied against most property in the District. Additionally, some property in the District may be responsible for other specific levies, which are not shown below.

	- - - - - - - - - - - - Fiscal Year - - - - - - - - - - - -					
Taxing Entity	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
University Millage	6.00	6.00	6.00	6.00	6.00	6.00
Statewide School Equalization	40.00	40.00	40.00	40.00	40.00	40.00
County-wide School Levy	104.12	98.33	94.35	80.72	.	81.84
Fergus County	142.67	142.67	127.34	129.33	130.85	139.88
Lewistown Elementary School District	197.59	298.51	236.76	224.86	243.53	198.49
Fergus High School District	111.29	111.11	82.94	80.56	95.22	67.53
County Road	29.36	30.21	28.73	29.77	31.52	35.73
Total	631.03	726.83	616.12	591.24		569.47
City of Lewistown	240.27	245.41	197.06	204.07	248.20	213.84
Lewistown Rural Fire	35.45	36.59	30.75	32.57	__.__	32.80

Source: Department of Revenue

Tax Collections

The following table demonstrates the tax collection history for real property taxes levied by the District for its General Fund for fiscal years ended June 30, 2022 through 2026 and first half collections for fiscal year ending June 30, 2027. First half collections are due November 30 and second half collections are due May 31.

	General Fund		
Fiscal Year	Total Tax Levy	Total Property Tax Collections[1]	Total Tax Collections as a Percent of Total Tax Levy[1]
2026/27	$807,783	$147,036[2, 3]	18.2%[2, 3]
2025/26	1,029,595	906,375[3]	88.0[3]
2024/25	950,983	950,170	99.9
2023/24	950,983	992,117	104.3
2022/23	1,035,490	1,060,203	102.4
2021/22	1,075,934	1,076,300	100.0

[1] Total tax collection figures include current collections, plus delinquent taxes collected in such year and penalty and interest collected on delinquent taxes.
[2] Total tax collections include first half collections through [September 30] November 30, 2026. Second half tax collections are due May 31, 2027. [will continue to update]
[3] Due to timing and the finding of an error, the County Treasurer recorded property tax collection revenue in the amount of approximately $127,150 for the District's General Fund in 2026/27 that should have been recorded in 2025/26, which made it appear as if Total Property Tax Collections were slightly lower in 2025/26. However, if this amount has been recorded in 2025/26, Total Property Tax Collections would be approximately $1,033,525 or 100.4% as a percent of the Total Tax Levy. Additionally, the 2026/27 Total Property Tax Collections is inflated by this amount. (See "APPENDIX A" page A-2 attached hereto.)
Source: The District and the County Treasurer

Property Tax Protests. Section 15-1-402, Montana Code Annotated, allows property owners the ability to pay property taxes under protest if they disagree with their property valuation. Property owners are required to pay the full amount of the property tax bill when due. The protested taxes are placed in escrow with the

county. A school district is allowed to borrow escrowed protested tax amounts that would be due to the school district for budget expenditures pending settlement between the taxpayer and the State Department of Revenue. Should the school district be required to repay any portion of protested taxes released to the school district, if any, based on final settlements with the property owners, the school district may levy an additional tax on its total tax base to collect amounts needed for such repayment.

Adjustments in the Debt Service Fund Due To Protested Taxes. In any year, a school district has the ability to levy for an amount higher than the current year's debt service payments in the Debt Service Fund to account for prior years' protested taxes and delinquent tax payments. The county would include such amount, on behalf of the school district, when setting the tax levies. The additional amount(s) to be collected as a result of such levy would be accounted for in the school district's reserves.

Major Taxpayers

The following table lists the major taxpayers within the District for fiscal year 2026/27, in declining order of taxable value.

	Taxpayer	Business	Taxpayer 2026/27 Taxable Value[1]	% of District 2026/27 Taxable Value ($21,211,255[1])
1.	Northwestern Energy	Utility	$2,104,398	9.92%
2.	Fergus Electric Coop	Utility	395,291	1.86
3.	Mid Rivers Telephone Coop	Telecommunications	192,650	0.91
4.	Century Companies Inc.	Road/Paving Contractor	116,511	0.55
5.	H&E Equipment Services Inc.	Equipment Sales/Rental	111,749	0.53
6.	Spring Creek Hutterian Society	Farm/Ranch	94,545	0.45
7.	Weeden Ranch LLC	Farm/Ranch	91,243	0.43
8.	Town & Country Foods	Grocer	89,403	0.42
9.	Albertsons	Grocer	84,732	0.40
10.	Alaska Bench LLC	Farm/Ranch	84,234	0.40
	Total		$3,364,756	15.86%

[1] The taxable valuation excludes incremental valuations for tax increment financing districts within the District, which equaled $942,770 for fiscal year 2026/27.

Source: Department of Revenue

THE DISTRICT

General Information

The District is located in Fergus County (the "County") in central Montana and encompasses the City of Lewistown ("Lewistown") and portions of the surrounding area. The District's facilities are located in Lewistown, which is located along U.S. Highway 87 and the intersection of U.S. Highway 191 approximately 125 miles northwest of the City of Billings, the largest city in the State based on population, approximately 106 miles southeast of the City of Great Falls, the third largest city in the State based on population, approximately 175 miles south of the Montana/Canada border, and approximately 285 miles west of the Montana/North Dakota border. Lewistown serves as the County seat and is the 16th largest city in the State based on population. Lewistown had a 2025 population estimate of 6,179 according to the U.S. Census Bureau, an increase of 3.7% from the 2020 Census estimate of 5,957. According to the U.S. Bureau of the Census, the County had a 2025 population estimate of 11,825, an increase of 3.3% from the 2020 Census estimate of 11,447.

According to the U.S. Census Bureau estimates released January 2026, the District had a 2024 estimated population of 9,102. The District currently provides instruction to approximately 356 students in grades 9-12, which is based on the counts taken in 2025/26 for the actual ANB (defined herein) count used to determine the ANB that may be used for the 2026/27 budget.

Lewistown serves as a trade center for medical and retail trade services. The economy of the area is most notably impacted by governmental at all levels, healthcare, construction, agriculture and tourism. (See "APPENDIX B – ECONOMIC AND DEMOGRAPHIC INFORMATION" herein.)

Administration

A seven-member Board of Trustees (the "Board") is responsible for the administration of the District. Board members are elected by the voters of the District and serve overlapping three-year terms. The current Board members, the dates their respective terms expire, the total number of years served on the Board and each member's respective occupation are as shown below.

Board Member	Term Expires (May)	Total Time Served on Board	Occupation
Mariah Shammel, Chair	2028	5 years	Rancher/Business Owner
Whitney Brady, Vice Chair	2028	5 years	Business Owner
Karly DeMars	2029	1 year	BLM Fire Planner
Sam Helmer	2029	1 year	Hi-Heat Operations Manager
Jeff Southworth	2027	9 years	Business Owner
Carson Sweeney	2029	2 years	General Manager
Eric Vanderbeek	2027	3 years	Forest Service Ecologist/Biologist

The chief administrative officer of the District is the Superintendent, who is hired by and is responsible to the Board. Mr. Brad Moore has served as Superintendent of the District since July 1, 2024. Prior to joining the District, Mr. Moore was employed (i) by the Havre Public Schools as Assistant Superintendent and Business Manager for 3 years, served as Superintendent for Stanford Public Schools for 1 ½ years, Big Sandy Public Schools for 5 years, and Richey Public Schools for 8 years. Mr. Moore has been involved in education for over 33 years, with 21 years as an administrator and 12 years as an educator. Mr. Moore earned a Bachelor's degree in Agricultural Education; a Master's degree in Educational Leadership; and holds a K-12 Principal Endorsement along with a Superintendent Endorsement.

Ms. Rebekah Rhoades is the District Clerk/Business Manager of the District, a position she has held with the District since July 2012. Ms. Rhoades earned a Bachelor's degree in Business, earned MASBO ("Montana Association of School Business Officials") Certification, and was the 2021 School Business Official of the year. Prior to joining the District, Ms. Rhoades was employed by the Billings Clinic Human Resources and Compliance department for 10 years.

Enrollment Trends

The High School District provides education for students in grades nine through twelve. School enrollment counts are officially taken twice a year, on the first Monday in October and the first Monday in February. For budgeting purposes, school districts are allowed to utilize the higher of the (i) current year (actual) ANB or (ii) 3-year average ANB. The District is expecting enrollment to continue to remain relatively stable. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING –

General Information – Accounting and Budgeting" herein.) The table below shows the District's enrollment figures for the current school year and the past nine school years

ANB Enrollment Used for Budgets

Year Counts Taken[1]	School Year	9-12 ANB Enrollment Used for Budgets
2025/26	2026/27	407[2, 5]
2024/25	2025/26	362[2]
2023/24	2024/25	364[3]
2022/23	2023/24	364[3]
2021/22	2022/23	346[3, 4]
2020/21	2021/22	343[3, 4]
2019/20	2020/21	342[2, 4]
2018/19	2019/20	356[2]
2017/18	2018/19	366[2]
2016/17	2017/18	367[2]

[1] School enrollment counts for funding purposes are officially taken twice a year, on the first Monday in October and the first Monday in February. The counts taken in October and February are used to determine ANB utilized for the subsequent year's budget.
[2] Represents three-year average ANB count used for budgeting purposes.
[3] Represents budget-year (actual) ANB count used for budgeting purposes.
[4] The slight decrease for budget years 2020/21, 2021/22, and 2022/23 was a result of the COVID-19 pandemic.
[5] The District did not see an increase in headcount enrollment as indicated by the ANB for budgets. The District's ANB is inflated as a result of the current methodology used to calculate ANB associated with a new charter school for the first 3-years. The District is in year 2 of the 3 years. The District expects headcount enrollment to remain relatively stable, although the District expects to see a slight decrease to the total ANB once the charter school is outside the 3-year parameter.

Source: The District and OPI

Facilities

The District's facilities are located in Lewistown. A description of the District's buildings and utilization of each are shown in the table below.

Building	Grades Served	Estimated Square Footage	Original Construction Date, and Additions/Major Remodels
Fergus High School	9-12	123,829	1984
Lincoln Building[1]	Administration	16,636	1949, 2011
Bus Barn[1]	n/a	n/a	1973, 2015
CMEC Building	n/a	13,226	1978, 2007

[1] Shared facility and utilized by both the District and the Lewistown Elementary School District.

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Employment and Labor Relations

As of October 1, 2026, the District employed approximately 182 full-time and 23 part-time employees. The District has an aggregate total of 103 certified employees, including administrators. Of the District's employees, 75 are members of a collective bargaining unit. Listed in the following table is the collective bargaining unit to which employees of the District belong and the expiration of the current contract. The District considers its employee relations to be satisfactory.

Bargaining Unit	Number of Employees Belonging	Expiration of Current Contract
Lewistown Education Association	75	06/30/2028

Source: The District

General Fund Budget and Summary of Budgeted Funds

A historical summary of the District's financial statements for the General Fund is presented in Appendix A (pages A-2 and A-3) attached hereto.

The District's 2026/27 General Fund Budget. The District's 2026/27 General Fund Budget equaled $4,577,741.25 or 98.5% of the District's Maximum General Fund Budget Limit of $4,648,462.18 as calculated using the General Fund Entitlement Formula.

Summary of All 2026/27 Budgeted Funds for the District. The District adopted an aggregate budget for all budgeted funds. The following table presents the adopted budget for each budgeted fund, including the debt service fund, of the District.

	The District
Fund Name	2026/27 Adopted Budget
General	$4,577,741.25
Transportation	340,000.00
Bus Depreciation	534,113.70
Tuition	163,000.00
Retirement	680,000.00
Adult Education	60,000.00
Technology	410,557.34
Flexibility	224,753.43
Building Reserve	1,173,621.55
Debt Service	0.00
Total	$8,163,787.27

Source: The District's Budget

Interlocal Agreement Cooperative Fund

As of November 1, 2026, the District and the Lewistown Elementary District No. 1 (the "Elementary District," and together with the District, the "Districts") Interlocal Agreement Cooperative Fund (the "Interlocal Fund") had an aggregate balance of $1,213,506, as reported by the Districts. The Districts expect to use the Interlocal Fund to pay costs associated with a Technology Coop position and an Elementary District position, which will result in an expected spenddown of approximately $150,000 in fiscal year 2026/27. The Districts will determine if additional transfers will be made into the Interlocal Fund in June 2027. (See "APPENDIX A – Interlocal Fund" herein.)

On November 9, 2026, the Districts renewed the Multidistrict Agreement (the "Agreement"), with the High School District designated as the prime agency. The renewed Agreement does not contain an expiration date but may be dissolved upon mutual consent of the Districts and by taking Board action to dissolve the Agreement, with the fund balance attributed to the respective District transferred back to the respective District fund of origin.

The Agreement creates a multidistrict cooperative for the purpose of collaborating and collectively paying salaries, health insurance, operation and maintenance costs, and general expenses shared by the Districts. Each District may transfer funds into the Interlocal Agreement Cooperative Fund from the District's respective General Fund, in an amount not to exceed the direct state aid in support of the respective General Fund. Funds may not be transferred from the Retirement Fund, Debt Service Fund, or non-budgeted funds other than the Compensated Absences Liability Fund of the respective District or as further prohibited by law or the Agreement. Amounts in the Interlocal Fund can be used by the Districts for general purposes similar to amounts in the General Fund.

Pursuant to the Agreement, the Interlocal Fund is used for recording revenues and expenditures as approved. Expenditures from the Interlocal Fund are limited to expenditures that are permitted by law and are within the final budget for the budgeted fund from which a transfer is made. All amounts transferred to the Interlocal Fund must be used for the purposes stated in the Agreement. Each District must agree on how the funds in the Interlocal Fund are to be disbursed during the applicable current fiscal year by the establishment of a budget or guidelines.

Pensions

The employees of the Districts participate in two statewide, cost-sharing multiple employer defined benefit retirement plans, which cover all school district employees, except certain substitute teachers and part-time, non-teaching employees. The Teachers' Retirement System ("TRS") covers teaching employees, including administrators and aides. The Public Employee Retirement System ("PERS") covers nonteaching employees. The plans are established under State law and are administered by the State of Montana. The Districts' contributions to the plans are primarily funded from a mandatory countywide tax levy and, to a lesser extent, from State contributions.

PERS is a statewide retirement plan established in 1945 and governed by Title 19, Chapters 2 and 3 of the Montana Code Annotated, providing retirement services to substantially all public employees. PERS is mandatory unless employees work less than 960 hours per year, once the employee has reached this threshold, they become members and remain members going forward.

PERS offers retirement, disability and death benefits to plan members and their beneficiaries and covers two retirement plans: the Defined Benefit Retirement Plan (the "DBRP") and the Defined Contribution Retirement Plan (the "DCRP"). Members choose their plan participation. For members hired before July 1, 2011, benefit eligibility may commence at age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarially reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. For members hired on or after July 1, 2011, benefit eligibility commences at age 65, with at least 5 years of service, or at age 70 regardless of service. Actuarially reduced benefits may be taken at age 55 with at least 5 years of service. Rights become vested after five years of service. Benefits under the DCRP depend on the amounts contributed and the earnings on those amounts contributed. Benefits under the DBRP are determined based on number of years of service and what is determined to be the "highest average compensation" amount. For example, the monthly retirement benefit for a member hired before July 1, 2011 with less than 25 years of service, or for a member

hired after July 1, 2011 with between 10 and 30 years of service, is 1/56 of the member's "highest average compensation" multiplied by the number of years of the member's total service credit.

TRS is a statewide retirement plan established in 1937 and governed by Title 19, Chapter 20 of the Montana Code Annotated, providing retirement services to teachers or professional staff of any public elementary or secondary school, colleges of technology or unit of the university system. TRS is a mandatory multiple-employer, cost-sharing plan administered by the Teachers' Retirement Board.

TRS offers retirement, disability and death benefits to plan members and their beneficiaries. Benefit eligibility commences at age 60 with at least five years of service. The monthly retirement benefit is 1/60 times the number of years of service times the highest consecutive 36 months' salary. Members' rights become vested after five years of service. A guaranteed annual benefit adjustment provides an annual benefit increase each January of up to 1.5% if the recipient has been receiving a benefit for at least 36 months. House Bill 377 ("HB 377"), which was passed by the 2013 Legislature and signed into law by the Governor, creates a second tier of benefits for members hired after July 1, 2013, which reduces the employer's normal cost rate, requires members to work longer before they are eligible for benefits, and reduces benefits, including, under certain circumstances, the guaranteed annual benefit adjustment. House Bill 117 ("HB 117"), passed by the 2023 Legislature, increases the amount a retired TRS member can earn without impacting the monthly retirement benefit, reduces the required calendar-day break in service before a retired TRS member can go back to work, and extends Section 19-20-732 MCA to June 30, 2029 allowing a TRS retiree to be employed for up to three years with no limit on compensation in certain school districts where a qualified applicant cannot be recruited.

Additional information can be found for TRS at https://trs.mt.gov or for PERS at https://mpera.mt.gov. Such websites are not incorporated into this Official Statement by such reference and are not a part hereof.
For TRS, the actuarial costs are calculated using the entry age actuarial cost method. For PERS, the actuarial costs are calculated using the entry age normal cost method. The actuarial value of assets is the difference between the total market value of assets and the cost value of assets is added to the cost value on a 4-year smoothed basis for both TRS and PERS. The assumptions used in the actuarial valuations are assumptions and subject to change and actual results may vary.

CavMac (formerly Cavanaugh Macdonald Consulting, LLC) conducted the actuarial valuations shown in the following table.

Statewide

Plan	Actuarial Valuation Date	Actuarial Accrued Liability ("AAL") (in thousands)	Actuarial Value of Assets ("AVA") (in thousands)	Unfunded Actuarial Accrued Liability ("UAAL") (in thousands)	Funded Ratio
PERS	June 30, 2025	$9,998,116	$7,446,489	$2,551,627	74.5%
PERS	June 30, 2024	9,695,548	7,341,305	2,354,243	75.7
PERS	June 30, 2023	9,361,216	6,999,338	2,361,877	74.8
PERS	June 30, 2022	9,026,784	6,770,814	2,255,971	75.0
PERS	June 30, 2021	8,534,629	6,514,976	2,019,352	76.3
TRS	July 1, 2025	$7,201,718	$5,288,716	$1,913,002	73.4%
TRS	July 1, 2024	7,025,625	5,217,233	1,808,392	74.2
TRS	July 1, 2023	6,858,306	4,971,905	1,886,401	72.5
TRS	July 1, 2022	6,691,275	4,799,597	1,891,678	71.7
TRS	July 1, 2021	6,463,247	4,616,374	1,846,873	71.4
TRS	July 1, 2020	6,310,005	4,344,045	1,965,960	68.8

Source: Actuarial Valuation Reports

Contribution rates for both plans are required and determined by State law and are based on participants' compensation. (See "MONTANA SCHOOL DISTRICT FINANCING AND BUDGETING – Legislative Session Highlights – 2025 Legislative Session Highlights" herein for changes to the employer contribution rates as adopted during the 2025 legislative session.)

PERS

Effective Date	Employee Contribution Rate[1]	Employer (District) Contribution Rate	State Contribution Rate
July 1, 2026	7.90%	8.80%	0.37%
July 1, 2025	7.90	8.80	0.37
July 1, 2024	7.90	8.80	0.37
July 1, 2023	7.90	8.80	0.37
July 1, 2022	7.90	8.70	0.37

[1] Effective July 1, 2013 this rate applies to all members regardless of hire date.

Source: Montana Public Employee Retirement Administration

TRS

Effective Date	Employee Contribution Rate[1]	Employer (District) Contribution Rate	State Contribution Rate
July 1, 2026	8.15%	9.47%	2.49%
July 1, 2025	8.15	9.47	2.49
July 1, 2024	8.15	9.47	2.49
July 1, 2023	8.15	9.47	2.49
July 1, 2022	8.15	9.37	2.49

[1] Effective July 1, 2013 this rate applies to all members regardless of hire date.

Source: Montana Teachers' Retirement System

Most Recent Changes to PERS and TRS. House Bill 454 ("HB 454") and HB 377, which were passed by the 2013 Legislature and signed into law by the Governor, were designed to provide for the funding of PERS and TRS, respectively, on an actuarially sound basis. HB 454 provides for an allocation of coal severance tax revenues to the PERS plan each year, provides for an increase in members' contributions to 7.90%, provides, effective July 1, 2013, for an increase in the total employer contribution rate for all employers to 8.17% (combined employer and state contribution rate), and reduces the guaranteed annual benefit adjustment to a maximum of 1.50%, from a maximum of 3.00%. HB 377 provides for an annual transfer from the State general fund of $25 million, increases members' contributions by 1.00% effective July 1, 2013, increases employers' contributions by 1.00% effective July 1, 2013, and creates a second tier of benefits for new hires. HB 377 also provided for a reduction in the guaranteed annual benefit adjustment from 1.5% to 0.5% if the most recent actuarial valuation shows that TRS is less than 90% funded. Additionally, HB 377 reduced the maximum amount allowed to be maintained as a reserve in a retirement fund for any school district maintaining a retirement fund in accordance with State law (such as the District) from 35% to 20% of the final retirement budget for the ensuing fiscal year and required school districts to make a one-time transfer to TRS of reserves in excess of 20% on October 1, 2013.

Lawsuits were filed challenging the sections of HB 377 and HB 454 that reduce the guaranteed annual benefit adjustment for TRS and PERS plans, respectively. The plaintiffs in each suit argued that the reductions violated the federal and State constitutions by taking plaintiffs' property interests without just compensation, violating the State's contractual commitment to plaintiffs and impairing the State's contracts with plaintiffs.

On March 4, 2015, the district court granted summary judgment in favor of the PERS plaintiffs in the suit challenging HB 454, and permanently enjoined the State from enforcing the section of HB 454 that reduces the guaranteed annual benefit adjustment ("GABA"). Similarly, on June 30, 2015, the district

court granted summary judgment in favor of the TRS plaintiffs in the suit challenging HB 377, and permanently enjoined the State from enforcing the section of HB 377 that reduces the GABA. The State appealed the district court's decision in the PERS litigation, and in July 2015, the State and the plaintiffs in the PERS litigation entered into a settlement agreement. The settlement of the PERS litigation has the effect of causing the GABA reductions pertaining to PERS contained in HB 454 to apply prospectively, thereby maintaining the GABA at a maximum of 3.00% with regard to employees participating in PERS hired prior to July 1, 2013. In August 2015, the State and TRS entered into a settlement agreement, the effect of which is that members of TRS hired prior to July 1, 2013 will continue to receive a 1.50% GABA on January 1 of each year and members of TRS hired on or after July 1, 2013 will receive a variable GABA ranging from a minimum of 0.50% to a maximum of 1.50% on January 1 of each year, depending on the funded status of the plan.

Taking into account the effects of HB 454 as modified by the PERS litigation, and based on the actuarial valuation conducted as of June 30, 2025, the PERS plan is expected to amortize in 23 years. Taking into account the effect of HB 377 as modified by the TRS litigation, and based on the actuarial valuation conducted as of July 1, 2025, the TRS plan is expected to amortize in 21 years.

The Districts – Pension Liabilities. In accordance with GASB Statement 68 ("GASB 68"), which provides for Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in TRS and PERS. GASB 68 was effective June 30, 2015 and includes requirements to record and report the employer's proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. Pursuant to GASB 68, TRS and PERS have special funding situations in which the State of Montana is legally responsible for making contributions directly to TRS and PERS.

The State of Montana also has a funding situation with respect to PERS that is not Special Funding, whereby the State General Fund provides contributions to PERS from the Coal Severance Tax and interest. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

Due to the existence of special funding situations, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability ("NPL") that is associated with the employer.

The following tables present aggregate liability for the Districts for their proportionate share of the NPL for PERS and TRS. The NPL for PERS and TRS, respectively, was measured as of June 30, 2025 and reflects a reporting date of June 30, 2026. The Total Pension Liability used to calculate the NPL for PERS and TRS, respectively, was determined by actuarial valuations as of July 1, 2025. The District's proportionate share of each NPL was based on the Districts' contributions received by PERS and TRS, respectively, from July 1, 2024 through June 30, 2025, relative to the total contributions received from all PERS and TRS participating employers, respectively. (See "APPENDIX F – LEWISTOWN PUBLIC SCHOOLS COMBINED AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2025 – Note 13-Employee Retirement System" attached hereto.)

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Schedule of the Districts' Proportionate Share of the NPL Fiscal Year Ended June 30, 2026

	TRS	PERS
Districts' Proportion of NPL	0.4417%	0.085078%
Districts' Proportionate Share	$7,883,141	$2,014,161
State's Proportionate Share Associated with the Districts	4,126,356	557,189
	$12,009,497	$2,571,350
Districts' Pensionable Employee Payroll (estimated) ("DPEP")	$6,784,118	$1,809,037
Districts' Proportionate Share of NPL as a % of DPEP	116.20%	111.34%
Plan Fiduciary Net Position as a % of Total Pension Liability	75.22%	76.32%

Source: The Districts, TRS, and MPERA

As of June 30, 2026, the Districts recorded a liability of $7,883,141 for their proportionate share of the TRS NPL.

	TRS		
	NPL as of June 30, 2025	NPL as of June 30, 2026	06/30/2026 Percent of NPL
Districts' Proportionate Share	$8,406,744	$7,883,141	0.4417%
State's Proportionate Share Associated with the Districts	4,459,235	4,126,356	0.2312
Total	$12,865,979	$12,009,497	0.2312%

As of June 30, 2026, the Districts recorded a liability of $2,014,161 for their proportionate share of the PERS NPL.

	PERS		
	NPL as of June 30, 2025	NPL as of June 30, 2026	06/30/2026 Percent of NPL
Districts' Proportionate Share	$2,267,520	$2,014,161	0.085078%
State's Proportionate Share Associated with the Districts	659,489	557,189	0.023536
Total	$2,927,009	$2,571,350	0.108614%

As of June 30, 2026, the Districts recognized a Pension Expense of $108,463 for their proportionate share of the respective pension expense, with $56,383 allocable to TRS and $52,080 allocable to PERS. The Districts also recognized grant revenue of $69,814 for the support provided by the State of Montana for their proportionate share of the pension expense that is associated with the employer, with $34,140 allocable to TRS and $35,674 allocable to PERS.

Pension Expense as of June 30, 2026

	TRS	PERS	Total
Districts' Proportionate Share	$56,383	$52,080	$108,463
State's Proportionate Share Associated with the Districts	34,140	35,674	69,814
Total	$90,523	$87,754	$178,277

Source: The Districts, TRS and MPERA

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The Districts - Teachers' Retirement System. All regular teaching employees, instructional aides superintendent and school principals are covered by the TRS.

The Districts		
	TRS	
	Number of Employees	Districts' Only (Employer) Contribution
2025/26	167	$309,277[1]
2024/25	160	197,560
2023/24	171	197,372
2022/23	174	180,289
2021/22	164	171,930

[1] The Districts had three long-term teachers retire that had a number of sick days banked for which the Districts had to pay approximately $87,000 in sick-leave/retirement payouts. The Districts also added a couple of administrators to the salary matrix and salary compensation has increased as a result of the STARS Act.

Source: The Districts

The Districts - Public Employees' Retirement System. Non-certified, regular employees, except non-mandatory employees are covered by PERS.

The Districts		
	PERS	
	Number of Employees	Districts' Only (Employer) Contribution
2025/26	66	$61,145
2024/25	72	64,363
2023/24	69	63,466
2022/23	77	59,773
2021/22	68	56,758

Source: The Districts

GASB 45 and 75. The Governmental Accounting Standards Board ("GASB") has issued a new standard concerning Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"). In addition to pensions, many state and local governmental employers provide other post-employment benefits ("OPEB") as a part of total compensation to attract and retain the services of qualified employees. OPEB includes post-employment healthcare, as well as other forms of post-employment benefits when provided separately from a pension plan. The new standard provides for the measurement, recognition and display of OPEB access to expenses/expenditures, related liabilities (assets), note disclosures, and if applicable, required supplementary information in the financial reports. GASB Statement No. 75 ("GASB 75") is effective for fiscal years beginning after June 15, 2017 and improves accounting and financial reports for OPEB. GASB 75 requires disclosure of net OPEB liability for the last 10 fiscal years of as many years as available.

The Districts - Health Insurance. Pursuant to State law, retirees continue participation in the Districts' group health insurance plan (the "Plan") until the retiree becomes eligible for Medicare coverage. Retirees must pay 100% of the monthly premium. Terminated employees may remain on the health insurance plan under COBRA regulations if they pay 100% of the monthly premium. The Plan allows retirees to participate, as a group, at a rate that does not cover all the related costs. This results in the reporting of an 'implicit rate' subsidy in the Districts' financial statements. While this liability is disclosed for financial purposes, it does not represent a legal liability of the Districts. As of October 1, 2026, the Districts had

4 retirees and/or dependents and no COBRA participants participating in the health insurance plan under these provisions.

The Districts pay OPEB liabilities on a pay-as-you-go basis.

	06/30/2021	06/30/2022	06/30/2023	06/30/2024	06/30/2025
Service Cost	$401,496	$391,950	$173,849	$150,851	$191,236
Interest	151,223	152,719	105,626	114,868	128,534
Difference in Experience	0	(3,097,464)	0	477,678	0
Change in Assumptions	348,515	(1,254,595)	0	(636,058)	(354,008)
Estimated Benefit Payments	(87,652)	(107,595)	(41,631)	(30238)	(38,080)
Net Changes	$813,582	$(3,914,985)	$237,844	$77,101	$(72,318)
Beginning TOL	5,575,683	6,389,265	2,474,280	2,712,124	2,789,225
Ending TOL	$6,389,265	$2,474,280	$2,712,124	$2,789,225	$2,716,907

Source: The Districts' Audits

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Such methods, assumptions and estimates are only that and are subject to change.

Risk Management

The Districts are exposed to distinct types of risk including risk of decreased public funding and other losses. Risks related to decreased in public funding relate to possible future decreases in county, state, and federal funding. Such funding is used in the provision of such services as instructional programing, food, transportation, and capital maintenance and improvements. In the event of such a decrease, the Districts would likely need to seek funding from other sources such as increased parental fees, private donations, or increased borrowing. Alternately, the Districts could curtail services such as extracurricular or sports programs or increasing class sizes.

The Districts are exposed to various types of risk of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries; and (f) medical insurance costs of employees. Several methods are used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for property and contents damage, employee torts, professional liabilities, and employee medical insurance. The Districts have joined with other districts throughout the State into an interlocal common risk pool to insure workers' compensation for all participating districts in a self-insurance pool. The Workers' Compensation Risk Retention Program ("WCRRP") is managed by a board of directors elected annually. Members are responsible for fully funding the WCCRP through the payment of annual premiums accessed. There is no other liability to the Districts other than timely payments of premiums. The Districts can withdraw from the WCRRP with 60 days' notice at any time. The Districts have no coverage for potential losses from environmental damages. Levels of insurance have not changed materially from the prior year and settlements have not exceeded insurance coverage limits during the current or each of the two previous years.

Cybersecurity. The Districts have cybersecurity coverage through Montana Schools Group Interlocal Authority ("MSGIA"), with coverage provided by Beazley. The Districts' plan includes $2,000,000 annual aggregate coverage for each of the following incidents: cyber coverage, data & network liability; regulatory defense penalties, payment card liabilities & costs, and media liability. The policy includes

$750,000 annual aggregate coverages for business interruption and dependent business interruption, cyber extortion loss, and data recovery costs. The coverage also includes $75,000 annual aggregate coverage for eCRIME, $25,000 annual aggregate coverage for criminal rewards; and $100,000 annual aggreaget coverage for computer hardware replacement costs. The District has not experienced a cyber breach or had any financial losses as a result of a cyber incident.

The Districts' have adopted Policy 8550 – Cyber Incident Response, which provides guidance and outlines steps and procedures to be followed. The policy provides responsibilities for specific staff members in the event of a cyber incident and includes, the individual information technology user, the District Information Technology Director, a Cyber Security Incident Response Team, Business Manager, Superintendent, and Property & Liability Insurance carrier. The policy requires the Districts review and approval incident responses plans and procedures at least annually, provides incident response training to users when required and annually, tests the incident response capability and the information systems at least annually to determine effectiveness, among other actions detailed in the policy.

The Districts requires two signatures for all checks, two-factor authentication for all banking activities, two-factor authentication for all administrators, utilizes Sophos endpoint protection, hosted cloud storage for accounting software and student databases, employee cybersecurity trainings.

Natural Disasters and Climate Change. Natural disasters, including mudslides, wildfires, floods, windstorms, drought, avalanches, earthquakes, and seismic activity are possible. Much of the State has experienced drought conditions in various regions and has experienced a number of large wildfire seasons during the past decade. Climate change may intensify and increase the frequency of extreme weather events. In the event of a natural disaster, the assessed value of properties in the District could be significantly reduced, resulting in a decrease in the taxable value of the District, or an increase in the District's mill levy rate. The District can give no assurance regarding the effect of natural disasters or that proceeds of insurance carried by the District would be sufficient, if available, to rebuild and reopen facilities of the District or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a natural disaster.

Investments

The District's investments are handled through a pooled investments program administered by the Fergus County Treasurer in accordance with Montana law.

BONDS NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are **not** "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Montana income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the Code and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are

subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Bonds. The Districts have not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences, except with respect to Montana income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein. For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Tax-Exempt Interest

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers, and (iii) is excludable from taxable income for Montana individual income tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations, and is includable in the computation of income for purposes of the Montana corporate income tax and the Montana alternative corporate income tax.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Bond proceeds and other amounts. The Districts have made certain representations and have covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes and Montana taxable income for State of Montana individual income tax purposes, which may be retroactive to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in gross income for federal income tax purposes or Montana taxable income for State of Montana individual income tax purposes.

Original Issue Discount

Bonds may be issued at a discount from their principal amount (any such Bonds being "Discount Bonds"). The excess of the principal amount payable on Bonds of a given maturity over their issue price constitutes "original issue discount" ("OID"). OID that accrues to a holder of a Discount Bond is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal tax basis.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the original issue discount that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Bonds, even if the Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount

If a Bond is purchased for a cost that is less than the Bond's issue price (plus accrued original issue discount), the purchaser will be treated as having purchased the Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

Bond Premium

A holder that acquires a Bond for an amount in excess of its principal amount generally must, from time to time, reduce the holder's federal tax basis for the Bond. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes.

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Related Tax Considerations

Section 86 of the Code requires recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds. In the case of a financial institution, no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Bonds for this purpose even though not directly traceable to the purchase of the Bonds.

The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Income (including interest) or loss on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depend upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, increased by any accrued OID with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued OID) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

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LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of officers of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the validity of the levy of taxes for the payment thereof.

The District can be a party to lawsuits in its normal course of business, but the District does not believe any of such litigation will have a significant adverse impact upon the financial condition of the District, or would affect the issuance and delivery of the Bonds, or the power and authority of the District to issue the Bonds. (See "THE DISTRICT – Risk Management" herein.)

UNDERWRITING

D.A. Davidson & Co. (the "Underwriter") has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the District at a price of _____% of the par value of the Bonds. The Bonds will be initially reoffered at a price of _____% of the par value of the Bonds. The Bonds are being offered for sale to the public at the prices as shown on the inside cover of this Preliminary Official Statement. Concessions from the initial offering price may be allowed to selected dealers and special purchasers. The initial offering price is subject to change after the date hereof.

BOND INSURANCE

Bond Insurance Policy[TBD]

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RATINGS

As noted on the cover page of this Preliminary Official Statement, S&P Global Ratings ("S&P") is expected to assign its municipal bond insured rating of "___" (stable outlook) to the Bonds (the "insured rating"), with the understanding that upon issuance and delivery of the Bonds the municipal bond insurance policy will be delivered by _____. Additionally, S&P has assigned its municipal rating of "___" to the Bonds (the "underlying rating").

No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. The ratings reflect only the view of S&P. The above ratings are not a recommendation to purchase, sell, or hold the Bonds, inasmuch as it does not comment as to market price or suitability for a particular investor. There is no assurance that the ratings will be retained for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating would be likely to have an adverse effect on the market price of the Bonds. Any further explanation of the significance of the ratings may be obtained from S&P.

NO CONFLICTS OF INTEREST

The District is not aware of the existence of any actual or potential conflict of interests, breach of duty or less than arm's-length transaction regarding the selection of the Underwriter of the Bonds and other participants in the offering of the Bonds.

SECONDARY MARKET DISCLOSURE

In order to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the District will enter into a continuing disclosure undertaking for the benefit of the Owners (as defined in Appendix C) from time to time of any Bonds that are outstanding to provide annual reports of specified information and notice of the occurrence of certain events as hereinafter described (the "Disclosure Covenants") to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system website ("EMMA").

The District is the only "obligated person" in respect of the Bonds within the meaning of the Rule. The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Preliminary Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the Bond Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a fault on the part of the District to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior Compliance with Continuing Disclosure Undertakings

The District has not had a continuing disclosure undertaking under the Rule outstanding within the past five years.

DISCLOSURE STATEMENT

The District will deliver to the Underwriter at the time of the delivery of the Bonds a certificate substantially to the effect that the facts contained in this Preliminary Official Statement, including the appendices, and in any supplements or amendments hereto, delivered by the District did not, at the date of sale of the Bonds, and do not, as of the date of delivery of the Bonds to the Underwriter, contain any untrue statement of a material fact or omit to state a material fact where necessary to make the statements herein not misleading in light of the circumstances under which they were made. In providing such a certificate, the District will state that it has not undertaken to verify independently information derived or obtained from various sources and presented herein.

ADDITIONAL INFORMATION AND MISCELLANEOUS

The descriptions herein of the Bonds, Bond Resolution and other documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents and contracts, copies of which are available, upon request and upon payment to the District a charge for copying, mailing and handling, from the District. Additional information concerning the Bonds and the District may be obtained by contacting the Business Manager/District Clerk, 215 7th Avenue South, Lewistown, Montana 59457, telephone (406) 535-8777.

The summaries and descriptions contained in this Preliminary Official Statement and the Appendices hereto of the provisions of the Bonds, the Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. This Preliminary Official Statement is not to be construed as a contract or agreement between the District and the Underwriter or holders of any of the Bonds.

Any statements made in this Preliminary Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact. No representation is made that any of such statements will be realized.

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APPROVAL OF OFFICIAL STATEMENT

The District, through a duly authorized official, has deemed this Preliminary Official Statement "final" as of its date, except for the omission of information dependent on the pricing of this issue, for purposes of compliance with Securities and Exchange Commission Rule 15c2-12.

The execution and delivery of this Official Statement have been duly authorized by the District.

HIGH SCHOOL DISTRICT NO. 1
FERGUS COUNTY, MONTANA

By: _____
Mariah Shammel
Board of Trustees, Chair

ATTEST:

By: _____
Rebekah Rhoades
Business Manager/District Clerk

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APPENDIX A

FERGUS HIGH SCHOOL DISTRICT
SUMMARY OF GENERAL
FUND FINANCIAL STATEMENTS

The audited financial statements for the Lewistown Elementary School District No. 1 (the "Elementary District") and the District (together the "Districts") are combined as both are managed by a single system, central board of trustees, and central administration. However, each district is a separate legal entity and separate accounting records must be maintained by the respective District (such as budgets and unaudited financial statements or Trustees' Financial Summaries).

The District's financial information contained in the summaries of financial statements that follow was extracted from the audits of the District for fiscal years ended June 30, 2021 through 2025 and/or the Trustees' Financial Summaries for fiscal years ended June 30, 2021 through 2026. The District's complete audits or Trustee Financial Summaries may be obtained by contacting the Business Manager/District Clerk at (406) 535-8777.

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THE DISTRICT ONLY

High School District No. 1
Fergus County, Montana

Summary of Statements of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - General/Flexibility/Metal Mines Reserve Funds[1]

For the Fiscal Years Ended June 30, 2021 through 2026

The Districts' audits are combined. The results shown below were extracted from the audits and unaudited financial statements (for which an opinion has not been rendered) for fiscal years ended June 30, 2021 through 2026. Totals may not foot due to rounding.

	Audited 2020/21	Audited 2021/22	Audited 2022/23	Audited 2023/24	Audited 2024/25	Unaudited 2025/26
Revenues:						
District Levies	$1,081,849	$1,076,300	$1,060,203	$992,117	$950,170	$906,375[2]
Interest	5,260	2,387	3,952	14,572	19,467	18,541
Charges for Services	0	0	0	0	0	29,244
Other	9	1,000	1,200	5,922	1,623	1,550
State	2,184,660	2,235,036	2,335,135	2,489,869	2609,408	3,090,379
Total Revenue	$3,271,778	$3,314,723	$3,400,490	$3,502,480	$3,580,668	$4,046,090[2]
Expenditures:						
Current Operations						
Instructional Services	$1,474,024	$1,546,751	$1,660,106	$1,804,652	$1,766,108	$1,950,809
Support Services	192,985	200,379	212,307	120,010	190,289	207,607
General Administration	634,438	686,938	637,773	688,112	710,157	979,146
Operation and Maintenance	547,961	482,454	534,051	594,526	631,381	598,866
Transportation	24,858	34,404	33,628	38,111	31,849	4,728
School Food	25,567	0	10,575	0	5,943	0
Extracurricular	169,422	187,854	202,393	211,846	222,615	306,713
Community Services	0	0	0	0	0	0
Capital Outlay	0	14,757	26,146	19,519	5,964	0
Intergovernmental	13,327	0	14,507	11,554	8,267	8,258
Total Expenditures	$3,082,582	$3,153,537	$3,331,486	$3,488,330	$3,572,573	$4,056,127
Excess of Revenues Over (Under) Exp.	$189,196	$161,186	$69,004	$14,150	$8,095	$(10,037)
Transfer (Out) to Interlocal Fund	(198,743)	(142,419)	(38,795)	(13,315)	0	0
Net Change in Fund Balance	$(9,547)	$18,767	$30,209	$835	$8,095	$(10,037)[2]
Fund Balance, July 1	655,574	646,027	664,794	695,003	695,838	$703,933
Restatements/Encumbrances	0	0	0	0	0	(5,964)
Fund Balance, June 30	$646,027	$664,794	$695,003	$695,838	$703,933	$687,932
Total Fund Balance as a % of Total Rev.	19.7%	20.1%	20.4%	19.9%	19.7%	17.0%
Unreserved Fund Balance as a % of Total Rev.	19.7%	19.9%	20.4%	19.9%	19.5%	17.0%
Fund Balance, June 30						
Nonspendable/Restricted/Assigned	$0	$5,109	$0	$0	$5,964	$0
Unreserved & Reserved for Operations	$646,027	659,685	695,003	695,837	697,969	687,932
Other Fund Balances, June 30						
Building Fund	$76,020	$76,265	$76,681	$78,491	$81,093	$83,317
Building Reserve Fund	$668,958	$684,007	$827,265	$941,426	$1,060,329	$1,069,992
Interlocal Cooperative Agreement Fund[3]	$1,008,630	$1,396,554	$1,555,835	$1,764,431	$1,339,729	$1,210,923

[1] The combined, audited General Fund information includes the Flexibility Fund, Metal Mines Reserve Fund and Interlocal Fund, which in accordance with GAAP are not able to be a standalone funds. The information shown above contains the combined information for the General Fund, Flexibility Fund, and Metal Mines Reserve Fund. The Interlocal Fund is shown separately herein on pages A-4 and A-5 as it can be fully utilized by the District or the Elementary District.

[2] Due to timing and the finding of an error, the County Treasurer recorded property tax collection revenue in the amount of approximately $126,000 for the District's General Fund in 2026/27 that should have been recorded in 2025/26, which made it appear as if Total Property Tax Collections were slightly lower in 2025/26. However, if this amount has been recorded in 2025/26, Total Property Tax Collections would be approximately $1,033,525, which would have resulted in $117,113 of Revenue over Expenditures in 2025/26. (See "DISTRITCT FINANCIAL INFORMATION – Tax Collections" herein.)

[3] Represents the Interlocal Fund that can be fully utilized by the District or the Elementary District, with the District designated as the prime agency. (See "THE DISTRICT – Interlocal Agreement Cooperative Fund" herein.)

Source: The Districts' Audits and Trustees' Financial Summaries

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THE DISTRICT ONLY

School District No. 1 (Lewistown)
Fergus County, Montana

Summary of Balance Sheets - General/Flexibility/Metal Mines Reserve Funds[1]

As of June 30, 2021 through 2026

The Districts' audits are combined. The results shown below were extracted from the audits and unaudited financial statements (for which an opinion has not been rendered) for fiscal years ended June 30, 2016 through 2021. Totals may not foot due to rounding.

	Unaudited 2020/21	Unaudited 2021/22	Unaudited 2022/23	Unaudited 2023/24	Unaudited 2024/25	Unaudited 2025/26
ASSETS						
Cash and Investments	$646,027	$664,794	$695,003	$695,837	$703,933	$687,932
Taxes Receivable	32,906	28,562	27,743	36,704	35,836	166,721
TOTAL ASSETS	$678,933	$693,356	$722,746	$732,541	$739,769	$854,653
LIABILITIES						
Accounts Payable	$0	$0	$0	$0	$0	$0
TOTAL LIABILITIES	$0	$0	$0	$0	$0	$0
DEFERRED INFLOWS/RESOURCES						
Deferred Inflows	$32,906	$28,562	$27,743	$36,704	$35,836	$166,721
TOTAL DEFERRED INFLOWS OF RESOURCES	$32,906	$28,562	$27,743	$36,704	$35,836	$166,721
FUND BALANCES						
Assigned/Reserved for Encumbrances	$0	$5,109	$0	$0	$5,964	$0
Unassigned	$646,027	659,685	695,003	695,837	697,969	687,932
TOTAL FUND EQUITY	$646,027	$664,794	$695,003	$695,837	$703,933	$687,932
TOTAL LIABILITIES AND FUND EQUITY	$678,933	$693,356	$722,746	$732,541	$739,769	$854,653

[1] The combined, audited General Fund information includes the Flexibility Fund, Metal Mines Reserve Fund and Interlocal Fund, which in accordance with GAAP are not able to be a standalone funds. The information shown above contains the combined information for the General Fund, Flexibility Fund, and Metal Mines Reserve Fund. The Interlocal Fund is shown separately herein on pages A-7 and A-8 as it can be fully utilized by the District or the Elementary District.

Source: The Districts' Audits and Trustees' Financial Summaries

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INTERLOCAL FUND

Summary of Statements of Revenues Collected, Expenditures Paid, and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2021 through 2026

The Districts' audits are combined. The results shown below were extracted from the audits and unaudited financial statements (for which an opinion has not been rendered) for fiscal years ended June 30, 2021 through 2026. The Interlocal Fund that can be fully utilized by the District or the Elementary District, with the District designated as the prime agency. (See "THE DISTRICT – Interlocal Agreement Cooperative Fund" herein.) Totals may not foot due to rounding.

	Audited 2020/21	Audited 2021/22	Audited 2022/23	Audited 2023/24	Audited 2024/25	Audited 2025/26
Revenues:						
District Levies	$0	$0	$0	$0	$0	$0
Interest	5,966	3,115	7,578	36,157	51,434	34,741
Charges for Services	194,949	187,781	221,507	168,560	214,611	249,491
Other	29,833	67,671	0	38,410	67,179	49,168
State	0	0	0	0	0	0
Total Revenue	$230,748	$258,567	$229,085	$243,127	$333,224	$333,400
Expenditures:						
Current Operations						
Instructional Services	$26,113	$17,364	$25,764	$34,185	$173,905	$140,850
Support Services	963	1,245	1,583	1,200	61,023	5,506
General Administration	167,494	206,491	168086	190,831	253,723	241,401
Operation and Maintenance	33,271	4,537	0	1,279	6,728	18,535
Transportation	0	0	0	0	0	0
School Food	0	0	0	0	0	0
Extracurricular	0	0	0	0	0	0
Community Services	5,665	158	1,973	803	50,913	40,806
Capital Outlay	68,100	126,541	7,800	27,480	211,634	0
Intergovernmental	0	0	0	0	0	0
Total Expenditures	$301,606	$356,336	$205,206	$255,778	$757,926	$447,098
Excess of Revenues Over (Under) Exp.	$(70,858)	$(97769)	$23,879	$(12,651)	$(424,702)	$(113,698)
Sale of Capital Assets	0	28,950	0	0	0	0
Transfer In – from Elem. & High School	315,609	456,743	135,402	221,247	0	0
Transfer (Out)	0	0	0	0	0	0
Net Change in Fund Balance	$244,751	$387,924	$159,281	$208,596	$(424,702)	$(113,698)
Fund Balance, July 1	763,879	1,008,630	1,396,554	1,555,835	1,764,431	1,339,729
Restatements/Encumbrances	0	0	0	0	0	(15,108)
Fund Balance, June 30	$1,008,630	$1,396,554	$1,555,835	$1,764,431	$1,339,729	$1,210,923[1]

[1] The balance in the Interlocal Fund as of November 1, 2026 is $1,213,506. The Districts expect to use the Interlocal Fund to pay costs associated with a Technology Coop position and an Elementary District position, which will result in an expected spenddown of approximately $150,000 in fiscal year 2026/27. The Districts will determine if additional transfers will be made into the Interlocal Fund in June 2027. (See "THE DISTRICT – Interlocal Agreement Cooperative Fund" herein.)

Source: The Districts' Audits and Trustees' Financial Summaries

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INTERLOCAL FUND

Summary of Balance Sheets

As of June 30, 2021 through 2026

The Districts' audits are combined. The results shown below were extracted from the audits and unaudited financial statements (for which an opinion has not been rendered) for fiscal years ended June 30, 2016 through 2021. The Interlocal Fund that can be fully utilized by the District or the Elementary District, with the District designated as the prime agency. (See "THE DISTRICT – Interlocal Agreement Cooperative Fund" herein.) Totals may not foot due to rounding.

	Audited 2020/21	Unaudited 2021/22	Unaudited 2022/23	Unaudited 2023/24	Unaudited 2024/25	Unaudited 2025/26
ASSETS						
Cash and Investments	$1,008,630	$1,392,481	$1,551,292	$1,756,919	$1,332,674	$1,208,232
Other	0	4,073	4,543	7,482	7,055	2,691
TOTAL ASSETS	$1,008,630	$1,396,554	$1,555,835	$1,764,431	$1,339,729	$1,210,923
LIABILITIES						
Accounts Payable	$0	$0	$0	$0	$0	$0
TOTAL LIABILITIES	$0	$0	$0	$0	$0	$0
DEFERRED INFLOWS/RESOURCES						
Deferred Inflows	$0	$0	$0	$0	$0	$0
TOTAL DEFERRED INFLOWS OF RESOURCES	$0	$0	$0	$0	$0	$0
FUND BALANCES						
Assigned/Reserved for Encumbrances	$168,615	$0	$0	$0	$15,108	$0
Unassigned	840,015	1,396,554	1,555,835	1,764,431	1,324,621	1,210,923
TOTAL FUND EQUITY	$1,008,630	$1,396,554	$1,555,835	$1,764,431	$1,339,729	$1,210,923
TOTAL LIABILITIES AND FUND EQUITY	$1,008,630	$1,396,554	$1,555,835	$1,764,431	$1,339,729	$1,210,923[1]

[1] The balance in the Interlocal Fund as of November 1, 2026 is $1,213,506. The Districts expect to use the Interlocal Fund to pay costs associated with a Technology Coop position and an Elementary District position, which will result in an expected spenddown of approximately $150,000 in fiscal year 2026/27. The Districts will determine if additional transfers will be made into the Interlocal Fund in June 2027. (See "THE DISTRICT – Interlocal Agreement Cooperative Fund" herein.)

Source: The Districts' Audits and Trustees' Financial Summaries

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COMBINED

School District No. 1 (Lewistown)
And
High School District No. 1
Fergus County, Montana

Summary of Statements of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - General Fund[1]

For the Fiscal Years Ended June 30, 2021 through 2025

The Districts audits are combined and the information presented below is combined for the Districts. Totals may not foot due to rounding.

	Audited 2020/21	Audited 2021/22	Audited 2022/23	Audited 2023/24	Audited 2024/25
Revenues:					
District Levies	$2,979,485	$2,940,788	$2,947,312	$2,887,742	$2,768,046
Interest	12,444	9,321	16,568	76,418	103,529
Charges for Services	0	187,781	221,507	168,560	214,611
Other	29	71,814	3,600	49,005	78,656
State	7,021,444	7,121,930	7,510,123	7,796,667	8,066,132
Total Revenue	$10,013,402	$10,331,634	$10,699,110	$10,978,392	$11,230,974
Expenditures:					
Current Operations					
Instructional Services	$5,518,371	$5,502,863	$5,828,902	$6,151,095	$6,242,906
Support Services	516,431	528,617	571,413	431,745	517,869
General Administration	1,712,860	2,041,524	2,048,508	2,187,240	2,304,621
Operation and Maintenance	1,351,875	1,225,268	1,444,463	1,485,818	1,691,101
Transportation	30,132	39,173	33,628	41,384	35,297
School Food	156,593	128,656	123,144	89,140	173,560
Extracurricular	239,950	257,651	277,384	285,742	299,196
Community Services	0	158	1,973	803	50,913
Capital Outlay	17,623	135,989	46,839	57,018	217,598
Intergovernmental	73,082	82,930	54,196	43,131	29,537
Total Expenditures	$9,616,917	$9,942,829	$10,430,450	$10,773,116	$11,562,598
Excess of Revenues Over (Under) Exp.	$396,485	$388,805	$268,660	$205,376	$(331,624)
Net Transfer In/(Out)	(315,609)	28,950	0	0	0
Net Change in Fund Balance	$80,876	$417,755	$268,660	$205,376	$(331,624)
Fund Balance, July 1	$1,399,076	1,479,952	2,906,337	3,174,997	3,380,273
Prior Year Adjustments	0	1,008,630	0	0	0
Fund Balance, June 30	$1,479,952	$2,906,337	$3,174,997	$3,380,273	$3,048,649
Total Fund Balance as a % of Total Revenue	14.8%	23.1%	29.7%	30.8%	27.2%
Unreserved Fund Balance as a % of Total Revenue	14.8%	26.2%	27.4%	30.8%	25.4%
Fund Balance, June 30					
Nonspendable/Restricted/Assigned	$0	$200,158	$246,035	$0	$199,678
Unreserved & Reserved for Operations	1,479,952	2,706,179	2,928,962	3,380,273	2,848,971

[1] The General Fund information includes the Flexibility Fund, Metal Mines Reserve Fund and Interlocal Fund, which in accordance with GAAP are not allowed be standalone funds. The Interlocal Fund was a standalone fund through fiscal year 2020/21 and has been reported with the General Fund since fiscal year 2021/22.

Source: The Districts' Audits

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COMBINED

School District No. 1 (Lewistown)
And
High School District No. 1
Fergus County, Montana

Summary of Balance Sheets - General Fund[1]

As of June 30, 2021 through 2025

The Districts audits are combined and the information presented below is combined for the Districts. Totals may not foot due to rounding.

	Audited 2020/21	Audited 2021/22	Audited 2022/23	Audited 2023/24	Audited 2024/25
ASSETS					
Cash and Investments	$1,479,952	$2,902,264	$3,170,454	$3,372,791	$3,041,594
Taxes Receivable	92,533	77,162	80,549	107,713	103,525
Other	0	4,073	45,343	7,482	7,055
Lease Related Receivable	0	0	63,344		
TOTAL ASSETS	$1,572,485	$2,983,499	$3,318,890	$3,487,986	$3,152,174
LIABILITIES					
Accounts Payable	$0	$0	$0	$0	$0
TOTAL LIABILITIES	$0	$0	$0	$0	$0
DEFERRED INFLOWS/RESOURCES					
Deferred Inflows – Tax Revenues	$92,533	$77,162	$80,549	$107,713	$103,525
Lease Related	0	0	63,344	0	0
TOTAL DEFERRED INFLOWS OF RESOURCES	$92,533	$77,162	$143,893	$107,713	$103,525
FUND BALANCES					
Assigned/Committed	$0	$200,158	$246,035	$0	$199,678
Unassigned	1,479,952	2,706,179	2,928,962	3,380,273	2,848,971
TOTAL FUND EQUITY	$1,479,952	$2,906,337	$3,174,997	$3,380,273	$3,048,649
TOTAL LIABILITIES AND FUND EQUITY	$1,572,485	$2,983,499	$3,318,890	$3,487,986	$3,152,174

[1] The General Fund information includes the Flexibility Fund, Metal Mines Reserve Fund and Interlocal Fund, which in accordance with GAAP are not allowed be standalone funds. The Interlocal Fund was a standalone fund through fiscal year 2020/21 and has been reported with the General Fund since fiscal year 2021/22.

Source: The Districts' Audits

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APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION

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ECONOMIC AND DEMOGRAPHIC INFORMATION

The following discussion includes descriptive information obtained from a variety of sources. The information is presented to provide the reader with an overview of the District and Fergus County area economy but is not intended to be exhaustive or comprehensive.

The Local Economy

The District is located in Fergus County (the "County") in central Montana and encompasses the City of Lewistown ("Lewistown") and portions of the surrounding area. The District's facilities are located throughout Lewistown, which is located along U.S. Highway 87 and the intersection of U.S. Highway 191 approximately 125 miles northwest of the City of Billings, the largest city in the State based on population, approximately 106 miles southeast of the City of Great Falls, the third largest city in the State based on population, approximately 175 miles south of the Montana/Canada border, and approximately 285 miles west of the Montana/North Dakota border. Lewistown serves as the County seat and is the 16th largest city in the State based on population. Lewistown had a 2025 population estimate of 6,179 according to the U.S. Census Bureau, an increase of 3.7% from the 2020 Census estimate of 5,957. According to the U.S. Bureau of the Census, the County had a 2025 population estimate of 11,825, an increase of 3.3% from the 2020 Census estimate of 11,447.

Lewistown serves as a trade center for medical and retail trade services. The economy of the area is most notably impacted by the contributions of agriculture and agriculture related industries and government at all levels.

Potential Growth. In November of 2023, it was announced that Lewistown was a potential site for a workforce hub for the renovation of missile silos from Minuteman missiles to the new Sentinel Missiles (the "Sentinel Missile Project"). As of the date of this Official Statement, no workforce hubs have been constructed but planning continues. It is expected that hubs will be 50-60 acres in size and will contain housing, dining facilities, clinics, etc. with a workforce of 3,000 at peak occupancy. Although workers are to be housed on-site at these hubs, it is anticipated that families may decide to move to the area as a result.

Additionally, in December 2023, VACOM announced that Lewistown would be home to the company's new North American headquarters. VACOM builds vacuum systems that create clean environments for the construction of microprocessors and computer chips. VACOM completed its initial $10 million investment with the remodel of a former machine shop located on the east side of Lewistown on Brick Trail into its cleaning facility, which was completed in mid- 2025 with a grand opening held July 25, 2025 and celebrated its one year anniversary in July 2025. This facility currently has 7 employees, with one more expected to be added by the end of 2026 and expects to add another 5 to 10 employees in 2027. Over the next 1-2 years, VACOM has plans to repurpose a second building currently used for cold storage to house its Outgoing Logistics Center and has plans to construct a third building that will be designated a Production Building. VACOM plans for a bigger development on the west side of Lewistown by the airport and has plans to build at $90 million facility by 2030 that will include a manufacturing facility, training facility, childcare facility, and guest houses, which timing will be largely dependent on international trade and tariff issues. VACOM expects that once buildout is completed that approximately 500 new jobs would be created.

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Agriculture

According to the 2022 Census of Agriculture, there are approximately 779 farms in the County that encompass approximately 2,315,398 of the 2,777,152 total acres located within the County with an average farm size of 2,972 acres. The primary agricultural products of the area include wheat/barley/grains, lentils, dry edible peas, hay, and various livestock (cattle/pigs/sheep/horses/chickens). Below are certain agriculture related statistics for 2022.

Year	Market Value Products Sold	Government Payments	Farm-Related Income	Total Farm Production Expense	Net Cash Farm Income	Per-Farm Net Cash Farm Income
2022	$160,111,000	$24,739,000	$15,594,000	$154,627,000	$45,817,000	$58,815

Source: U.S. Department of Agriculture, 2022 Census

Tourism

The Charlie Russell Chew-Choo is a 3-hour dinner train that boards near Lewistown that traverses over three tall train trestles through the central Montana landscape, while a narrator provides history of the area. The area also has a number of museums, mountain lakes, reservoirs, and hiking trails.

The east entrance to Glacier National Park (the "Glacier Park") is located approximately 250 miles north of Lewistown. With more than 700 miles of trails, Glacier National Park is a popular destination for recreationalists. The Park reported 3,136,557 visitors in 2025.

The north entrance to Yellowstone National Park ("Yellowstone Park") near Gardiner is located approximately 200 miles south of Lewistown. In 1872, Yellowstone National Park (the "Park") was the first national park to be established in the world. The Park had a record number of visitors in 2021 with approximately 4,860,242 and reported 4,762,988 visitors in 2025.

Population Trends

Historical population figures for Lewistown, the County, and the State of Montana since 1980 are set forth below to show population trends in the area. According to the U.S. Census Bureau estimates released January 2026, the District had a 2024 estimated population of 9,102.

Year	City of Lewistown	Percent of Change	Fergus County	Percent of Change	State of Montana	Percent of Change
2025	6,179	6.8%	11,825	3.3%	1,144,694	5.6%
2020	5,955	0.9	11,442	(1.2)	1,084,225	9.6
2010	5,901	1.5	11,586	(2.6)	989,415	9.7
2000	5,813	(4.7)	11,893	(1.6)	902,195	12.9
1990	6,097	(14.2)	12,083	(7.6)	799,065	1.6
1980	7,104	n/a	13,076	n/a	786,690	n/a

[1] Intercensal estimates as of July 1.

Source: U.S. Census Bureau

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Building Permits

Shown in the following tables is building permit data for the County for the years shown.

	Fergus County				
	Single Family		Duplexes/Multi-Family		
Year	Permits	Value	Permits	Units	Value
2025	2	$950,000	0	0	$0
2024	0	0	0	0	0
2023	3	1,200,000	0	0	0
2022	4	1,462,800	1	16	2,496,000
2021	4	1,765,000	0	0	0

Source: U.S Census Bureau Building Permit Survey

Major Private Employers

The major private employers in the County as of 2024 as reported by the Montana Department of Labor and Industry are shown below. Local school districts, the State, the County, and Lewistown comprise some of the largest public employers in the County.

	Employer	Type of Business	Number of Employees
1.	Central Montana Medical Center	Healthcare	250-499
2.	Albertsons	Grocer	100-249
3.	Century Industries	Road/Paving Contractor	100-249
4.	Allied Steel	Manufacturing	50-99
5.	Big Horn Valley Health Center Inc	Healthcare	50-99
6.	McDonalds	Restaurant	50-99
7.	Spika Welding	Metal Fabrication	50-99
8.	Town & Country Grocer	Grocer	50-99
9.	Valley Vista Rehab and Nursing	Nursing Home	50-99
10.	Yogo Inn of Montana	Lodging	50-99

Source: Montana Department of Labor and Industry, Quarterly Census of Employment and Wages Program

Personal Income Trends

The following table shows total and per capita personal income growth in the County since 2019.

Year	Total Personal Income (000's)	Percent of Change	Per Capita Income	Percent of Change
2024	$673,779	2.7%	$56,801	2.3%
2023	656,288	4.6	55,542	3.2
2022	627,756	9.9	53,797	9.5
2021	571,055	9.1	49,148	7.7
2020	523,289	n/a	45,622	n/a

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System

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Labor Force and Unemployment

The table below shows the County employment figures as well as State of Montana and United States unemployment rates since 2016.

	Fergus County		- - - - - - - - Unemployment Rates - - - - - - - -		
Year	Labor Force	Employment	Fergus County	State of Montana	United States
2026[1]	5,933	5,735	3.3%	3.3%	4.3%
2025	5,909	5,703	3.5	3.3	4.3
2024	5,951	5,767	3.1	3.0	4.0
2023	5,876	5,703	2.9	2.7	3.6
2022	5,793	5,618	3.0	2.7	3.6
2021	5,785	5,585	3.5	3.4	5.3
2020	5,837	5,561	4.7	5.8	8.1
2019	6,048	5,848	3.3	3.5	3.7
2018	5,848	5,624	3.8	3.7	3.9
2017	5,814	5,568	4.2	4.1	4.4
2016	5,818	5,575	4.2	4.3	4.9

[1] The 2026 information presented is the average through September 2026.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Employment by Major Industry

The table below sets forth the total number of employees in the County for the years and industries shown.

	2021	2022	2023	2024	2025
Employment	4,494	4,558	4,570	4,664	4,699
Government					
Federal	130	129	136	148	141
State	246	235	241	246	246
Local	547	518	528	546	552
Private					
Natural Resources and Mining	109	85	90	101	110
Construction	382	392	390	402	391
Manufacturing	396	443	437	440	483
Trade, Transportation, & Utilities	853	870	856	875	872
Information	67	67	53	58	57
Financial Activities	206	214	204	193	188
Professional & Business Services	144	154	165	171	188
Education & Health Services	733	723	756	773	763
Leisure & Hospitality	539	579	565	569	565
Other Services	142	142	142	135	133
Unclassified	0	7	7	7	10

Source: U.S. Department of Labor, Bureau of Labor Statistics

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Earnings By Industry

The following table shows the County wage and salary, labor and proprietors' earnings by major industry type for the years shown. Figures shown are in thousands.

	2020	2021	2022	2023	2024
Total Personal Income	$523,289	$571,055	$627,756	$656,288	$673,779
Earnings by Industry:					
Farm	(155)	(19,433)	18,774	4,193	(14,092)
Non-farm	301,879	328,353	343,186	362,519	386,874
Private	243,809	267,649	283,077	297,655	315,680
Forestry, Fishing and Other	(D)	(D)	(D)	(D)	(D)
Mining	(D)	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	(D)	(D)	(D)
Construction	52,724	53,298	55,785	56,443	60,308
Manufacturing	25,682	27,256	31,399	33,189	35,806
Wholesale Trade	18,555	19,135	21,224	20,763	21,854
Retail Trade	19,661	22,779	23,068	24,513	25,667
Transportation and Warehousing	(D)	(D)	(D)	(D)	(D)
Information	2,422	3,173	3,659	4,722	5,354
Finance and Insurance	14,056	15,470	14,870	15,391	16,319
Real Estate, Rentals and Leasing	12,183	17,170	19,930	22,302	22,051
Professional and Technical Services	8,112	(D)	10,566	12,073	13,264
Management of Companies	(D)	(D)	34	(D)	(D)
Administrative and Waste Services	(D)	(D)	3,629	(D)	(D)
Educational Services	367	555	553	636	705
Healthcare and Social Assistance	42,471	44,586	46,998	51,249	53,916
Arts, Entertainment and Recreation	1,311	2,014	2,673	2,723	3,102
Accommodation and Food Services	11,003	13,987	13,569	13,827	14,373
Other Services	10,135	10,344	10,670	8,630	9,520
Government	58,070	60,704	60,109	64,864	71,194
Federal/Civilian	12,160	13,119	14,645	16,550	19,345
Military	1,669	1,661	1,704	1,854	1,987
State and Local	44,241	45,924	43,760	46,460	49,862

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Source: U.S. Department of Commerce Regional Economic Information System Bureau of Economic Analysis

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APPENDIX C

CONTINUING DISCLOSURE

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CONTINUING DISCLOSURE

Purpose and Beneficiaries

In order to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the District enter into a continuing disclosure undertaking for the benefit of the Owners (as hereinafter defined) from time to time of any Bonds that are outstanding to provide annual reports of specified information and notice of the occurrence of certain events (the "Disclosure Covenants") to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system website ("EMMA").

The District is the only "obligated person" in respect of the Bonds within the meaning of the Rule. The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth below.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the Bond Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the District to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

If the District fails to comply with any of the Disclosure Covenants, any person aggrieved thereby, including the Beneficial Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any such covenant contained herein, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default thereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under the Disclosure Covenants constitute a default under the Bonds or under any other provision of the Bond Resolution.

As used herein, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

Information To Be Disclosed

The District will provide either directly or indirectly through an agent designated by the District, the following information at the following times and in the following manner.

Fiscal Year 2026 Annual Financial Information to Be Filed. With the exception of the audited financial statements for fiscal year ended June 30, 2026, this Official Statement contains the annual financial information described below (operating data and unaudited financial statements) with respect to fiscal year ended June 30, 2026; therefore, the District will provide to the MSRB as described below only the audited

financial statements for fiscal year ended June 30, 2026, on or before March 31, 2027 (or the next succeeding business day if that day is not a business day) or within 10 business days after the receipt thereof if received after March 31, 2027.

Ongoing Annual Information. On or before March 31 (or the next succeeding business day if that day is not a business day) following the end of each fiscal year of the District commencing with the fiscal year ending June 30, 2027, the following financial information and operating data in respect of the District (the "Disclosure Information") will be provided to the MSRB as described below. Such Disclosure Information may be unaudited and, for financial statement information, shall be for the most recent completed fiscal year of the District and, for operating data, shall be the operating data for the then most recent completed fiscal year compiled by the District and publicly available under applicable data privacy or other law:

Annual Financial Statements:

(1) audited financial statements of the District for the then most recent completed fiscal year or if unavailable by the date specified, the District shall provide on or before such date unaudited financial statements as part of the Disclosure Information and, within 10 business days after the receipt of thereof, the District shall provide the audited financial statements.

The audited financial statements are to be prepared in accordance with generally accepted accounting principles or as otherwise provided under State law, as such principles may be changed from time to time as permitted by State law. If and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, the discrepancies will be noted.

Other Operating Data: updated information for the District for the then most recent completed fiscal year (commencing with fiscal year ending June 30, 2027), which may be unaudited, compiled by the District and publicly available under applicable data privacy or other law to include:

(1) general obligation bonds outstanding;
(2) assessed/market valuation;
(3) taxable valuation;
(4) the District enrollment; and
(5) tax collection figures for the then most recent completed fiscal year in format similar to the table on page 31 in the section "Tax Collections."

The Disclosure Information will be provided to the MSRB on or before March 31 (or the next succeeding business day if that day is not a business day) following the end of each fiscal year of the District, commencing with the District's fiscal year ending June 30, 2027 (except the District will provide the audited financial statements for fiscal year ended June 30, 2026, by March 31, 2027 (or the next succeeding business day if that day is not a business day) or within 10 business days of receipt if received after March 31, 2027), and may be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the internet website of the MSRB or filed with the Securities Exchange Commission (the "SEC"). In the event that the District's fiscal year (currently, a fiscal year ended June 30) is changed as may be required or permitted by State law, the District would provide notice of the same as described under "—Certain Other Information" herein and amend its filing date in the manner described under "Amendments; Interpretation" herein.

If any part of the Disclosure Information is changed because it is no longer compiled or publicly available or can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such discontinued operations have

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been replaced by other operations of the District in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be material and such data is customarily compiled and publicly available, then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or the Disclosure Covenants are amended as permitted by the Bond Resolution, then the District is to include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

Certain Events. In a timely manner, but not in excess of 10 business days of the occurrence of an event, the District must file with the MSRB through EMMA in an electronic format as prescribed by the MSRB, if any, notice of the occurrence of any of the following events:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the obligated person;

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

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As used herein, for those events that must be reported if material, an event is "material" if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed under the Disclosure Covenants or information generally available to the public. Notwithstanding the foregoing sentence, an event is also "material" if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (15) and (16) above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of either (i) or (ii). A "financial obligation" does not include municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

Certain Other Information. The District will provide notice in a timely manner to the MSRB through EMMA in an electronic format as prescribed by the MSRB notice of the occurrence of any of the following events or conditions:

(1) the failure of the District to provide the Disclosure Information at the time specified under "Annual Information" herein;

(2) the amendment or supplementing of the Disclosure Covenants pursuant to the Bond Resolution, together with a copy of such amendment or supplement and any explanation provided by the District under "Amendments" herein; and

(3) any change in the fiscal year of the District.

Manner of Disclosure

The District agrees to make available the information described herein under "Information To Be Disclosed" to the following entities by electronic, telecopy, overnight delivery, mail or other means, as appropriate:

(A) the information described under "Information To Be Disclosed" to the MSRB through EMMA in an electronic format as prescribed by the MSRB;

(B) the information described under "Information To Be Disclosed" to any rating agency then maintaining a rating of the Bonds and, at the expense of such Bondowner, to any Bondowner who requests in writing such information at the time of the transmission under clause (A) above as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released; and

(C) all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

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Term

The Disclosure Covenants are to remain in effect until all Bonds have been paid or defeased under the Bond Resolution.

Amendments; Interpretation

The Disclosure Covenants and the form and requirements of the Disclosure Information may be amended or supplemented by the District from time to time, without notice to or the consent of the Bondowner of any Bonds, by resolution or ordinance of the District filed in the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualification to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the Bonds. If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

The Disclosure Covenants are entered into as a continuing disclosure undertaking to provide continuing disclosure identical to that required by the continuing disclosure provisions of the Rule and should be construed so the undertaking would satisfy the requirements of paragraph (b)(5) of the Rule, assuming it was otherwise applicable to the Bonds.

Further Limitation of Liability of District

None of the agreements or obligations of the District contained in the Disclosure Covenants shall be construed to constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions whatsoever or constitute a pledge of the general credit or taxing powers of the District.

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APPENDIX D

FORM OF LEGAL OPINION

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[draft form of bond counsel opinion]

[to be dated the date of issuance of the Bonds]

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

D.A. Davidson & Co.
Great Falls, Montana

Re: $[_____] General Obligation School Building Bonds, Series 2027
High School District No. 1, Fergus County, Montana

Ladies and Gentlemen:

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Very truly yours,

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APPENDIX E

BOOK-ENTRY SYSTEM

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BOOK-ENTRY SYSTEM

The information presented below was obtained from The Depository Trust Company ("DTC") and the District makes no representation as to the accuracy or completeness thereof. As used herein, "Issuer" refers to the District and "Securities" refers to the General Obligation School Building Bonds, Series 2027.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Securities with DTC and their registration in the name of Cede & Co., or such other nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the

Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee), will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

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APPENDIX F

LEWISTOWN PUBLIC SCHOOLS
COMBINED AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2025

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[APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

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LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#6

MEETING DATE: November 9, 2026

ITEM TITLE: REPORT- STUDENT REPRESENTATIVE

PREPARED BY: Sophie Lark, Student Representative

SUMMARY:

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

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#7

MEETING DATE: November 9, 2026

ITEM TITLE: REPORT – LEWISTOWN EDUCATION ASSOCIATION (LEA)

PREPARED BY: Chase Auger, LEA President

SUMMARY:

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

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#8

MEETING DATE: November 9, 2026

ITEM TITLE: REPORT – COMMITTES OF THE BOARD

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

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

Attached is the list for Standing Committees of the Board for the 2025-2026 School Year. The list has been updated to reflect changes made at the September Board Meeting.

The Board of Trustees will need to select Bond Finance Committee to include the Board Chair and one other Trustee. The Business Manager/Clerk and Superintendent will also be members of the committee.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

STANDING COMMITTEES OF THE BOARD
2026-2027 School Year

Committee	Number on Comm.	Whitney Brady	Karly DeMars	Sam Helmer	Mariah Shammel	Jeff Southworth	Carson Sweeney	Eric VanderBeek
Building & Grounds	**3**	**X**				**X**	**X**	
Safety Committee	**2**			**X**				**X**

OTHER COMMITTEES WITH BOARD REPRESENTATION
2026-2027 School Year

Committee	Number on Comm.	Whitney Brady	Karly DeMars	Sam Helmer	Mariah Shammel	Jeff Southworth	Carson Sweeney	Eric VanderBeek
Activities	**3**	**X**			**X**	**X**		
Curriculum Committees:								
Library and Technology	**2**	**X**						**X**
Health/Dental Insurance Program	**2**		**X**	**X**				
School Calendar	**1**							**X**
Vocational Advisory Council	**2**		**X**			**X**		
Gaining	**3**				**X**	**X**	**X**	
Policy Review	**3**		**X**	**X**				**X**
TIF Board	**1**						**X**	

LEWISTOWN PUBLIC SCHOOLS

Lewistown, Montana

BOARD AGENDA ITEM
#9

MEETING DATE: November 9, 2026

ITEM TITLE: REPORT – INVESTMENT

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

Interest earned for October 2026 was as follows:

Elementary:	$9,622.74
High School:	$8,303.21
Total:	$17,925.95

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#10

MEETING DATE: November 9, 2026

ITEM TITLE: REPORT – SUPERINTENDENT

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

MCEL Report

Cognia Surveys

Board Tours- December 9

Owner's Representative RFQ Schedule

Advertisement Dates:	October 24, 28, 31
RFQ Available:	October 14, 2026
RFQ Submittal Deadline:	November 11, 2026
Interview Invitations:	November 12, 2026
Interviews:	November 16, 2026
Candidates Notified of Selection:	November 17, 2026
Candidates Board Approval:	November 18, 2026
Notice to Proceed Given to Successful Candidate	November 18, 2026

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#11

MEETING DATE: November 9, 2026

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

PREPARED BY: _____

SUMMARY:

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

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

ACTION ITEMS – CONSENT AGENDA

12. Minutes
13. Claims
14. Transportation
15. Personnel Report

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#12

MEETING DATE: November 9, 2026

ITEM TITLE: MINUTES

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

The following minutes are attached for your approval:

- Minutes of the October 12, 2026 Regular Board Meeting.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES

LINCOLN BOARD ROOM

215 7th Avenue South
Lewistown, Montana 59457

MONDAY, October 12, 2026

REGULAR BOARD MEETING

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

1. ROLL CALL
   TRUSTEES PRESENT:
   Whitney Brady, Karly DeMars, Sam Helmer, Mariah Shammel, Carson Sweeney, Eric VanderBeek
   TRUSTEES ABSENT:
   Jeff Southworth
2. PLEDGE OF ALLEGIANCE
   The group recited the Pledge of Allegiance.
3. MOTION TO SET THE AGENDA – Approved Unanimously (Brady/Sweeney)
4. REPORT – STUDENT REPRESENTATIVE TO THE BOARD
   Sophie Lark, Student Representative, updated the Board on happenings within Fergus High School.
5. REPORT – LEWISTOWN EDUCATION ASSOCIATION (LEA)
   Austin Schilling, LEA Vice President, updated the Board on happenings within their organization.
6. REPORT—COMMITTEES OF THE BOARD
   The Curriculum Committee will be meeting in the near future. The Insurance Committee will also likely be meeting in the near future regarding vision insurance options. We will need to set a Bond Finance Committee as a result of the passage of the high school bond. The Activity Committee met on October 8, 2026 and a new cheer coach has been hired.
7. REPORT – BOARD GOALS
   The Board reviewed their goals set last year and progress made on those goals.

   Below are the new goals for 2026-2027:
   - Trustee Brady – be an advocate at the State Legislature, educate the public on school funding/issues, be part of the upcoming bond work
   - Trustee DeMars – increasing understanding of CTE programs, communicate what she has learned with the public
   - Trustee Helmer – continue to work on transparency and communication with the community
   - Trustee Shammel – improve communication to the public, share good things happening in the district with the community, be a Legislative advocate
   - Trustee Sweeney – be present in the community when not asking for something, support the leadership and continue to hold to a high standard
   - Trustee Southworth – not available to report

- Trustee VanderBeek – continue to visit with the schools and meet the new teachers in the district, continue work on the Safety Committee, increased community outreach in order to address public concerns, learn more about school taxes

Sophie Lark suggested using social media to communicate to the young people in the community. The Board agreed that several different methods to reach all ages is necessary.

8. REPORT – STRATEGIC PLAN REVIEW

The Board reviewed the current Strategic Plan, specifically the Strengths and Weaknesses/Areas of Concern section. Several of the items on the list of weaknesses/areas of concern have been improved over the past two years. In reviewing the Plan, the Trustees had a good discussion regarding the achievements of the District.

9. REPORT—INVESTMENT

Interest earned and distributed for August was reported at $15,566.96 in the Elementary and $14,514.94 in the High School. September was reported at $12,022.03 in the Elementary and $11,009.62 in the High School.

10. REPORT—SUPERINTENDENT

Mr. Moore will be attending MCEL at the end of the week. Board Tours of Lewis & Clark, the Junior High School and the CMEC Building will take place in the near future. Trustee Brady suggested that the school district have a date set aside for community tours of the completed elementary bond work. Mr. Moore reported that his tenure on the Bridged Health Insurance Board is ending in early November. Rebekah Rhoades reported preliminary student count numbers. The official count is due on 10/23/26, and once the glitch with the Charter School is resolved, Rebekah will email the official count numbers to the Board. The audit on District finances was completed last week and all went well.

PUBLIC PARTICIPATION

11. RECOGNITION OF PARENTS, PATRONS, AND OTHERS WHO WISH TO ADDRESS THE BOARD ON NON-AGENDA ITEMS

There was no public participation.

ACTION ITEMS

CONSENT AGENDA ITEMS – approved unanimously (DeMars/Helmer)

12. APPROVE MINUTES OF THE SEPTEMBER 14, 2026, REGULAR BOARD MEETING
13. APPROVE CLAIMS – approval of the claims referenced in the 2026-2027 Bill Schedule and submitted through October 9, 2026. The Finance Committee for October-December 2026 is Board Chair Mariah Shammel, Whitney Brady, Sam Helmer and Karly DeMars.
14. APPROVE OUT OF DISTRICT STUDENTS – Discussion took place regarding the King Colony Elementary District and our Fergus High School District.
15. APPROVE PERSONNEL REPORT WITH THE ADDITION OF JUANITA RODRIGUEZ AS A PART-TIME SPECIAL EDUCATION PARAPROFESSIONAL AT GARFIELD ELEMENTARY

INDIVIDUAL ITEMS – OLD BUSINESS

There was no old business.

INDIVIDUAL ITEMS – OLD BUSINESS

16. APPROVE FIRST READING OF POLICIES – approved unanimously (VanderBeek/DeMars)
17. APPROVE CENTRAL MONTANA LEARNING RESOURCE CENTER PROPOSAL OF $10,000/YEAR ANNUAL RENTAL FEE AND ONE-TIME $5,000 PAYMENT TOWARD RENOVATIONS AT THE CENTRAL MONTANA EDUCATION CENTER BUILDING

TO BE INCLUDED IN A FUTURE RENTAL AGREEMENT APPROVED BY BOTH PARTIES – approved unanimously (Sweeney/DeMars)

Chelsey Rogers, CMLRCC Director, shared their interest and vision for renting space at the CMEC Building. The space they are requesting is 2500 square feet with a $10,000/year rental fee and an additional $5,000/year for construction of office spaces. The office spaces the CMLRCC would like to utilize will be available starting January 1, 2027 once Providence has moved out of the building.

18. APPROVE CANVASS OF FERGUS HIGH SCHOOL BOND ELECTION RESULTS AND CERTIFICATE OF ELECTION – approved unanimously (VanderBeek/DeMars)
19. APPROVE REQUEST FOR PROPOSAL (RFQ) FOR OWNER'S REPRESENTATIVE FOR FERGUS HIGH SCHOOL BOND – approved unanimously (Brady/VanderBeek)
20. APPROVE OPENING OF FUND 250 FOR THE PURPOSES OF THE FERGUS HIGH SCHOOL BOND – approved unanimously (DeMars/Brady)

ADJOURNMENT

The meeting was adjourned at 7:34 p.m. (Brady/Sweeney). The next regular meeting will be held at 6:00 p.m. on Monday, November 9, 2026, at the Lincoln Board Room.

_____ _____

MARIAH SHAMMEL
BOARD CHAIR

REBEKAH RHOADES
BUSINESS MANAGER/CLERK

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#13

MEETING DATE: November 9, 2026

ITEM TITLE: CLAIMS

PREPARED BY: Chris Gobble, Purchasing

SUMMARY:

See attached claims paid through November 6, 2026, as approved by the Finance Committee.

Members of the Finance Committee for October – December 2026 include: Board Chair Mariah Shammel, Whiney Brady, Sam Helmer and Karly DeMars.

☐ **ADDITIONAL INFORMATION ATTACHED**

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#14

MEETING DATE: November 9, 2026

ITEM TITLE: TRANSPORTATION

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

See attached TR-1 forms for approval.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

This form is required in accordance with Title 20, Chapter 10, Part 1, MCA. School district official must complete one form for each bus route that receives state reimbursement even though transportees of another legal entity may utilize the services.

Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.59

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
1	83.0	Regular	72

VIN	License Number	Ownership
4DRBWTAN9MB486977	836078A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 1	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	27	6	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	27	6	33
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	14	5	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	41	11	

We hereby certify that this bus will operate entirely on the route established by the Board of Trustees and within the transportation area assigned and approved by the County Transportation Committee. We further certify that this bus transports pupils eligible for school transportation as defined by 20-10-101, MCA.

We agree to supervision of this bus and bus route by the State Superintendent; to make such reports to the State Superintendent and County Superintendent as are required; to provide a vehicle which meets the minimum standards as established by the Board of Public Education, the Montana Highway Patrol and the State Superintendent; and to provide a licensed, qualified and approved driver to operate such vehicle as required by 20-10-103, MCA.

We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

This form is required in accordance with Title 20, Chapter 10, Part 1, MCA. School district official must complete one form for each bus route that receives state reimbursement even though transportees of another legal entity may utilize the services.

Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.97

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
2	70.0	Regular	80

VIN	License Number	Ownership
4DRGVMMN2VB711512	8-AA2796	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 2	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	9	4	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	9	4	13
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	9	6	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	18	10	

We hereby certify that this bus will operate entirely on the route established by the Board of Trustees and within the transportation area assigned and approved by the County Transportation Committee. We further certify that this bus transports pupils eligible for school transportation as defined by 20-10-101, MCA.

We agree to supervision of this bus and bus route by the State Superintendent; to make such reports to the State Superintendent and County Superintendent as are required; to provide a vehicle which meets the minimum standards as established by the Board of Public Education, the Montana Highway Patrol and the State Superintendent; and to provide a licensed, qualified and approved driver to operate such vehicle as required by 20-10-103, MCA.

We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

This form is required in accordance with Title 20, Chapter 10, Part 1, MCA. School district official must complete one form for each bus route that receives state reimbursement even though transportees of another legal entity may utilize the services.

Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	1.57

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
3	68.0	Special Education	46

VIN	License Number	Ownership
4DRBWTAN5MB486975	836079A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 3	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	0	0	
1st Wheelchair (WC)	0	1	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	6	0	
TOTAL ELIGIBLE RIDERS	6	1	7
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	0	0	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	6	1	

We hereby certify that this bus will operate entirely on the route established by the Board of Trustees and within the transportation area assigned and approved by the County Transportation Committee. We further certify that this bus transports pupils eligible for school transportation as defined by 20-10-101, MCA.

We agree to supervision of this bus and bus route by the State Superintendent; to make such reports to the State Superintendent and County Superintendent as are required; to provide a vehicle which meets the minimum standards as established by the Board of Public Education, the Montana Highway Patrol and the State Superintendent; and to provide a licensed, qualified and approved driver to operate such vehicle as required by 20-10-103, MCA.

We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

This form is required in accordance with Title 20, Chapter 10, Part 1, MCA. School district official must complete one form for each bus route that receives state reimbursement even though transportees of another legal entity may utilize the services.

Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.97

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
4	76.0	Regular	84

VIN	License Number	Ownership
4DRBWTAN7RB229260	8-44117A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 4	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	28	2	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	28	2	30
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	0	0	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	28	2	

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We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

This form is required in accordance with Title 20, Chapter 10, Part 1, MCA. School district official must complete one form for each bus route that receives state reimbursement even though transportees of another legal entity may utilize the services.

Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.97

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
5	22.0	Regular	82

VIN	License Number	Ownership
4DRBWAAN0hb524154	823841A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 5	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	9	0	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	9	0	9
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	23	3	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	32	3	

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We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

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Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

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Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.59

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
6	57.0	Regular	72

VIN	License Number	Ownership
4DRBWTAN3LB251473	8-31278A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 6	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	13	8	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	13	8	21
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	15	2	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	28	10	

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We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

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Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

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Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	1.57

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
7	75.0	Regular	48

VIN	License Number	Ownership
4DRGVMMN7TB238011	847265A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 7	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	17	4	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	17	4	21
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	5	1	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	22	5	

We hereby certify that this bus will operate entirely on the route established by the Board of Trustees and within the transportation area assigned and approved by the County Transportation Committee. We further certify that this bus transports pupils eligible for school transportation as defined by 20-10-101, MCA.

We agree to supervision of this bus and bus route by the State Superintendent; to make such reports to the State Superintendent and County Superintendent as are required; to provide a vehicle which meets the minimum standards as established by the Board of Public Education, the Montana Highway Patrol and the State Superintendent; and to provide a licensed, qualified and approved driver to operate such vehicle as required by 20-10-103, MCA.

We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

Combined School District Application for Registration of School Bus & State Reimbursement

School Year 2026 - 2027

TR-1(09/2006)

1 Copy County Superintendent

1 Copy School District

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Due Dates:	Paper Copy to County Supt	Electronic Submit to OPI	Rate Per Mile
All Routes	November 1	November 1	2.97

County Name	County Number	School System Name	School System Code
Fergus	14	Lewistown Public Schools	0420

Route Number	Length of Route (miles per day)	Type of Service	Rated Capacity
8	51.0	Regular	82

VIN	License Number	Ownership
4DRBWTAN0NB537235	8-39765A	District Owned

Reimbursement Distribution - The legal entity number and percentage of state\county reimbursement to be paid to each district.

	LE: 0258	LE: 0259
Route #: 8	68.00	32.00

PASSENGER INFORMATION

	ELEMENTARY RIDERS (Grades PK-8)	HIGH SCHOOL RIDERS (Grades 9-12)	TOTAL ELIGIBLE RIDERS
	a NUMBER	b NUMBER	c a+b
Regular (include Kindergarten riders)	33	7	
1st Wheelchair (WC)	0	0	
2nd Wheelchair (WC)	0	0	
Additional Wheelchairs (WC)	0	0	
Non-WC IEP Lists Trans as Related Service	0	0	
TOTAL ELIGIBLE RIDERS	33	7	40
Ineligible Public School Riders (i.e., under 3 miles OR nonresident and no attendance agreement that would otherwise allow nonresident riders to be eligible) (Include ineligible Preschool riders)	11	0	
Nonpublic School Riders (ineligible)	0	0	
TOTAL RIDERS	44	7	

We hereby certify that this bus will operate entirely on the route established by the Board of Trustees and within the transportation area assigned and approved by the County Transportation Committee. We further certify that this bus transports pupils eligible for school transportation as defined by 20-10-101, MCA.

We agree to supervision of this bus and bus route by the State Superintendent; to make such reports to the State Superintendent and County Superintendent as are required; to provide a vehicle which meets the minimum standards as established by the Board of Public Education, the Montana Highway Patrol and the State Superintendent; and to provide a licensed, qualified and approved driver to operate such vehicle as required by 20-10-103, MCA.

We also agree to refrain from soliciting or causing others to solicit students from other transportation areas.

We understand that violations of the laws, rules or regulations governing school transportation will be sufficient cause for withholding of state and county reimbursement for this bus route.

I certify that this application for registration of school bus and state reimbursement is true and complete to the best of my knowledge and belief, and the bus operates on the route as approved by and within the transportation service area assigned by the County Transportation Committee.

Signature - Chair, Board of Trustees		Date

County Transportation Committee Approval as required in accordance with Section 20-10-132, MCA.
This Application for Registration of School Bus and State Reimbursement has been reviewed and I certify that this bus operates within the transportation area assigned to it by the County Transportation Committee.

Signature - Chair, County Transportation Committee		Date

For Additional information contact Elsie Workman at (406) 444-2463 or email Elsie.Workman@mt.gov

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#15

MEETING DATE: November 9, 2026

ITEM TITLE: PERSONNEL REPORT

PREPARED BY: Amanda Key, Administrative Secretary

SUMMARY:

Attached is the Personnel Report for review.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday, November 9, 2026

EMPLOYEE NAME	*POSITION*	*LOCATION*	*RECOMMENDED ACTION*	*EFFECTIVE DATE*	*RECOMMENDED BY*	*COMMENTS*
DERHEIM, James	Boys Basketball Assistant	LJHS	Approve appointment on schedule-LJHS STUDENT ACTIVITIES Stipend- $44,500 x .055	11/10/2026	Derek Lear	
NOBLE, Stephanie	Substitute Teacher	District Wide		11/10/2026	Brad Moore	
PORTER, Cheyane	Substitute Teacher	District Wide		11/10/2026	Brad Moore	
RAY, Morgan	Boys Basketball First Assistant	LJHS	Approve appointment on schedule-LJHS STUDENT ACTIVITIES Stipend- $44,500 x .062	11/10/2026	Derek Lear	
SPRY, Megan	Substitute Teacher	District Wide		11/10/2026	Brad Moore	Pending Background Check
WICHMAN, Nicole	Girls Basketball First Assistant	LJHS	Approve appointment on schedule-LJHS STUDENT ACTIVITIES Stipend- $44,500 x .062	10/1/2026	Derek Lear	

ACTION ITEMS – OLD BUSINESS

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#16

MEETING DATE: November 9, 2026

ITEM TITLE: SECOND READING OF POLICIES

PREPARED BY: Brad Moore, Superintendent

SUMMARY:

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

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

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

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

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

LEWISTOWN PUBLIC SCHOOLS
2nd READING POLICIES
November 9, 2026

1105	Membership
2050	Student Instruction
2100	School Year Calendar and Day
2151	Interscholastic Activities
3110	Entrance Placement and Transfer
3110F	Educational Authorization Affidavit
3120	Compulsory Attendance
3150	Part-Time Enrollment
3225	Sexual Harassment, Intimidation of Students
3225F	Sexual Harassment Reporting Form
3225P	Sexual Harassment Grievance Procedure
3231	Searches and Seizure
3600	Student Records
3600F	Student Records
3600P	Student Records
5012	Sexual Harassment of Employees
5012F	Sexual Harassment of Employees
5012P	Sexual Harassment of Employees
5120	Hiring Process and Criteria
5120P	Fingerprint Background and Handling Procedure
5120P1	Federal Background Check
5321	Leaves of Absence
5322	Military Leave
5324	Civic Duty Leave

NEW POLICIES
~~POLICIES BEING REMOVED~~

ACTION ITEMS – NEW BUSINESS

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#17

MEETING DATE: November 9, 2026

ITEM TITLE: AUTHORIZING BOND RESOLUTION

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

The Board of Trustees needs to approve the attached Authorizing Bond Resolution for the Fergus High School Bond.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of High School District No. 1, Fergus County, Montana (the "District"), hereby certify that attached hereto is a true copy of a Resolution entitled: "RESOLUTION RELATING TO UP TO $10,500,000 IN PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BUILDING BONDS; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Trustees of the District at a meeting on November 9, 2026, which meeting was duly held and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Trustees voted in favor thereof: _____

_____; voted against the same: _____

_____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this _____ day of November, 2026.

_____
School District Clerk

RESOLUTION RELATING TO UP TO $10,500,000 IN PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BUILDING BONDS; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF

BE IT RESOLVED by the Board of Trustees (the "Board") of High School District No. 1, Fergus County, Montana (the "District"), as follows:

Section 1. Recitals. The electors of the District at a mail ballot election duly called, noticed and held on September 29, 2026, authorized this Board to sell and issue general obligation school building bonds of the District in the aggregate principal amount of up to $10,500,000.00, for the purpose of providing funds to pay the costs of repairing or replacing high school facility components that are beyond their useful lives and making Fergus High School more secure, to include: adding a secure vestibule, intercom system, camera system, and exterior door access control; repairing or replacing the fire alarm system; repairing or replacing the roof; painting and sealing the building exterior; making electrical system repairs; repairing or replacing heating, ventilation, and air condition systems; replacing doors, flooring, ceiling tiles, and bathroom features; repairing exterior door thresholds, sidewalks, concrete landings, and stairs; making related repairs or replacements at the high school (the "Project"); and paying costs associated with the sale and issuance of the bonds. The District has determined at this time to issue and sell general obligation school building bonds of the District (the "Bonds") to finance costs of the Project and pay costs of issuing the Bonds.

The indebtedness to be evidenced by the Bonds and all other indebtedness of the District does not exceed the limitation set forth in Section 20-9-406, M.C.A.

Section 2. Sale of Bonds; Bond Purchase Agreement. Pursuant to Montana Code Annotated, Sections 20-9-430 and 17-5-107, this Board hereby determines that it is in the best interests of the District to sell the Bonds through a negotiated sale (i.e., a private sale). D.A. Davidson & Co., of Great Falls, Montana ("Davidson"), will serve as underwriter of or placement agent for the Bonds. If Davidson acts as placement agent, the purchaser of the Bonds (the "Purchaser") will be determined by a process overseen by the placement agent. If Davidson is to act as placement agent, (i) the Board authorizes and directs Davidson, as placement agent, to prepare appropriate requests for proposals to solicit responses on purchasing the Bonds from banks and other financial institutions, and (ii) upon approval by appropriate District officials, the Board authorizes and directs Davidson, as placement agent, to distribute the requests for proposals and other appropriate materials to potential responders and to field inquiries and evaluate any responses for Board approval or ratification.

The Bonds shall be sold on terms and at a purchase price within the following limitations:

(1) Davidson's fee for acting as placement agent or underwriter shall not exceed 0.80% of the principal amount of the Bonds, exclusive of original issue premium or discount;

(2) the principal amount of the Bonds shall not exceed $10,500,000;

(3) the true interest cost (TIC) of the Bonds shall not exceed 5.75%;

(4) the Bonds shall first be subject to optional redemption on a date that is not later than one-half their term; and

(5) the term of the Bonds shall not exceed 20 years.

All costs of issuing the Bonds (including, without limitation, but only as applicable, placement agent fees, underwriter's discount, the fees and expenses of bond counsel, bank fees (if any), fees of Purchaser's counsel (if any), rating agency fees, bond insurance fees (if any), the term sheet preparation costs (if any), the fees of the paying agent and registrar and dissemination agent, the Preliminary and final Official Statement costs (if any), Depository Trust Company fees, CUSIP costs, continuing disclosure report fees (if any), printing costs, and other miscellaneous expenses) shall be paid by the District.

The Board Chair, the Superintendent, the District Clerk/Business Manager, and one member of the Board designated by the Board are hereby authorized and directed to approve the principal amounts, purchase price, maturity or payment dates, basic and additional interest rates, original issue discount and premium, redemption provisions, and conditions pertaining to the purchase and sale of the Bonds, subject to the limitations contained above in this Section 2. Upon approving such terms, the Board Chair, the Superintendent, the District Clerk/Business Manager, and the designated Board member are hereby authorized and directed to approve, execute and deliver a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the District to sell, and the agreement of the Purchaser (or Davidson, if it acts as underwriter) to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of any of the Board Chair, the Superintendent, the District Clerk/Business Manager, or the designated Board member, another member of this Board shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by not less than two appropriate officers of the District of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the District to sell the Bonds on such terms in accordance with the provisions thereof.

Section 3. Form. The form of the Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Board.

Section 4. Preliminary Official Statement; Other. The Board Chair, the Superintendent, the District Clerk/Business Manager, and the designated Board member, or any of them, subject to the limitations described in Section 2 above, are authorized to undertake such actions and execute and deliver such documents as are necessary or appropriate to facilitate the purchase and sale of the Bonds.

Without limitation of the meaning of the preceding sentence, if Davidson purchases the Bonds as underwriter, the Board Chair, the Superintendent, the District Clerk/Business Manager, and the designated Board member and other officers of the District, in cooperation with Davidson, as underwriter, and Dorsey & Whitney LLP, as Bond Counsel, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by Davidson, if it acts as underwriter, to potential purchasers of the Bonds. Each of the Board Chair, the Superintendent, the District Clerk/Business Manager, and the designated Board member (or in

the event of the absence or disability of any of them, another member of this Board) is hereby authorized and directed on behalf of the District to approve the Preliminary Official Statement, and to deem it a "final" official statement as of its date in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, and following such approval, to authorize Davidson, if it acts as underwriter, to distribute the Preliminary Official Statement.

Section 5. Continuing Disclosure. If the Bonds are sold publicly through Davidson, to permit Davidson and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12, the District will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events.

Adopted: November 9, 2026.

_____
Chair of the Board of Trustees

_____
School District Clerk

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM
#18

MEETING DATE: November 9, 2026

ITEM TITLE: MULTI-DISTRICT AGREEMENT BETWEEN LEWISTOWN ELEMENTARY SCHOOLS AND FERGUS HIGH SCHOOL

PREPARED BY: Rebekah Rhoades, Business Manager

SUMMARY:

The Board of Trustees needs to approve the Multidistrict Agreement between Lewistown Elementary Schools and Fergus High School.

SB 329 passed by the 2011 Legislature expanded Multidistrict Agreements that encourage cooperation between districts to create flexibility, efficiency and cost savings. HB39 from the 2013 session further clarified those agreements and extended their maximum term.

This agreement will allow the District to transfer money from specific budgeted funds to an Interlocal Agreement Fund (82). Once the funds are transferred to the Interlocal Fund, they can be used for purchases for either the Elementary or High School District, with the funds rolling over from year-to-year.

☒ ADDITIONAL INFORMATION ATTACHED

NOTES:

MULTIDISTRICT AGREEMENT

This Multidistrict Agreement (hereinafter "Agreement") is entered into this 1st day of July, 2026 by and between the following school districts and/or other public or private entities (hereinafter "Participating Parties" or "Participating District"):

Lewistown Elementary (LE #0256)
Fergus High School (LE# 0257)

WHEREAS, pursuant to section 20-3-363, MCA, the Boards of Trustees of any two or more school districts, may enter into an Multidistrict Agreement to create a multidistrict cooperative with each other or with any other public or private entity participating in the cooperative and complying with the requirements of this section of law and other laws governing public schools in this state to perform any services, activities, and undertakings of the Participating Parties or other public or private entities, including full joint funding and operation of all programs and services of the Participating Parties upon the terms and conditions as may be mutually agreed to by the districts subject to the conditions of section 20-3-363, MCA;

WHEREAS, an Agreement made pursuant to section 20-3-363, MCA, must be approved by the board of trustees of all Participating Parties;

WHEREAS, all expenditures in support of the Multidistrict Agreement may be made from each participating school district's interlocal cooperative fund. Each Participating District of the multidistrict agreement may transfer funds into the District's interlocal cooperative fund from the general fund, any budgeted fund, or any non-budgeted fund of the Participating Parties, except as limited/prohibited law as follows:

1. transfers to the District's interlocal cooperative fund from each Participating District's general fund are limited to an amount not to exceed the direct state aid in support of the respective school district's general fund;
2. transfers from the retirement fund, the debt service fund or the compensated absence liability fund are prohibited; and
3. transfers may not be made with funds restricted by federal law unless such transfer is in compliance with any restrictions or conditions imposed by federal law.

WHEREAS, expenditures from the interlocal cooperative fund may include any expenditures that are considered by the board of trustees of the district to be reasonable and necessary to efficiently and effectively finance the expenditures pursuant to the terms of this multidistrict agreement, not to exceed the total expenditures approved by the board of trustees for the budgeted fund from which the transfer was made, including expenditures pursuant to any budget amendment adopted pursuant to Section 20-9-165, MCA.

NOW THEREFORE, the Participating Parties hereby agree as follows:

1. To create a multidistrict cooperative for the following purpose(s): to collectively purchase or pay for salaries/benefits, technology, curriculum, professional development,

transportation, maintenance, utilities and supplies for the participating Districts' needs as mutually agreed upon by the Participating Parties;

2. To create an interlocal cooperative fund for the purpose of transferring funds from other funds as set forth in section 3 below into each Participating District's interlocal cooperative fund for the purpose(s) stated herein;

3. Any and all amounts transferred into the interlocal cooperative fund by any Participating District may come from: (a) the respective district's general fund in an amount not to exceed the direct state aid in support of the respective school district's general fund; or (b) any other budgeted fund of a participating district, except that funds cannot be transferred from the retirement fund or the debt service fund; or (c) any non-budgeted fund of a Participating District, except that funds cannot be transferred from the compensated absence liability fund.

4. Transfers may not be made with funds restricted by federal law unless the transfer is in compliant with any restrictions or conditions imposed by federal law.

5. Any and all amounts transferred into each Participating District's interlocal cooperative fund must be for the purpose stated herein as mutually agreed upon between the Participating Parties in accordance with the terms of this Agreement.

6. The term of this Agreement shall be from July 1 to June 30.

This Agreement will be automatically extended annually unless this Agreement is terminated by one of the Participating Parties by providing notice of termination to the other District 30 days prior to June 30th of the then last year of this Agreement. Unless this Agreement is terminated pursuant to this section or sections 9 and 10 below, any remaining fund balance in the District's interlocal cooperative fund at year end may be carried over to the subsequent fiscal year.

7. The terms of this Agreement may be changed upon mutual written approval of the Participating Parties.

8. Each Participating District shall agree how the funds shall be disbursed during the current fiscal year by establishing a budget or guidelines. The Board of Trustees of the Participating Parties will be provided with a monthly accounting summary of expenditures from the District's interlocal cooperative fund.

9. The multidistrict cooperative may be dissolved upon mutual consent of all Participating Parties in writing upon 30 days written notice to all Participating Parties. In addition, any Participating District may terminate its participation in the multidistrict cooperative upon 30 days written notice to all Participating Parties. In the event that the multidistrict cooperative is dissolved in its entirety or any Participating District terminates its participation in the multidistrict cooperative, the provisions of Paragraph 10 below shall apply.

10. Upon notice of termination of this Agreement by one or all Participating Parties pursuant to sections 6 or 9 and after all outstanding financial obligations have been paid, the funds in the

interlocal cooperative fund of the district or districts that no longer desire to participate in this multidistrict cooperative shall revert back to the original fund(s) from which the money was transferred as a result of said District(s) participation in the multidistrict cooperative.

11. This Agreement shall be interpreted according to and governed by the laws of the State of Montana.

As agreed on this 9th day of November 2026.

Fergus High School (LE0259) Prime Agency	Lewistown Elementary (LE0258) Cooperating Agency
_____ Board Chair, Prime Agency	_____ Board Chair, Cooperating Agency
_____ District Clerk, Prime Agency	_____ District Clerk, Cooperating Agency

LEWISTOWN PUBLIC SCHOOLS 2026-2027 SCHOOL CALENDAR

AUGUST 2026

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

SEPTEMBER 2026

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

OCTOBER 2026

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

NOVEMBER 2026

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

DECEMBER 2026

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

JANUARY 2027

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

FEBRUARY 2027

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

MARCH 2027

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

APRIL 2027

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

MAY 2027

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

JUNE 2027

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

JULY 2027

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

PIR DAYS *(Pupil Instruction-Related)*

August 14	New Staff Orientation
August 17-18	All Staff Orientation/PIR
October 15-16	Staff Development Days
	Teachers Convention (Great Falls)
Nov 2-5	Parent-Teacher Conferences
	Schedules vary by school
March 22-24, 30-31, & April 1-2	Parent-Teacher Conferences
	Schedules vary by school
	Full school days for students
May 10	PIR Day

HOLIDAYS & VACATIONS

No School for Teachers or Students

September 7	Labor Day
November 6	Vacation Day
November 25-27	Thanksgiving Vacation
Dec 23 - Jan 1	Winter Break
January 18	Vacation Day
February 25-26	Vacation Days
March 25-29	Easter Break
April 9	Vacation Day
April 23	Vacation Day
May 31	Memorial Day

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

BOARD APPROVED 3-9-2026

LEWISTOWN PUBLIC SCHOOLS

2026-2027 K-8 SCHOOL CALENDAR

PUPIL INSTRUCTION

First Semester — **93 days**

FIRST QUARTER				DAYS
First Week	Aug 19	to	Aug 21	3
Second Week	Aug 24	to	Aug 28	5
Third Week	Aug 31	to	Sept 4	5
Fourth Week	Sept 8	to	Sept 11	4
Fifth Week	Sept 14	to	Sept 18	5
Sixth Week	Sept 21	to	Sept 25	5
Seventh Week	Sept 28	to	Oct 2	5
Eighth Week	Oct 5	to	Oct 9	5
Ninth Week	Oct 12	to	Oct 14	3
Tenth Week	Oct 19	to	Oct 23	5
				45

SECOND QUARTER				DAYS
First Week	Oct 26	to	Oct 30	5
Second Week	Nov 2	to	Nov 5	4
Third Week	Nov 9	to	Nov 13	5
Fourth Week	Nov 16	to	Nov 20	5
Fifth Week	Nov 23	to	Nov 24	2
Sixth Week	Nov 30	to	Dec 4	5
Seventh Week	Dec 7	to	Dec 11	5
Eighth Week	Dec 14	to	Dec 18	5
Ninth Week	Dec 21	to	Dec 22	2
Tenth Week	Jan 4	to	Jan 8	5
Eleventh Week	Jan 11	to	Jan 15	5
				48

Second Semester — **86 days**

THIRD QUARTER				DAYS
First Week	Jan 19	to	Jan 22	4
Second Week	Jan 25	to	Jan 29	5
Third Week	Feb 1	to	Feb 5	5
Fourth Week	Feb 8	to	Feb 12	5
Fifth Week	Feb 15	to	Feb 19	5
Sixth Week	Feb 22	to	Feb 24	3
Seventh Week	March 1	to	March 5	5
Eighth Week	March 8	to	March 12	5
Ninth Week	March 15	to	March 19	5
				42

FOURTH QUARTER				DAYS
First Week	March 22	to	March 24	3
Second Week	March 30	to	April 2	4
Third Week	April 5	to	April 8	4
Fourth Week	April 12	to	April 16	5
Fifth Week	April 19	to	April 22	4
Sixth Week	April 26	to	April 30	5
Seventh Week	May 3	to	May 7	5
Eighth Week	May 11	to	May 14	4
Ninth Week	May 17	to	May 21	5
Tenth Week	May 24	to	May 28	5
				44

Total Days 179

PUPIL INSTRUCTION-RELATED DAYS (PIR)

August 14	New Staff Orientation	
August 17-18	All Staff Orientation/PIR	2.0
October 15-16	Staff Development Days *Teachers Convention*	2.0
Nov. 2-5	Parent-Teacher Conferences *Schedules vary by school*	1.5
March 22-24, 30-31, & April 1-2	Parent-Teacher Conferences *Schedules vary by school* *Full school days for students*	.5
May 10	PIR Day	1.0
	Floating PIR Day	1.0
		8.0

HOLIDAYS & VACATIONS *Dates Inclusive*

September 7	Labor Day
November 25-27	Thanksgiving Vacation
Dec 23-Jan 1	Winter Break
January 18	Vacation Day
February 25-26	Vacation Days
March 25-29	Easter Vacation
April 9	Vacation Day
April 23	Vacation Day
May 31	Memorial Day
July 5	Vacation Day (12-mo employees)

LEWISTOWN PUBLIC SCHOOLS 2026-2027 FHS SCHOOL CALENDAR

PUPIL INSTRUCTION

First Semester — **83 days**

FIRST QUARTER				DAYS
First Week	Aug 19	to	Aug 21	3
Second Week	Aug 24	to	Aug 28	5
Third Week	Aug 31	to	Sept 4	5
Fourth Week	Sept 8	to	Sept 11	4
Fifth Week	Sept 14	to	Sept 18	5
Sixth Week	Sept 21	to	Sept 25	5
Seventh Week	Sept 28	to	Oct 2	5
Eighth Week	Oct 5	to	Oct 9	5
Ninth Week	Oct 12	to	Oct 14	3
				40

SECOND QUARTER				DAYS
First Week	Oct 19	to	Oct 23	5
Second Week	Oct 26	to	Oct 30	5
Third Week	Nov 2	to	Nov 5	4
Fourth Week	Nov 9	to	Nov 13	5
Fifth Week	Nov 16	to	Nov 20	5
Sixth Week	Nov 23	to	Nov 24	2
Seventh Week	Nov 30	to	Dec 4	5
Eighth Week	Dec 7	to	Dec 11	5
Ninth Week	Dec 14	to	Dec 18	5
Tenth Week	Dec 21	to	Dec 22	2
				43

Second Semester — **96 days**

THIRD QUARTER				DAYS
First Week	Jan 4	to	Jan 8	5
Second Week	Jan 11	to	Jan 15	5
Third Week	Jan 19	to	Jan 22	4
Fourth Week	Jan 25	to	Jan 29	5
Fifth Week	Feb 1	to	Feb 5	5
Sixth Week	Feb 8	to	Feb 12	5
Seventh Week	Feb 15	to	Feb 19	5
Eighth Week	Feb 22	to	Feb 24	3
Ninth Week	March 1	to	March 5	5
Tenth Week	March 8	to	March 12	5
				47

FOURTH QUARTER				DAYS
First Week	March 15	to	March 19	5
Second Week	March 22	to	March 24	3
Third Week	March 30	to	April 2	4
Fourth Week	April 5	to	April 8	4
Fifth Week	April 12	to	April 16	5
Sixth Week	April 19	to	April 22	4
Seventh Week	April 26	to	April 30	5
Eighth Week	May 3	to	May 7	5
Ninth Week	May 11	to	May 14	4
Tenth Week	May 17	to	May 21	5
Eleventh Week	May 24	to	May 28	5
				49

Total Days 179

PUPIL INSTRUCTION-RELATED DAYS (PIR)

August 14	New Staff Orientation	
August 17-18	All Staff Orientation/PIR	2.0
October 15-16	Staff Development Days *Teachers Convention*	2.0
Nov. 2-5	Parent-Teacher Conferences *Schedules vary by school*	1.5
March 22-24, 30-31, & April 1-2	Parent-Teacher Conferences *Schedules vary by school* *Full school days for students*	.5
May 10	PIR Day	1.0
	Floating PIR Day	1.0
		8.0

HOLIDAYS & VACATIONS *Dates Inclusive*

September 7	Labor Day
November 25-27	Thanksgiving Vacation
Dec 23-Jan 1	Winter Break
January 18	Vacation Day
February 25-26	Vacation Days
March 25-29	Easter Vacation
April 9	Vacation Day
April 23	Vacation Day
May 31	Memorial Day
July 5	Vacation Day (12-mo employees)