

**LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

LINCOLN BOARD ROOM

215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, January 8, 2018

REGULAR BOARD MEETING

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

1. Roll Call
2. Pledge of Allegiance
3. Motion to Set Agenda
4. Presentation—Transitional Kinder/First Grade Class, Principal Matt Lewis
5. Introduction of New Student Representative to the Board
6. Report—Student Representative
7. Report—LEA
8. Report—Committees of the Board
9. Calendar Items, Concerns, Correspondence, Etc.

SUPERINTENDENT'S REPORT

10. Report—2016-2017 Audit Report
11. Report—Budget Report
12. Report—Election Information
13. Report—Investment
14. Report—Superintendent

PUBLIC PARTICIPATION

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

ACTION ITEMS

MINUTES

16. Minutes of the December 11, 2017, Regular Board Meeting

APPROVAL OF CLAIMS

17. Claims

INDIVIDUAL ITEMS

18. Second Reading—Board Policy 1006FE – Transfer for School Safety
19. Second Reading—Board Policy 1009FE – Flexible Instructor Licensing
20. Second Reading—Board Policy 1014 FE-F1 Intent to Increase Non-Voted Levy
21. Approve Additions to the Substitute List for the 2017-2018 School Year
22. Approve Personnel Report

ADJOURNMENT

*A hard copy of the complete Agenda is available at the LPS Central Office
or on the Lewistown Public Schools Website:
<http://www.lewistown.k12.mt.us/content/40>*

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

Meeting Date

01/08/2017

Agenda Item No.

4

☐ Minutes/Claims ☒ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: PRESENTATION – TRANSITIONAL KINDERGARTEN/FIRST GRADE CLASS

Requested By: Board of Trustees Prepared By: PRINCIPAL MATT LEWIS

SUMMARY:

Garfield Elementary School Principal, Matt Lewis will update the Board on the concept of a transitional kindergarten/first grade class that would be implemented next year.

SUGGESTED ACTION: Informational

Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

5

☐ Minutes/Claims ☒ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: INTRODUCTION OF NEW STUDENT REPRESENTATIVE TO THE BOARD

Requested By: Board of Trustees **Prepared By:** Sydney Stivers and/or Jessica Miller

SUMMARY:

Sydney Stivers and/or Jessica Miller, Fergus High School Student Council Advisors, would like to introduce to the Board of Trustees, Tanner Trafton, who will represent the Fergus High School students on the School Board for the next term.

SUGGESTED ACTION: Informational

☐ Additional Information Attached Estimated cost/fund source _____

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

6

☐ Minutes/Claims ☒ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: REPORT—STUDENT REPRESENTATIVE

Requested By: Board of Trustees Prepared By: Emily Eckhardt

SUMMARY:

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

SUGGESTED ACTION: Informational

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

1. BPA: Bookstore, Practices for Competition
2. FCCLA: Meeting 01/03
3. FFA: Meeting 01/08
4. HOW Club: N/A
5. YPR Club: N/A
6. Key Club: Decoration Take Down at the Villa, Beginning Planning for "Senior Prom"
7. Book Club: Discussing Classics, Making Recommendations, Choosing Next Genre
8. Art Club: Reorganization, Mural Planning, Possible Field Trip
9. Outdoors Club: N/A
10. Spanish Club: Language Days Fiasco, Chocolate Sales Finalized, Officer Meeting,
Planning Next Event
11. Science Olympiad: N/A
12. Robotics: N/A
13. Graduation Matters: N/A
14. National Honor Society: Decoration Take Down at the Villa
15. F Club: N/A
16. Speech and Drama: Four more competitions, including Divisionals and State
17. Student Council: New Student Representative,
18. Central Montana Youth Mentoring: News Argus Photo,
19. Astronomy Club: N/A
20. Youth Alive: N/A
21. Ducks Unlimited: N/A
22. Skills USA: N/A
23. Gay-Straight Alliance: Meeting with Support Group
24. Model UN: N/A
25. Film Club: Meeting 01/03
26. Tech Club: Megabot Replicator Plus with Industrial Arts and Media Arts: Wireless
Connection, faster

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

7

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: REPORT—LEWISTOWN EDUCATION ASSOCIATION (LEA)

Requested By: Board of Trustees Prepared By: LEA Representative

SUMMARY:

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

SUGGESTED ACTION: Informational

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

8

☐ Minutes/Claims ☒ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: REPORT—COMMITTEES OF THE BOARD

Requested By: Board of Trustees Prepared By: Committee

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 2017-2018 School Year.

SUGGESTED ACTION: Informational

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

STANDING COMMITTEES OF THE BOARD
2017-2018 School Year

Committee	Number on Comm.	CJ Bailey	Kris Birdwell	Phil Koterba	Jeff Southworth	Jennifer Thompson	Stephen Vantassel	Monte Weeden
Building & Grounds	3	X		X				X
Insurance Risk Committee	2		X			X		
Transportation	3		X		X			X

OTHER COMMITTEES WITH BOARD REPRESENTATION
2017-2018 School Year

Committee	Number on Comm.	CJ Bailey	Kris Birdwell	Phil Koterba	Jeff Southworth	Jennifer Thompson	Stephen Vantassel	Monte Weeden
Activities	2	X			X			
Curriculum Committees:								
Science	1					X		
Social Studies	1		X					
Health Insurance Program	2			X		X		
School Calendar	1	X						
Vocational Advisory Council	1						X	
Gaining	3		X			X	X	
Finance (January-March 2018)	3	X			X	X		

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

9

☐ Minutes/Claims ☒ Board of Trustees ☐ Superintendent's Report ☐ Action – Consent
☐ Action – Indiv.

ITEM TITLE: CALENDAR ITEMS, CONCERNS, CORRESPONDENCE, ETC.

Requested By: Board of Trustees **Prepared By:** _____

SUMMARY:

Time is provided on the agenda for the Board to discuss calendar items, concerns, correspondence, future agenda items, and comments for the good of the district.

SUGGESTED ACTION:

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

10

☐ Minutes/Claims ☐ Board of Trustees ☒ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: REPORT—2016-2017 AUDIT RESULTS

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Paul Strom and Associates completed the audit for FY2016-2017.

The auditor has attended the Lewistown Public Schools Board meeting in the past to present the audit and answer any questions you may have. Rebekah Rhoades attended the exit interview with Mr. Strom in September and there were no findings reported. Therefore, Mr. Strom was not asked to travel from Billings to attend our meeting. If the Board has questions, Mr. Strom can be invited to attend an upcoming meeting.

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

SUGGESTED ACTION: Informational Report

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN SCHOOL DISTRICT NO. 1
FERGUS COUNTY
LEWISTOWN, MT 59457

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LEWISTOWN SCHOOL DISTRICT NO. 1
FERGUS COUNTY
LEWISTOWN, MT 59457

ORGANIZATION

BOARD OF TRUSTEES

Phil Koterba	Chair
CJ Bailey	Vice Chair
Kris Birdwell	Trustee
Troy Kelsey	Trustee
Shelley Poss	Trustee
Jennifer Thompson	Trustee
Monte Weeden	Trustee

OFFICIALS

Jason A Butcher	Superintendent
Rebekah Rhoades	District Clerk
Rhonda Long	County Superintendent
Kent Sipe	County Attorney

**Lewistown Public Schools
Management Discussion and Analysis (MD&A)
For the Year Ended June 30, 2017**

The Business Manager of the Lewistown Public Schools has provided this MD&A to give the reader of these statements an overview of the financial position and activities of the school district for the fiscal year ended June 30, 2017.

Using This Financial Report

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

Reporting the School District as a Whole

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

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

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

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

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

Reporting the District’s Most Significant Funds

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

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

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are shown for governmental funds such as the general funds, special revenue funds for transportation and school food service, and debt service and capital outlay funds. These funds use the modified accrual basis of accounting and represent the majority of the district’s activities and programs.

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

Reporting the District's Trust and Fiduciary Responsibilities

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

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

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

Budget-to-Actual Comparisons

As previous audits have shown, the district had not been reconciling its records with the information provided by the County Treasurer. Those records were reconciled in FY2008, and in the course of that process, several errors were found. Those errors necessitated prior period revenue and expenditure adjustments. The district amended its budgets where possible to make the best use of these adjustments.

Outside of these adjustments, there were no significant variances from our initial revenue and expenditure estimates. The district consistently reconciles its books monthly.

THE DISTRICT AS A WHOLE

Net Position serves over time as a useful indicator of a school district's financial position. In the Lewistown Public Schools, assets exceeded liabilities by \$2,201,705 as of June 30, 2017. This number is 11% higher than last year, but drastically lower than in other years past due to the addition of the Net Pension liability in FY2015 that is now required by Legislature to be reported on the School District's books. The amount of this new liability from TRS and PERS was \$9,232,140 in FY16 and \$10,493,173 in FY17.

Lewistown Public Schools Condensed Statement of Net Position

Governmental Activities

	<u>FY2016</u>	<u>FY2017</u>
Current and other assets	5,971,044	5,777,565
Capital assets	<u>8,885,941</u>	<u>7,354,165</u>
Total Assets	14,856,985	13,131,730
Current liabilities	2,222,128	123,992
Non-current liabilities	<u>11,109,746</u>	<u>12,402,281</u>
Total Liabilities	13,331,874	12,526,273
Invested in capital assets, Net of debt	4,972,344	7,354,165
Restricted	6,284,846	4,291,388
Unrestricted	<u>(9,280,284)</u>	<u>(9,443,849)</u>
Total Net Position	1,976,906	2,201,705

**Lewistown Public Schools
Changes in Net Position**

Governmental Activities

GENERAL REVENUES

	<u>FY2016</u>	<u>FY2017</u>
District Levy	3,541,312	3,801,140
State Equalization	3,441,432	3,587,290
Other State Revenue	2,697,562	2,720,750
County	1,232,331	1,294,800
Federal	0	0
Investment Earning	45,500	49,445
Gain on Asset	290,835	208,523
Other	<u>102,561</u>	<u>212,742</u>
Total General Revenue	13,841,746	14,417,771

GOVERNMENT OPERATIONS

Instruction (includes OPEB)	7,054,839	7,501,121
Support	516,313	489,906
Media	450,815	514,490
Administration	2,070,999	1,951,816
O & M	1,719,589	1,789,177
Transportation	770,489	828,750
Extracurricular	281,748	287,087
School Food	735,017	721,405
Other Current Charges	37,334	45,325
Interest and Other Charges	550	550
Depreciation – unallocated	<u>53,704</u>	<u>64,823</u>
Total Operations	13,691,397	14,194,450

Capital Assets

As of June 30, 2017, the District had invested over \$7 million in capital assets including land and land improvements, buildings and improvements, and machinery and equipment. General fixed assets are reported at historical cost. Historical cost was established at the initial booking of fixed assets by determining actual costs or estimating using standard costing procedure. The District's fixed asset policy is set to include items of \$5,000 and a useful life in excess of one year. The following schedule presents capital balances with accumulated depreciation as of June 30th.

	<u>FY2016</u>	<u>FY2017</u>
Land and Improvements	1,810,313	1,954,251
Accumulated Depreciation	<u>(882,676)</u>	<u>(923,218)</u>
	927,637	1,031,033
Buildings and Improvements	11,994,689	12,083,608
Construction in Progress	220,269	240,153
Accumulated Depreciation	<u>(6,716,302)</u>	<u>(7,029,695)</u>
	5,498,656	5,294,066
Machinery and Equipment	3,405,631	3,645,588
Accumulated Depreciation	<u>(2,699,129)</u>	<u>(2,616,520)</u>
	706,502	1,029,068

The District's Future

State law enables districts to use three-year average or current year enrollment (whichever is higher) when calculating budgets. Over the past five years, enrollment has increased in the elementary while leveling off/slightly decreasing in the high school. In the next few years, we will see a decline in enrollment at the High School, based on the number of students in the Junior High. There continues to be a growing need for services for special needs students, but little help from the State. The current Lewistown Collective Bargaining Agreement extends through FY18, and included a 2% (FY17) and 2% (FY18) raise for all employees. Collective Bargaining for FY19 and FY20 will be taking place in the near future and will determine any increases in pay/benefits for staff. Over the past several years, we had many retirements, causing the demographics of the District to change to a younger population.

The district also faces other challenges and decisions including:

- The Lewistown Board of Trustees requested an Elementary General Fund Levy in May 2017. That levy passed by a good margin, however there have been failed attempts in the past to pass levies that has caused the Board to be very conscientious in what they ask of taxpayers. In addition, recent Legislative decisions have “shifted” some of the costs of education to the local taxpayers. The Board will need to be diligent in their consideration of both voted and non-voted levies.
- The District estimates that general building repairs and maintenance in excess of \$10 million will be necessary over the next several years. Both an Elementary and High School Building Reserve Levy passed in May 2016, helping to support the needs of upkeep of the District’s facilities. In 2017, Legislature added the ability to “permissively” levy in the Building Reserve Fund. At this time, the Board has determined not to use this new authority, but may have to consider it in the future as our Buildings continue to age and need major repairs.
- The ever-increasing use of technology in the classrooms has put a financial dilemma upon the District. Currently, both the Elementary and High School have permanent levies in place. The Elementary yearly levy is \$61,498 and the High School’s is \$54,165, not enough to keep all technology within the District up-to-date. Due to changes in state law, if additional funds are requested of voters, the levy may not exceed 10 years. The Board will need to determine if non-permanent Technology Levy request will need to be presented to voters in the future.

In the end, all of the District’s finances boil down to how effectively we are educating our children. We must continue to keep our focus on our students’ education and allocate our resources in the manner that best serves them.

Contact for Additional Information

If you have questions about this report or need additional information, contact the Business Manager at the Lewistown Public Schools, 215 7th Avenue South, Lewistown, MT 59457, (406)-535-8777 x116.



STROM & ASSOCIATES, P.C.

Certified Public Accountants

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PO Box 1980
Billings, MT 59103

Phone: 406-252-2765
E-mail: audit@stromcpa.net

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lewistown School District No. 1 (School District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lewistown School District No. 1 as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information (RSI)

Accounting principles generally accepted in the United States of America requires that the management's discussion and analysis (pages 3 - 6), and the schedule of funding for other post-employment benefits other than pensions (page 42), and schedule of proportionate share of net pension liability, and schedule of contributions to Montana retirement systems (pages 43 - 47), and budgetary comparison information (pages 48 - 51) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lewistown School District No. 1's basic financial statements. The accompanying schedule of revenues, expenses and balances of student activity funds (page 52) and schedule of reported enrollment (page 53) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (pages 54 - 55) is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying schedule of revenues, expenses and balances of student activity funds, schedule of reported enrollment, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of revenues, expenses and balances of student activity funds, schedule of reported enrollment, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2017 on our consideration of the Lewistown School District No. 1 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lewistown School District No. 1 internal control over financial reporting and compliance.



STROM & ASSOCIATES, PC
Billings, Montana
December 27, 2017

STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 5,518,466
Taxes receivable	111,548
Due from other governments	101,358
Inventories	44,124
Prepaid expenses	2,073
Total current assets	<u>5,777,569</u>
Noncurrent assets:	
Capital assets:	
Land	590,530
Construction in progress	240,153
Net depreciable assets	<u>6,523,482</u>
Total noncurrent assets	<u>7,354,165</u>
Total assets	<u>13,131,734</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Employer pension plan activities	<u>1,681,790</u>
Total deferred outflows of resources	<u>1,681,790</u>
Total assets and deferred outflows of resources	<u>\$ 14,813,524</u>
LIABILITIES:	
Current liabilities:	
Unearned revenue	13,813
Other current liabilities	5,949
Current portions long-term debt obligations	51,000
Current portions compensated absences	<u>53,231</u>
Total current liabilities	<u>123,993</u>
Noncurrent liabilities:	
Long-term debt obligations	65,000
Compensated absences	454,472
Net pension accrual	10,490,763
Other postemployment benefits	<u>1,392,046</u>
Total noncurrent liabilities	<u>12,402,281</u>
Total liabilities	<u>12,526,274</u>
DEFERRED INFLOWS OF RESOURCES:	
Employer pension plan	<u>85,542</u>
Total deferred inflows of resources	<u>85,542</u>
NET POSITION:	
Net investment in capital assets	7,354,165
Restricted	4,253,319
Unrestricted (Deficit)	<u>(9,405,776)</u>
Total net position	<u>2,201,708</u>
Total liabilities, deferred inflows and net position	<u>\$ 14,813,524</u>

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

STATEMENT OF ACTIVITIES
For the year ended June 30, 2017

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
				Primary Government
	Expenses	Charge for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENT OPERATIONS:				
Instructional services	\$ 7,502,171	\$ 38,072	\$ 1,364,959	\$ (6,099,140)
Support services	489,905	-	159,925	(329,980)
Educational media services	514,490	-	46,657	(467,833)
General administrative services	1,951,816	155,850	36,704	(1,759,262)
Operation & maintenance services	1,789,177	19,739	35,122	(1,734,316)
Transportation services	828,750	-	152,191	(676,559)
School food services	721,405	254,656	279,207	(187,542)
Extracurricular	287,087	-	-	(287,087)
Other current charges	45,325	-	-	(45,325)
Debt service:				
Interest and other charges	550	-	-	(550)
Unallocated depreciation expense *	64,823	-	-	(64,823)
Total Governmental Activities	14,195,499	468,317	2,074,765	(11,652,417)
GENERAL REVENUES:				
District levies				3,801,142
State Equalization				3,587,290
Other State Revenues				2,720,751
County				1,294,800
Interest				49,445
Other				212,742
Gain loss on Sale of Assets				209,572
Total General Revenues				11,875,742
Change in Net Position				223,325
NET POSITION:				
Beginning of the Year				1,976,905
Prior Period Adjustments				1,478
End of the Year				\$ 2,201,708

* Excludes depreciation included in direct expenses of the various functions

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	MAJOR			
	General	School Food Services (Elem.)	Miscellaneous Programs (Elem.)	Debt Service (Elem.)
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 1,398,794	\$ 2,798	\$ 542,079	\$ -
Taxes receivable	77,767	-	-	5,737
Interfund receivable	1,688	-	-	-
Due from other governments	-	870	87,993	-
Inventories	-	44,124	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>1,478,249</u>	<u>47,792</u>	<u>630,072</u>	<u>5,737</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,478,249</u>	<u>\$ 47,792</u>	<u>\$ 630,072</u>	<u>\$ 5,737</u>
LIABILITIES:				
Current liabilities:				
Unearned revenue	-	13,813	-	-
Interfund payable	-	-	-	1,236
Other current liabilities	-	-	5,949	-
Total liabilities	<u>-</u>	<u>13,813</u>	<u>5,949</u>	<u>1,236</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable property taxes receivable	77,767	-	-	5,737
Total deferred inflows of resources	<u>77,767</u>	<u>-</u>	<u>-</u>	<u>5,737</u>
FUND BALANCE (DEFICITS):				
Nonspendable	-	44,124	-	-
Restricted	-	-	624,123	-
Unassigned	1,400,482	(10,145)	-	(1,236)
Total fund balance	<u>1,400,482</u>	<u>33,979</u>	<u>624,123</u>	<u>(1,236)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,478,249</u>	<u>\$ 47,792</u>	<u>\$ 630,072</u>	<u>\$ 5,737</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	MAJOR		
	Building Reserve (HS)	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 802,633	\$ 2,734,090	\$ 5,480,394
Taxes receivable	2,641	25,403	111,548
Interfund receivable	-	-	1,688
Due from other governments	-	12,495	101,358
Inventories	-	-	44,124
Prepaid expenses	-	2,073	2,073
Total assets	<u>805,274</u>	<u>2,774,061</u>	<u>5,741,185</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 805,274</u>	<u>\$ 2,774,061</u>	<u>\$ 5,741,185</u>
LIABILITIES:			
Current liabilities:			
Unearned revenue	-	-	13,813
Interfund payable	-	452	1,688
Other current liabilities	-	-	5,949
Total liabilities	-	452	21,450
DEFERRED INFLOWS OF RESOURCES:			
Unavailable property taxes receivable	2,641	25,403	111,548
Total deferred inflows of resources	<u>2,641</u>	<u>25,403</u>	<u>111,548</u>
FUND BALANCE (DEFICITS):			
Nonspendable	-	2,073	46,197
Restricted	802,633	2,746,585	4,173,341
Unassigned	-	(452)	1,388,649
Total fund balance	<u>802,633</u>	<u>2,748,206</u>	<u>5,608,187</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 805,274</u>	<u>\$ 2,774,061</u>	<u>\$ 5,741,185</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balance reported above	\$ 5,608,187
Internal Service Fund Net Position	38,072
Governmental Capital Assets	7,354,165
Employer pension plan activities	1,681,790
Long-term Liabilities	
Compensated Absences	(507,703)
Net pension accrual	(10,490,763)
Other postemployment benefits	(1,392,046)
Long-Term Capital Obligations	(116,000)
Employer pension plan	(85,542)
Unavailable property taxes receivable	111,548
Net Position of Governmental Activities	<u>\$ 2,201,708</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2017

	MAJOR			
	General	School Food Services (Elem.)	Miscellaneous Programs (Elem.)	Debt Service (Elem.)
REVENUES:				
District levies	\$ 2,631,458	\$ -	\$ -	\$ 197,260
Interest	13,804	7	-	4,718
Charges for services	-	254,656	-	-
Other	1,850	190	51,381	-
County	-	-	-	-
State	6,799,765	870	169,828	-
Federal	-	278,337	395,534	-
Total revenues	<u>9,446,877</u>	<u>534,060</u>	<u>616,743</u>	<u>201,978</u>
EXPENDITURES:				
Current:				
Instructional services	5,391,484	(1,345)	394,883	-
Support services	307,623	-	135,620	-
Educational media services	342,934	-	56,675	-
General administrative services	1,514,022	12,397	1,727	-
Operation & maintenance services	1,321,880	-	-	-
Transportation services	39,501	-	3,291	-
School food services	152,482	519,965	-	-
Extracurricular	249,904	-	-	-
Other current charges	-	-	-	-
Debt service:				
Principal	-	-	-	2,087,250
Interest and other charges	-	-	-	550
Capital outlay	<u>28,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,348,534</u>	<u>531,017</u>	<u>592,196</u>	<u>2,087,800</u>
Excess (deficiency) of revenues over expenditures	<u>98,343</u>	<u>3,043</u>	<u>24,547</u>	<u>(1,885,822)</u>
OTHER FINANCING SOURCES/USES:				
Sale of capital assets	-	10	655	-
Fund transfers in	-	-	-	-
Fund transfers (out)	<u>(113,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financial sources/uses	<u>(113,218)</u>	<u>10</u>	<u>655</u>	<u>-</u>
Net changes in fund balances	<u>(14,875)</u>	<u>3,053</u>	<u>25,202</u>	<u>(1,885,822)</u>
FUND BALANCE:				
Beginning of the year	1,415,357	30,926	598,921	1,884,586
Prior period adjustments	-	-	-	-
End of the year	<u>\$ 1,400,482</u>	<u>\$ 33,979</u>	<u>\$ 624,123</u>	<u>\$ (1,236)</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2017

	MAJOR		
	Building Reserve (HS)	Other Governmental Funds	Total Governmental Funds
REVENUES:			
District levies	\$ 94,654	\$ 880,029	\$ 3,803,401
Interest	6,494	24,422	49,445
Charges for services	-	199,422	454,078
Other	-	173,560	226,981
County	-	1,370,896	1,370,896
State	-	200,136	7,170,599
Federal	-	111,017	784,888
Total revenues	<u>101,148</u>	<u>2,959,482</u>	<u>13,860,288</u>
EXPENDITURES:			
Current:			
Instructional services	-	1,262,123	7,047,145
Support services	-	44,348	487,591
Educational media services	-	121,416	521,025
General administrative services	-	437,280	1,965,426
Operation & maintenance services	-	129,843	1,451,723
Transportation services	-	652,894	695,686
School food services	-	41,243	713,690
Extracurricular	-	32,507	282,411
Other current charges	-	36,176	36,176
Debt service:			
Principal	-	-	2,087,250
Interest and other charges	-	-	550
Capital outlay	<u>164,571</u>	<u>605,504</u>	<u>798,779</u>
Total expenditures	<u>164,571</u>	<u>3,363,334</u>	<u>16,087,452</u>
Excess (deficiency) of revenues over expenditures	<u>(63,423)</u>	<u>(403,852)</u>	<u>(2,227,164)</u>
OTHER FINANCING SOURCES/USES:			
Sale of capital assets	-	171,607	172,272
Fund transfers in	-	113,218	113,218
Fund transfers (out)	-	-	(113,218)
Total other financial sources/uses	<u>-</u>	<u>284,825</u>	<u>172,272</u>
Net changes in fund balances	<u>(63,423)</u>	<u>(119,027)</u>	<u>(2,054,892)</u>
FUND BALANCE:			
Beginning of the year	866,056	2,865,755	7,661,601
Prior period adjustments	-	1,478	1,478
End of the year	<u>\$ 802,633</u>	<u>\$ 2,748,206</u>	<u>\$ 5,608,187</u>

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

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the year ended June 30, 2017

Net Changes in Fund Balance		\$ (2,054,892)
Change in net position from internal service funds		30,023
Revenues on the Statement of Activities not included in governmental funds statement:		
Increase (decrease) in taxes receivable		(2,259)
State Pension Aid		351,223
Revenues reported in the governmental funds statement not included in the Statement of Activities		
Sale of Fixed Assets	<u>172,272</u>	(172,272)
Expenses on the Statement of Activities not included in the governmental funds statement:		
Depreciation Expense	(541,508)	
Actuarial Pension Expense	(465,392)	
(Increase) decrease in Other Post Employment Benefits	(169,936)	
(Increase) decrease in compensated absence liability	<u>152,737</u>	(1,024,099)
Expenditures reported in the governmental funds statement not included in the Statement of Activities		
Capital outlays	798,779	
Gain loss on sale of assets	209,572	
Principal payments on debt	<u>2,087,250</u>	<u>3,095,601</u>
Change in net position reported on the Statement of Activities		<u>\$ 223,325</u>

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

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

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2017

	<u>Governmental Activities - Internal Service</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 38,072
Total current assets	<u>38,072</u>
Noncurrent assets:	
Total noncurrent assets	<u>-</u>
Total assets	<u>38,072</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 38,072</u>
LIABILITIES:	
Total liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:	
Total deferred inflows of resources	<u>-</u>
NET POSITION:	
Unrestricted (Deficit)	<u>38,072</u>
Total net position	<u>38,072</u>
Total liabilities, deferred inflows and net position	<u>\$ 38,072</u>

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

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

STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the year ended June 30, 2017

	<u>Governmental Activities - Internal Service</u>
OPERATING REVENUES:	
Charges for services	\$ 164,659
Total operating revenues	<u>164,659</u>
OPERATING EXPENSES:	
Purchased services	<u>134,636</u>
Total operating expense	<u>134,636</u>
Change in net position	<u>30,023</u>
NET POSITION:	
Beginning of the Year	<u>8,049</u>
End of the Year	<u>\$ 38,072</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	<u>Governmental</u> Activities - Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 164,659
Claims paid	<u>(134,636)</u>
Net cash provided (used) by operating activities	<u>30,023</u>
CASH FLOWS FROM NONCAPITAL FINANCING	
ACTIVITIES:	
Net cash provided (used) by noncapital financing	
activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED	
FINANCING ACTIVITIES:	
Net cash provided (used) by capital and related	
financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash provided (used) by investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>30,023</u>
BALANCE:	
Beginning of the year	<u>8,049</u>
End of the year	<u>\$ 38,072</u>
RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED (USED) BY OPERATING	
ACTIVITIES:	
Operating income (loss)	<u>\$ 30,023</u>
Net cash provided (used) by operating activities	<u>\$ 30,023</u>

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Private Purpose Trust Funds	Agency Funds
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 314,201	\$ 850,246
Accounts receivable - net	5,380	-
Total Assets	<u>\$ 319,581</u>	<u>\$ 850,246</u>
LIABILITIES:		
Current liabilities:		
Warrants payable	-	850,246
Total Liabilities	<u>-</u>	<u>\$ 850,246</u>
NET POSITION:		
Held in trust for endowment	112,091	
Held in trust for student activities	207,490	
Total Net Position	<u>\$ 319,581</u>	

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended June 30, 2017

	Private Purpose Trust Funds
ADDITIONS:	
Revenues from student activities	\$ 358,718
Contributions to Endowment	840
Total Additions	<u>359,558</u>
DEDUCTIONS:	
Expenses of student activities	<u>395,931</u>
Total Deductions	<u>395,931</u>
Change in net position	<u>(36,373)</u>
NET POSITION:	
Beginning of the year	<u>355,954</u>
End of the year	<u>\$ 319,581</u>

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. a. REPORTING ENTITY

The basic financial statements of the Lewistown School District No. 1 (School District) have been prepared on a prescribed basis of accounting that demonstrates compliance with the accounting and budget laws of the State of Montana, which conforms to generally accepted accounting principles (GAAP). The School District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

During fiscal year 2017 the School District adopted the following:

- GASB Statement No. 82 – Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The School District has followed guidance as provided by the State of Montana for implementation.
- GASB Statement No. 85 – Omnibus 2017. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after December 15, 2017. The School District has reviewed this statement and determined it does not significantly affect it reporting.
- GASB Statement No. 86 – Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The School District has reviewed this statement and determined it does not significantly affect it reporting.

The following are a listing of GASB statements which have been issued and the School District assessment of effects to the financial statements.

- GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The School District plans to implement when they update their OPEB numbers at the next evaluation date or by FY 2018, whichever, comes first.
- GASB Statement No. 83 – Certain Asset Retirement Obligation. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The School District has reviewed this statement and determined it to be not applicable, however, make final determination on its applicability before its effective date.
- GASB Statement No. 84 – Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The School District has reviewed this statement and determined it will implement once the State updates the chart of accounts.
- GASB Statement No. 87 – Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The School District has reviewed this statement and determined it will implement once it has identified all leases and has reviewed the Q&A on this statement.

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

The Lewistown School District No. 1 was incorporated under the laws of the State of Montana and as required by GAAP, the financial statements of the reporting entity include those of the Lewistown School District No. 1 (the primary government) and any component units. The criteria for including organizations as component units within the School District's reporting entity is set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) "Codification of Government Accounting and Financial Reporting Standards." The basic criteria include appointing a voting majority of an organization's governing body, as well as the School District's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the School District. Based on those criteria the School District has no component units.

1. b. BASIS OF PRESENTATION AND ACCOUNTING

1. b. 1. GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. The governmental activities column incorporates data from governmental funds and internal service funds (primary government). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

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

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

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

1. b. 2. FUND ACCOUNTING

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The student activity funds and endowment funds are displayed as fiduciary funds. Since the resources in the fiduciary funds cannot be used for School District operations, they are not included in the government-wide statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets. Revenues are recorded when they are both measurable and available. Available means collectible within the current period, anything collected after June 30 is generally not material. Unavailable income is recorded in governmental funds for delinquent taxes. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absence payments which are recognized when due. Capital assets are functional expenditures in governmental funds.

Revenues from local sources consist primarily of property taxes. Property tax revenue and revenues received from the State of Montana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Cost reimbursement grant funds are considered to be both measurable and available to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, and the expenditure has not been incurred they are recorded as unearned grant revenues because the revenues are available. All other revenue items are considered to be measurable and available only when cash is received by the School District.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Proprietary, trust, and agency fund financial statements use the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the dental self-insurance health insurance internal service fund is charges to employees and the School District for services. Operating expenses for the internal service fund include the cost of dental care, services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GASB Statement No. 34 requires the general fund be reported as a major fund and that only one general fund be reported so the elementary and high school general funds have been combined as one major fund. Other individual governmental funds should be reported in separate columns as major funds based on these criteria:

- Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental funds)

In addition to funds that meet the major fund criteria, any other governmental fund that government officials believe is particularly important to financial statement users may be reported as a major fund.

The School District reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the School District and accounts for all revenues and expenditures of the School District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. In the governmental fund financial statements, the general fund also includes the activities of the elementary and high school metal mines tax reserve funds and the elementary and high school flexibility funds since the restrictions on those funds are similar to the general fund.
- Elementary School Food Fund – This fund is used to account for school food services activities, mainly breakfast and lunch programs. County wide levies to this fund are to be based upon projected transportation costs for the fiscal year.
- Elementary Miscellaneous Fund – This fund is used to account for local, state or federal grants and reimbursements. Donations that allow the expenditure of both principal and interest for support of School District programs are deposited in this fund.
- Elementary Debt Service Fund – This fund is used to account for the financing needs of the School District to pay interest and principal on outstanding bonds and special improvement district (SID) assessments.
- High School Building Reserve Fund – This fund is used to account for financing voter approved building or construction projects funded with School District mill levies. This includes raising money for the future construction, equipping, or enlarging of school buildings and for the purpose of purchasing land needed for school purposes in the School District.

1. b. 3. OTHER FUND TYPES

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

Private-Purpose Trust Funds – Accounts for the receipt and disbursement of monies from student activity organizations, as well as any donated scholarship funds. These organizations exist with the explicit approval of and are subject to revocation by the School District's Board of Trustees. This accounting reflects the School District's trust relationship with the student activity organizations and any scholarship commitments.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Agency Funds – Account for assets that the School District holds on behalf of others as their agent and for warrants written but not redeemed that are reported in the School District’s payroll and claims clearing funds and employee payroll tax withholdings. Cash is held for warrants which were written but have not been paid by the County Treasurer. A warrant is an order by which the drawer (the person with authority to make the order) commands the School District trustee to pay a particular sum of money to a payee (person or entity) from funds in the School District treasury which are or may become available.

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

1. c. 1 CASH AND INVESTMENTS

Cash includes amounts in demand deposits, as well as short-term investments as authorized by State statutes. Montana Code Annotated (MCA) allows Montana local governments to invest public money not necessary for immediate use in United States government treasury bills, notes, bonds; certain United States treasury obligations; United States government security money market fund if investments consist of those listed above; time or savings deposits with a bank or credit union which is FDIC or NCUA insured; or in repurchase agreements as authorized by MCA, or Montana Board of Investments Short Term Investment Pool (STIP). Interest earned on the pooled investments is distributed to each contributing entity and fund on a pro rata basis. Investments are recorded at fair market value.

Information regarding the collateral and security for cash held by Fergus County is not available to the School District. However, State statute requires that United State government securities or agencies be held as collateral to secure deposits of public funds in excess of Federal Deposit Insurance Corporation (FDIC) insurance. The external investment pool is audited as part of Fergus County’s financial statements. This investment pool is not registered with or monitored by the Securities and Exchange Commission (SEC).

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

1. c. 2. TAXES

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

Property taxes are collected by the County Treasurer who credits to the School District funds their respective share of the collections. The tax levies are collectible in two installments, which become delinquent after November 30 and May 31. Property taxes are liens upon the property being taxed. After a period of three years, the County may begin foreclosure proceedings and sell the property at auction. The School District receives its share of the sale proceeds of any such auction.

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% per month plus a penalty of 2%. After a period of three years, the County may begin foreclosure proceedings and sell real property at auction. In the case of personal property, the property may be seized and sold after the taxes become delinquent.

1. c. 3. INVENTORIES

Food inventory and supplies are carried in an inventory account at average cost and are subsequently charged to expenditures when consumed.

1. c. 4. CAPITAL ASSETS

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings	7 – 50 years
Improvements other than buildings	20 years
Machinery and Equipment	5 – 25 years

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

1. c. 5. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES

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

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

Pension Liability– Deferred outflow/inflow

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

Property Taxes – Deferred inflows

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

1. c. 6. VACATION AND SICK LEAVE

Classified School District employees accumulate vacation and sick leave for later use or for payment upon termination, death, or retirement. Classified School District employees earn vacation leave at the rate of 15 days per year during the first 10 years of employment, and at increasing rates thereafter to a maximum of 24 days per year after 20 years of employment. There is no requirement that vacation leave be taken, but the maximum permissible accumulation is the amount earned in the most recent two-year period. At termination, employees are paid for any accumulated vacation leave at the current rate of pay. Classified School District employees earn sick leave at the rate of one day per month. There is no limit on the accumulation of unused sick leave. However, upon termination, only 25% of accumulated sick leave is paid at the current rate of pay. Classified employees with 8 or more consecutive years of employment with the School District will be paid 30% of their accumulated sick leave.

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

Liabilities incurred because of unused vacation and sick leave accumulated by employees are reflected in the financial statements. Expenditures for unused leave are recorded when paid in governmental funds and when accrued on the statement of activities. The amount expected to be paid within one year is \$ 53,231 and it is generally paid out of the general fund.

1. c. 7. NET POSITION AND FUND BALANCE

Statement of Net Position include the following:

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Governmental fund financial statements include the following fund balances:

- Non-spendable – Includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Unassigned – Amounts that are available for any purpose; these amounts are reported only in the general fund or funds that have negative fund balances.

As of June 30, 2017, fund balance components other than unassigned fund balance consist of the following:

<u>Purpose</u>	<u>Nonspendable</u>	<u>Restricted</u>
Instructional and Support Services	\$ 0	\$ 625,416
Operations and Maintenance	0	19,731
Student Transportation	0	187,822
School Food	44,124	0
Third Party Grantor Restrictions	2,073	802,711
Employer Retirement Benefits	0	290,413
Future Technology	0	194,139
Future Capital Costs	0	2,053,109
Total	<u>\$ 46,197</u>	<u>\$ 4,173,341</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the School District considers restricted funds to have been spent first.

1. d. OTHER

1. d. 1. USE OF ESTIMATES

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

1. d. 2. COUNTY PROVIDED SERVICES

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

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2017, the summary of cash, cash equivalents for governmental and fiduciary funds is as follows:

<u>Account Type</u>	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ <u>5,518,466</u>	\$ <u>1,164,447</u>	\$ <u>6,682,913</u>

The carrying amount of cash on hand, deposits and investments at June 30, 2017, is as follows:

	<u>Amount</u>
Cash on Hand	\$ 50
Demand Accounts	245,569
County Investment Pool	<u>6,437,294</u>
Total	<u>\$ 6,682,913</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

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

Custodial credit risk-deposits: The cash of the extracurricular funds is held separately by the School District, not at Fergus County and the deposits may be subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of June 30, 2017, the deposits in the extracurricular fund were covered by FDIC insurance.

NOTE 3. TAXES RECEIVABLE

The School District is permitted by State statutes to levy taxes up to certain fixed limits for various purposes. The assessed value of the roll as of January 1, 2016, upon which the levy for the 2017 fiscal year was based, was \$12,393,975 for the Elementary School District and \$13,415,791 for the High School District. The tax rates assessed for the year ended June 30, 2017 to finance School District operations and applicable taxes receivable for the elementary and high schools follows:

	<u>Mill Levies</u>	<u>Taxes Receivable</u>
<u>Elementary Fund</u>		
General*	137.76	\$ 50,879
Transportation	26.86	9,553
Bus Depreciation		6
Tuition	2.96	1,072
Technology	4.96	1,843
Debt Service*	16.10	5,737
Building Reserve	7.91	2,771
<u>High School Fund</u>		
General*	69.52	26,888
Transportation	8.98	3,435
Bus Depreciation	4.32	1,549
Tuition	3.63	1,326
Adult Education	6.07	2,299
Technology	4.04	1,549
Building Reserve*	7.30	2,641
Total	<u>300.41</u>	<u>\$ 111,548</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from other governments represent amounts due to the School District for costs incurred but not reimbursed by third party grantors. The amounts reported and the organization due from are noted below:

<u>Elementary Fund</u>	<u>Amount</u>	<u>Due From</u>	<u>Reason</u>
School Food Services *	\$ 870	State of MT	State matching funds
Miscellaneous*	5,602	State of MT	MTSS conference reimbursement
Miscellaneous*	82,391	State of MT	Title I School-wide grant
<u>High School Fund</u>			
Miscellaneous	6,105	State of MT	Carl Perkins grant
Traffic Education	6,390	State of MT	Per pupil reimbursement
Total	<u>\$ 101,358</u>		

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

NOTE 5. INTERFUND RECEIVABLE/PAYABLE

Interfund receivables and payables represent loan resources from one fund to another fund experiencing a temporary cash shortage. Each fund is a separate fiscal entity and therefore presents Interfund borrowing on fund level financial statements. Liabilities arising from Interfund borrowing do not constitute general long-term debt. The amounts reported and the purpose of the Interfund borrowing are noted below:

<u>Interfund Receivable</u>	<u>Amount</u>	<u>Interfund Payable</u>	<u>Purpose of the Transfer</u>
General (Elem.) *	\$ 1,236	Debt Service (Elem.) *	Tax collections did not cover debt payments.
General (HS)*	<u>452</u>	Tuition (HS)	Tax collections did not cover expenditures.
Total	<u>\$ 1,688</u>		

* Denotes Major Funds

NOTE 6. CAPITAL ASSETS, DEPRECIATION AND NET CAPITAL ASSETS

6. a. At June 30, 2017, the schedule of changes in general capital assets follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Non-depreciable:</u>					
Land	\$ 590,530	\$ 0	\$ 0	\$ 0	\$ 590,530
Construction in progress	<u>147,071</u>	<u>240,153</u>	<u>0</u>	<u>(147,071)</u>	<u>240,153</u>
Total Non-depreciable	<u>\$ 737,601</u>	<u>\$ 240,153</u>	<u>\$ 0</u>	<u>\$ (147,071)</u>	<u>\$ 830,683</u>
<u>Depreciable:</u>					
Buildings	\$ 11,994,688	\$ 88,919	\$ 0	\$ 0	\$ 12,083,607
Improvements other than buildings	<u>1,219,782</u>	<u>143,938</u>	<u>0</u>	<u>0</u>	<u>1,363,720</u>
Machinery and equipment	<u>3,405,631</u>	<u>363,069</u>	<u>(270,182)</u>	<u>147,071</u>	<u>3,645,589</u>
Total Depreciable	<u>\$ 16,620,101</u>	<u>\$ 595,926</u>	<u>\$ (270,182)</u>	<u>\$ 147,071</u>	<u>\$ 17,092,916</u>
<u>Accumulated Depreciation:</u>					
Buildings	\$ (6,716,302)	\$ (313,393)	\$ 0	\$ 0	\$ (7,029,695)
Improvements other than buildings	<u>(882,676)</u>	<u>(40,542)</u>	<u>0</u>	<u>0</u>	<u>(923,218)</u>
Machinery and equipment	<u>(2,699,130)</u>	<u>(187,573)</u>	<u>270,182</u>	<u>0</u>	<u>(2,616,521)</u>
Total Depreciation	<u>\$ (10,298,108)</u>	<u>\$ (541,508)</u>	<u>\$ 270,182</u>	<u>\$ 0</u>	<u>\$ (10,569,434)</u>
Net Depreciable Assets	<u>6,321,993</u>	<u>54,418</u>	<u>0</u>	<u>147,071</u>	<u>6,523,482</u>
Net General Capital Assets	<u>\$ 7,059,594</u>	<u>\$ 294,571</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,354,165</u>

6. b. General capital asset depreciation expense was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instructional	\$ 17,718
Media	2,800
School Administration	8,081
Operation & Maintenance	286,327
Transportation	145,714
School Food	8,612
Extracurricular	7,432
Unallocated	<u>64,824</u>
Total Depreciation Expense	<u>\$ 541,508</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

NOTE 7. CURRENT LIABILITIES

Current liabilities represent amounts due to creditors, suppliers or others within a short period of time.

7. a. OTHER CURRENT LIABILITIES

<u>Elementary Fund</u>	<u>Amount</u>	<u>Due To</u>	<u>Reason</u>
Miscellaneous *	\$ <u>5,949</u>	MT TRS	Retiree health & dental payment
* Denotes Major Funds			

7. b. UNEARNED INCOME

The amount displayed on the financial statements as unearned income, \$13,813, relates to students who have prepaid for school lunch meals.

NOTE 8. CHANGES IN LONG-TERM DEBT

8. a. At June 30, 2017, the schedule of changes in general long-term debt follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2016</u>	<u>New Debt</u> <u>and Other</u> <u>Additions</u>	<u>Principal</u> <u>Payments</u> <u>and Other</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>One Year</u>
<u>Bonds and Notes Payable:</u>					
QZAB Bonds	\$ <u>2,087,250</u>	\$ <u>0</u>	\$ <u>(2,087,250)</u>	\$ <u>0</u>	\$ <u>0</u>
<u>Other Liabilities:</u>					
Compensated Absences	\$ <u>660,439</u>	\$ <u>0</u>	\$ <u>(152,736)</u>	\$ <u>507,703</u>	\$ <u>53,231</u>
Retirement Incentive	<u>107,000</u>	<u>60,000</u>	<u>(51,000)</u>	<u>116,000</u>	<u>51,000</u>
Accrued Pension	<u>9,232,140</u>	<u>1,258,623</u>	<u>0</u>	<u>10,490,763</u>	<u>0</u>
Other Post-Employment Benefits (OPEB)	<u>1,231,110</u>	<u>160,936</u>	<u>0</u>	<u>1,392,046</u>	<u>0</u>
Total Other Liabilities	\$ <u>11,230,689</u>	\$ <u>1,479,559</u>	\$ <u>(203,736)</u>	\$ <u>12,506,512</u>	\$ <u>104,231</u>
Total Governmental Activities - Long-Term Debt:	\$ <u>13,317,939</u>	\$ <u>1,479,559</u>	\$ <u>(2,290,986)</u>	\$ <u>12,506,512</u>	\$ <u>104,231</u>

8. b. QZAB BONDS

The elementary school district issued QZAB bonds in fiscal year 2009 for the repair of the middle school roof and replacement of a heating and ventilation system in elementary school buildings. QZAB bonds are direct obligations and pledge the full faith and credit of the School District. These bonds all mature in 8 years. The elementary district will make payments into a sinking fund with the U.S. Bank of \$260,906. Interest is earned on the sinking fund at 0.2%, which is the same interest rate as the bonds. Therefore, when the bonds mature in 8 years, the sinking fund will have the total payment. The bonds were paid in full during fiscal year ended June 30, 2017

8. c. RETIREMENT INCENTIVE

The School District offered certified teachers a one-time incentive to retire as of June 30, 2015 and 2016. The incentive offered \$500 per month for each teacher, who accepted the offer, for a period of 36 months for a total liability of \$18,000 per teacher. The changes in the retirement incentive liability are noted below.

<u>Description</u>	<u>Issue Date</u>	<u>Length of</u> <u>Loan</u>	<u>Maturity</u> <u>Date</u>	<u>Amount</u> <u>Issued</u>	<u>Outstanding</u> <u>June 30,</u> <u>2016</u>
Retirement Incentive	Sept 2015	3 years	8/15/2018	\$ <u>48,000</u>	\$ <u>4,000</u>
Retirement Incentive	Sept 2016	3 years	8/15/2019	<u>72,000</u>	<u>52,000</u>
Retirement Incentive	Sept 2017	3 years	8/15/2017	<u>60,000</u>	<u>60,000</u>
				\$ <u>180,000</u>	\$ <u>116,000</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Debt service requirements to maturity for principal on the retirement incentive long term obligations are as follows:

For the year ended 6/30:	<u>Elementary</u> Principal	<u>High School</u> Principal
2018	\$ 39,500	\$ 13,500
2019	39,000	15,000
2020	<u>6,500</u>	<u>2,500</u>
Totals	<u>\$ 85,000</u>	<u>\$ 31,000</u>

NOTE 9. DEFERRED INFLOWS OF RESOURCES

9. a. PROPERTY TAXES

<u>Elementary Fund</u>	<u>Amount</u>	<u>Reason</u>
General*	\$ 50,879	Taxes Receivable
Transportation	9,553	Taxes Receivable
Bus Depreciation	6	Taxes Receivable
Tuition	1,072	Taxes Receivable
Technology	1,843	Taxes Receivable
Debt Service*	5,737	Taxes Receivable
Building Reserve	2,771	Taxes Receivable
<u>High School Fund</u>		Taxes Receivable
General*	26,888	Taxes Receivable
Transportation	3,435	
Bus Depreciation	1,549	Taxes Receivable
Tuition	1,326	Taxes Receivable
Adult Education	2,299	Taxes Receivable
Technology	1,549	Taxes Receivable
Building Reserve*	<u>2,641</u>	Taxes Receivable
Total	<u>\$ 111,548</u>	Taxes Receivable

* Denotes Major Funds

NOTE 10. DEFICIT FUND BALANCES

Deficit fund balance result from commitments exceeding the resources. The following is a listing of deficit fund balances.

<u>Elementary Fund</u>	<u>Amount</u>	<u>How School District plans to correct</u>
Debt Service	\$ 1,236	Receipt of delinquent taxes
<u>High School Fund</u>		
Tuition	452	Receipt of delinquent taxes
Total	<u>\$ 1,688</u>	

* Denotes Major Funds

NOTE 11. PRIOR PERIOD ADJUSTMENTS

<u>High School Fund</u>	<u>Governmental Funds</u>	<u>Reason</u>
Traffic Education	<u>\$ 1,478</u>	Did not receive State reimbursement for traffic education
* Denotes Major Funds		
Governmental Type Activities	<u>0</u>	
Total	<u>\$ 1,478</u>	

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

NOTE 12. INTERFUND OPERATING TRANSFERS IN/OUT

<u>High School Fund - In</u>	<u>Amount</u>	<u>Elementary Fund - Out</u>	<u>Purpose of Transfer</u>
Interlocal agreement*	\$ 90,976	General*	
<u>High School Fund - In</u>		<u>High School Fund - Out</u>	
Interlocal agreement*	22,242	General*	
Total	<u>\$ 113,218</u>		

* Denotes Major Funds

NOTE 13. OTHER POST EMPLOYMENT BENEFITS

Plan Description - The School District provides the same health care plan to all of its members. The School District had more than 100 plan participants and thus hired an actuarial valuation to determine the OPEB liability. Valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future and estimated amounts are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for the plan are based on types of benefits provided under the current plan. The valuation assumed that 45% of plan participants would elect to continue coverage after retirement. Funding Policy - The government pays OPEB liabilities on a pay as you go basis. The trust fund for future liabilities has not been established.

Funding status and progress as of July 1, 2014 was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,025,181
Actuarial value of plan assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>3,025,181</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 6,601,580
UAAL as a percentage of covered payroll	45.83%

Annual OPEB Cost and Net OPEB Obligations - The government's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameter of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed (30) years. The following table shows the components of the government's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the government's net OPEB obligation for the valuation performed at July 1, 2014.

Annual Required Contribution (ARC)	\$ 234,769
Interest on net OPEB obligation	52,322
Adjustment to ARC	<u>44,081</u>
Annual OPEB cost (expense)	331,172
Contribution made	<u>(85,118)</u>
Increase in net OPEB obligation	246,054
Net OPEB obligation - beginning of year	<u>1,231,110</u>
Net OPEB obligation - end of year	<u>\$ 1,392,046</u>

Actuarial Methods and Assumptions - The following actuarial methods and assumptions were used:

Actuarial Cost Method	Unit Credit Cost Method
Average age of retirement (based on historical data)	65
Discount rate (average anticipated rate)	4.25%
Average Salary Increase	2.5%

Health care cost rate trend	
Year	% Increase
2018	6.50%
2019	6.00%
2020	5.50%
2021 and after	4.50%

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

NOTE 14. OTHER COMMITMENTS

14. a. ENCUMBRANCES

The School District's encumbrance policy is for fiscal year-end encumbrances exceeding \$1,000 to be considered significant encumbrances. All encumbrances are classified as assigned or restricted in the funds noted below:

<u>Elementary Fund</u>	<u>Amount</u>
Building Reserve	\$ 139,152
<u>High School Fund</u>	
Building Reserve	330,658
Total	<u>\$ 469,810</u>

* Denotes Major Funds

14. b. CONSTRUCTION OR SIMILAR COMMITMENTS

The elementary had a boiler contract for \$51,400 started in FY 2017 still had \$21,000 encumbered to complete in FY 2017.

The elementary had a contract for window replacement at the junior high for \$265,245 that was started in FY 2017 and still had \$107,884 encumbered to complete in FY 2018.

The high school had a roofing contract for \$327,918 signed in FY 2017 that was all encumbered for FY 2018.

NOTE 15. RISK MANAGEMENT

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

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

NOTE 16. EMPLOYEE RETIREMENT SYSTEM

The School District participates in two state-wide, 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.

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

Teachers Retirement System
P.O. Box 200139
1500 Sixth Avenue
Helena, MT 59620-0139
Phone: 406-444-3134
www.trs.mt.gov

Public Employees Retirement System
P.O. Box 200131
100 N. Park Avenue Suite 200
Helena, MT 59620-0131
Phone: 406-444-3154
www.mpera.mt.gov

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

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

The Montana Public Employee Retirement Administration (MPERA) and the Teachers' Retirement System (TRS) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA and TRS. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred.

Investments are reported at fair value. MPERA and TRS adhere to all applicable Governmental Accounting Standards Board (GASB) statements.

16. b. PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

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

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

16. b. 1. SUMMARY OF BENEFITS

Eligibility for benefit (Service retirement):

Hired prior to July 1, 2011: Age 60, 5 years of membership service; Age 65, regardless of membership service; or any age, 30 years of membership service.

Hired on or after July 1, 2011: Age 65, 5 years of membership service; Age 70, regardless of membership service.

Early retirement, actuarially reduced:

Hired prior to July 1, 2011: Age 50, 5 years of membership service; or any age, 25 years of membership service.

Hired on or after July 1, 2011: Age 55, 5 years of membership service.

Vesting: 5 years of membership service

Member's highest average compensation (HAC):

Hired prior to July 1, 2011: highest average compensation during any consecutive 36 months;

Hired on or after July 1, 2011: highest average compensation during any consecutive 60 months;

Compensation Cap:

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

Monthly benefit formula:

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

Members hired on or after July 1, 2011: Less than 10 years of membership service 1.5% of HAC per year of service credit; 10 years or more, but less than 30 years of membership service 1.785% of HAC per year of service credit; 30 years or more of membership service 2% of HAC per year of service credit.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Guaranteed Annual Benefit Adjustment (GABA):

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

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - (a) 1.5% for each year PERS is funded at or above 90%;
 - (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - (c) 0% whenever the amortization period for PERS is 40 years or more.

16. b. 2. OVERVIEW OF CONTRIBUTIONS

Rates are specified by state law for periodic member and employer contributions and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The State legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities Employer	Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11		Employer	State	Employer	State
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The Plan Choice Rate (PCR), that directed a portion of employer contributions for DC members to the PERS defined benefit plan, are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions:
 - a. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - b. Not Special Funding
 - i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan additional contributions that qualify as special funding. Those employers who received special funding are counties; cities & towns; school districts & high schools; and other governmental agencies.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended June 30, 2017

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions. The state of Montana, as the non-employer contributing entity, also paid to the Plan coal tax contributions that are not accounted for as special funding for all participating employers.

16. b. 3. ACTUARIAL ASSUMPTIONS

The Total Pension Liability (TPL) used to calculate the NPL was determined by taking the results of the June 30, 2015, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2016. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2016, valuation were based on the results of the last actuarial experience study, dated June 2010, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

General Wage Growth*	4.00%
*includes Inflation at	3.00%
Merit Increases	0% to 6%
Investment Return (net of admin expenses)	7.75%
Admin Expense as % of Payroll	0.27%
Postretirement Benefit Increases	
3% for members hired prior to July 1, 2007	
1.5% for members hired between July 1, 2007 and June 30, 2013	
Members hired on or after July 1, 2013:	
• 1.5% for each year PERS is funded at or above 90%	
• 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and	
• 0% whenever the amortization period for PERS is 40 years or more	

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

16. b. 4. DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non- employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2117. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

16. b. 5. TARGET ALLOCATIONS

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated June 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return adopted by similar public-sector systems, and by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015, is summarized in the below table.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	8.00%	4.00%	0.32%
Total	<u>100.00%</u>		<u>4.37%</u>
Inflation			3.00%
Portfolio Return Expectation			7.37%

16. b. 6. DEFINED CONTRIBUTION PLAN

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

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

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

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

At the plan level for the measurement period ended June 30, 2016, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 289 employers that have participants in the PERS-DCRP totaled \$382,656.

16. c. TEACHERS' RETIREMENT SYSTEM (TRS)

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

The TRS Board is the governing body of the System. The TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and in Title 2, Chapter 44 of the Administrative Rules of Montana.

16. c. 1. SUMMARY OF BENEFITS

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

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA calculated prior to July 1, 2013, was 1.5% of the benefit payable as of January 1st. Effective July 1, 2013, the GABA to be calculated for Tier One and Tier Two members each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

16. c. 2. OVERVIEW OF CONTRIBUTIONS

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

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

16. c. 3. ACTUARIAL ASSUMPTIONS

The Total Pension Liability as of June 30, 2016, is based on the results of an actuarial valuation date of July 1, 2016. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2016 valuation were based on the results of the last actuarial experience study, dated May 1, 2014. Among those assumptions were the following:

Total Wage Increases*	4% - 8.51% for Non-University members and 5.00% for University members
Investment Return	7.75%
Price Inflation	3.25%

• Postretirement Benefit Increases

Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.

Tier Two Members: the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.

• Mortality among contributing members, service retired members, and beneficiaries

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended June 30, 2017

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

*Total Wage Increases include 4.00% general wage increase assumption.

16. c. 4. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

16. c. 5. TARGET ALLOCATIONS

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return*
Broad US Equity	36.00%	4.80%	1.73%
Broad International Equity	18.00%	6.05%	1.09%
Private Equity	12.00%	8.50%	1.02%
Intermediate Bonds	23.40%	1.50%	0.35%
Core Real Estate	4.00%	4.50%	0.18%
High Yield Bonds	2.60%	3.25%	0.08%
Non-Core Real Estate	<u>4.00%</u>	7.50%	<u>0.30%</u>
	100%		4.75%
		Inflation	<u>3.25%</u>
		Expected arithmetic nominal return	8.00%

* The long-term expected nominal rate of return above of 8.00% differs from the total TRS long-term rate of return assumption of 7.75%. The assumed rate is comprised of a 3.25% inflation rate and a real long-term expected rate of return of 4.50%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared every four years for the System. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated May 1, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015, is summarized in the above table.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

16. d. SENSITIVITY ANALYSIS

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

	1.0% Decrease (6.75%)	Current Discount Rate	1.0% Increase (8.75%)
PERS			
Net Pension Liability	<u>2,836,551,371</u>	<u>\$ 1,947,626,401</u>	<u>1,201,441,171</u>
School District's Net Pension Liability	<u>\$ 3,496,507</u>	<u>\$ 2,409,599</u>	<u>\$ 1,473,336</u>
TRS			
Net Pension Liability	<u>\$ 2,451,115,994</u>	<u>\$ 1,826,842,979</u>	<u>\$ 1,301,274,169</u>
School District's Net Pension Liability	<u>\$ 10,842,677</u>	<u>\$ 8,081,164</u>	<u>\$ 5,756,274</u>

16. e. NET PENSION LIABILITY

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize, and report certain amounts associated with their participation in the PERS and TRS. Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

In accordance with Statement 68, PERS and TRS have special funding situations in which the State of Montana is legally responsible for making contributions directly to PERS and TRS on behalf of the employers. Due to the existence of this special funding situation, local governments and school districts are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

Special Funding (MPORS)

The Plan has a special funding situation in which the state of Montana is legally responsible for making contributions directly to the Plan on behalf of the employers. Due to the existence of this special funding situation, the state is required to report a proportionate share of a local government's collective NPL that is associated with the non-state employer.

PERS	<u>Net Pension Liability</u>		<u>Percent of</u>	<u>Percent of</u>	<u>Change in</u>
	<u>as of 6/30/17</u>	<u>as of 6/30/16</u>	<u>Collective NPL</u>	<u>Collective NPL</u>	<u>Percent of</u>
			<u>as of 6/30/17</u>	<u>as of 6/30/16</u>	<u>Collective NPL</u>
School District Proportionate Share	\$ 2,409,599	\$ 1,935,544	0.1415%	0.1385%	0.0030%
State of Montana Proportionate Share associated with Employer	<u>112,614</u>	<u>90,951</u>	<u>0.0066%</u>	<u>0.0065%</u>	<u>0.0001%</u>
Total	<u>\$ 2,522,213</u>	<u>\$ 2,026,495</u>	<u>0.1481%</u>	<u>0.1450%</u>	<u>0.0031%</u>
TRS	<u>Net Pension Liability</u>		<u>Percent of</u>	<u>Percent of</u>	<u>Change in</u>
	<u>as of 6/30/17</u>	<u>as of 6/30/16</u>	<u>Collective NPL</u>	<u>Collective NPL</u>	<u>Percent of</u>
			<u>as of 6/30/17</u>	<u>as of 6/30/16</u>	<u>Collective NPL</u>
School District Proportionate Share	\$ 8,081,164	\$ 7,296,596	0.4424%	0.4441%	(0.0017%)
State of Montana Proportionate Share associated with Employer	<u>5,267,725</u>	<u>4,891,615</u>	<u>0.2884%</u>	<u>0.2977%</u>	<u>(0.0093%)</u>
Total	<u>\$ 13,348,889</u>	<u>\$ 12,188,211</u>	<u>0.7308%</u>	<u>0.7418%</u>	<u>(0.0110%)</u>

At June 30, 2017, the employer recorded a liability of \$2,409,599 and \$8,081,164 for PERS and TRS, respectively, for its proportionate share of the Net Pension Liability. At June 30, 2017, the employer's proportion was 0.1415 percent and 0.4424 percent for PERS and TRS, respectively.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

Changes in actuarial assumptions and methods: Any changes can be obtained from PERS or TRS as in the first part of this note.

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

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

16. f. PENSION EXPENSE

PERS	Pension Expense as of 6/30/17	Pension Expense as of 6/30/16
School District's Proportionate Share	\$ 170,905	\$ 73,421
State of Montana Proportionate Share associated with the Employer	9,437	5,651
Grant revenue from the State of Montana Coal Tax Fund	<u>42,217</u>	<u>46,451</u>
Total	<u>\$ 222,559</u>	<u>\$ 125,451</u>
TRS	Pension Expense as of 6/30/17	Pension Expense as of 6/30/16
School District's Proportionate Share	\$ 676,591	\$ 484,629
State of Montana Proportionate Share associated with the Employer	<u>299,569</u>	<u>236,163</u>
Total	<u>\$ 976,160</u>	<u>\$ 720,792</u>

At June 30, 2017, the employer recognized a Pension Expense of \$ 222,559 and \$976,160 for its proportionate share of the PERS and TRS Pension Expense, respectively. The employer also recognized grant revenue of \$51,654 and \$299,569 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the employer for PERS and TRS, respectively.

16. g. DEFERRED INFLOWS AND OUTFLOWS

At June 30, 2017, the employer reported its proportionate share of PERS and TRS deferred outflows of resources and deferred inflows of resources related to PERS and TRS from the following sources:

	PERS Deferred Outflows of Resources	PERS Deferred Inflows of Resources	TRS Deferred Outflows of Resources	TRS Deferred Inflows of Resources
Differences between actual and expected experience	<u>\$ 13,001</u>	<u>\$ 7,976</u>	<u>\$ 43,208</u>	<u>\$ 17,178</u>
Changes in assumptions	<u>0</u>	<u>0</u>	<u>51,427</u>	<u>50,793</u>
Difference between projected and actual earnings on pension plan investments	<u>226,695</u>	<u>0</u>	<u>520,389</u>	<u>0</u>
Changes in proportion differences between employer contributions and proportionate share of contributions	<u>19,440</u>	<u>0</u>	<u>73,707</u>	<u>9,595</u>
Difference between actual and expected contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
#Contributions paid subsequent to the measurement date				
– FY 2017 Contributions	<u>141,381</u>	<u>0</u>	<u>592,541</u>	<u>0</u>
Total	<u>\$ 400,518</u>	<u>\$ 7,976</u>	<u>\$ 1,281,272</u>	<u>\$ 77,566</u>

#Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

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

Year ended June 30:	PERS Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense	TRS Deferred Outflows of Resources (a)	TRS Deferred Inflows of Resources (b)	TRS Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) – (b)
2018	\$ 10,975	\$ 163,418	\$ 29,006	\$ 134,412
2019	\$ 10,975	\$ 51,592	\$ 28,421	\$ 23,171
2020	\$ 128,823	\$ 286,920	\$ 20,140	\$ 266,780
2021	\$ 80,948	\$ 186,801	\$ 0	\$ 186,801
2022	\$ 0	\$ 0	\$ 0	\$ 0
Thereafter	\$ 0	\$ 0	\$ 0	\$ 0

16. h. PENSION AMOUNTS TOTAL FOR EMPLOYER – EMPLOYER’S PROPORTION OF PERS AND TRS PENSION AMOUNTS

	The employer’s proportionate share associated with PERS	The employer’s proportionate share associated with TRS	The employer’s Total Pension Amounts
Total Pension Liability	\$ 9,527,873	\$ 24,257,402	\$ 33,785,275
Fiduciary Net Position	\$ 7,118,274	\$ 16,176,238	\$ 23,294,512
Net Pension Liability	\$ 2,409,599	\$ 8,081,164	\$ 10,490,763
Deferred Outflows of Resources	\$ 400,518	\$ 1,281,272	\$ 1,681,790
Deferred Inflows of Resources	\$ 7,976	\$ 77,566	\$ 85,542
Pension Expense	\$ 222,559	\$ 976,160	\$ 1,198,719

NOTE 17. COOPERATIVE

17. a. SPECIAL EDUCATION

The Lewistown School District No. 1 is a member of the Central Montana Learning Resource Center, a Special Education Cooperative. The financial records of the Cooperative are prepared and maintained by the Cooperative Clerk. The financial records of the Cooperative are separate from those of Lewistown School District No. 1, and the financial statements of the Cooperative are not included in the School Districts’ financial statements. The Cooperative’s financial statements are audited separately from those of the School District. All revenue received, including Federal, State, or other types of grant payments, and the financial support provided by each of the Cooperative’s members are deposited into the Cooperative’s funds, which are maintained in the custody of the Fergus County Treasurer. The Superintendent of Public Instruction may directly deposit to the Cooperative the State and Federal portion of any participating member School District’s budgeted costs for contracted special education services. All capital assets of the Cooperative are included in the Cooperative’s financial statements.

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended June 30, 2017

NOTE 18. JOINT VENTURE AGREEMENTS

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

18 a. MULTIDISTRICT COOPERATIVE

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

18. a. 1. TECHNICAL SUPPORT

The School District has entered into an agreement with Lewistown Elementary, Fergus High School, Denton Elementary, Denton High School, Grass Range Elementary, Grass Range High School, Harlowton Elementary School, Harlowton High School, Ayers Elementary, Roy K-12 Schools, Winifred K-12 Schools, Moore Elementary, Moore High School, Deerfield Elementary, Spring Creek Colony Elementary, King Colony Elementary, Hobson K-12 Schools, Judith Gap Elementary, Judith Gap High School, Stanford K-12 Schools and the Central Montana Learning Resource Center Cooperative to provide technology services to each participating school district and cooperative.

Fergus High School is the designated prime agency and is responsible for the financial administration of the multidistrict cooperative. The activity of the multidistrict cooperative is accounted for in fund 82 of the Fergus High School.

NOTE 19. RECREATIONAL FACILITIES AND EQUIPMENT

The School District and the City of Lewistown entered into an agreement whereby the School District would use the Lewistown Civic Center for activities such as basketball, volleyball, softball, soccer, floor hockey, superstars, badminton, snowshoeing, roller skating, cross country skiing, and table tennis. The School District Costs to include an initial payment of \$5,057. The School District also pays the city for a school resource officer. Fees for this service were \$51,489 in the fiscal year ended June 30, 2017.

NOTE 20. EVELYN ECCLES FOUNDATION

At the end of each school year, Trustees may "select from the graduating class a student or students, male or female, who have best demonstrated his/her ability to conduct scientific research of any kind or character which looks to the advancement of the best interests of society" and provide a loan from the fund to aid in their securing higher education.

If a student is selected, the Trustees will determine the amount of the loan, "In amounts sufficient to materially aid and enable students to attend an Institution of higher learning." A no-Interest promissory note (signed by student and parent as cosigner) will be executed which shall become due and payable at such time as may be arranged, but not in excess of ten years after the loan agreement has been made. The objective of the foundation is to create a revolving fund to be constantly available.

Students selected may receive a \$2,000 loan for each four years with a payback of \$125 per month for 64 months beginning four years from execution of the notes.

At June 30, 2017 there was one student with an outstanding loan balance that was being paid back on a monthly basis. The receivable balance of \$5,380 is reported in the fiduciary endowment funds.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FUNDING PROGRESS
Other Post-Employment Benefits Other Than Pensions (OPEB)
For the year ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b)-(a))/(c)
<u>7/1/2010*</u>	\$ -	\$ 3,783,331	\$ 3,783,331	0%	\$ N/A	N/A
<u>7/1/2011*</u>	\$ -	\$ 3,995,369	\$ 3,995,369	0%	\$ N/A	N/A
<u>7/1/2012*</u>	\$ -	\$ 4,182,059	\$ 4,182,059	0%	\$ N/A	N/A
<u>7/1/2013**</u>	\$ -	\$ 4,196,710	\$ 4,196,710	0%	\$ 7,517,359	55.8%
<u>7/1/2014**</u>	\$ -	\$ 4,352,207	\$ 4,352,207	0%	\$ 7,517,359	57.9%
<u>7/1/2015**</u>	\$ -	\$ 4,553,594	\$ 4,553,594	0%	\$ 7,517,359	60.6%
<u>7/1/2016***</u>	\$ -	\$ 2,880,854	\$ 2,880,854	0%	\$ 6,601,580	43.6%
<u>7/1/2017***</u>	\$ -	\$ 3,025,181	\$ 3,025,181	0%	\$ 6,601,580	45.83%

*Assumptions are based on 2008 data.

**Assumptions are based on the actuarial values as of July 1, 2012.

***Assumptions as based on the actuarial values as of July 1, 2015

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

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
(Determined as of the measurement date)
For the year ended June 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Year ended June 30:	Em- ployer's proportion of the net pension liability	Employer's proportion- ate share of the net pen- sion liability associated with the Employer (a)	State of Montana's proportion- ate share of the net pen- sion liability associated with the Employer (b)	Total (a)+(b)=(c)	Employer's covered- employee payroll (d)	Employer's proportionate share of the net pension liabil- ity as a percent- age of its cov- ered-employee payroll (a)/(d)	Plan fiduci- ary net posi- tion as a per- centage of the total pen- sion liability
2014	0.1394%	\$ 1,736,425	\$ 81,172	\$ 1,817,597	\$ 1,632,445	111.22%	79.87%
2015	0.1385%	\$ 1,935,544	\$ 90,951	\$ 2,026,495	\$ 1,670,709	115.85%	78.40%
2016	0.1415%	\$ 2,409,599	\$ 112,614	\$ 2,522,213	\$ 1,751,664	137.56%	74.71%

TEACHERS RETIREMENT SYSTEM

Year ended June 30:	Em- ployer's proportion of the net pension liability	Employer's proportion- ate share of the net pen- sion liability associated with the Employer (a)	State of Montana's proportion- ate share of the net pen- sion liability associated with the Employer (b)	Total (a)+(b)=(c)	Employer's covered- employee payroll (d)	Employer's proportionate share of the net pension liabil- ity as a percent- age of its cov- ered-employee payroll (a)/(d)	Plan fiduci- ary net posi- tion as a per- centage of the total pen- sion liability
2014	0.4362%	\$ 6,712,796	\$ 4,599,979	\$ 11,312,775	\$ 5,501,106	122.03%	70.36%
2015	0.4441%	\$ 7,296,596	\$ 4,891,615	\$ 12,188,211	\$ 5,537,456	131.77%	69.30%
2016	0.4424%	\$ 8,081,164	\$ 5,267,725	\$ 13,348,889	\$ 5,651,304	143.00%	66.69%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(Determined as of the reporting date)
For the year ended June 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Year ended June 30:	Contractually required contributions (a)	Plan Choice Rate Required Contribution (b)	Contributions in relation to the contractually required contributions (c)	Contribution deficiency (excess) (a)+(b)- (c)=(d)	Employer's covered- employee payroll (e)	Contributions as a percentage of covered- employee payroll ((a)+(b))/(d)
2015	\$ 133,157	\$ 478	\$ 133,635	\$ 0	\$ 1,670,709	8.00%
2016	\$ 141,634	\$ 295	\$ 141,929	\$ 0	\$ 1,751,664	8.10%
2017	\$ 141,000	\$ 381	\$ 141,381	\$ 0	\$ 1,742,460	8.11%

TEACHERS RETIREMENT SYSTEM

Year ended June 30:	Contractually required contributions (a)	Contributions in relation to the contractually required contributions (b)	Contribution deficiency (excess) (a)-(b)=(c)	Employer's covered- employee payroll (d)	Contributions as a percentage of covered- employee payroll (a)/(d)
2015	\$ 520,550	\$ 520,550	\$ 0	\$ 5,537,456	9.40%
2016	\$ 601,312	\$ 601,312	\$ 0	\$ 5,651,304	10.64%
2017	\$ 592,541	\$ 592,541	\$ 0	\$ 5,848,407	10.13%

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS
(June 30, 2016 Measurement Date)
For the year ended June 30, 2017

NOTE 1. PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)

1. a. CHANGES OF BENEFIT TERMS

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

2013 Legislative Changes:

House Bill 454 - Permanent Injunction Limits Application of the GABA Reduction passed under HB 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

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

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

2015 Legislative Changes:

General Revisions - House Bill 101, effective January 1, 2016

Second Retirement Benefit - for PERS

- 1) Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
 - refund of member's contributions from second employment plus regular interest (currently 0.25%);
 - no service credit for second employment;
 - start same benefit amount the month following termination; and
 - GABA starts again the January immediately following second retirement.
- 2) For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
 - member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
 - GABA starts the January after receiving recalculated benefit for 12 months.
- 3) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
 - refund of member's contributions from second employment plus regular interest (currently 0.25%);
 - no service credit for second employment;
 - start same benefit amount the month following termination; and,
 - GABA starts again the January immediately following second retirement.
- 4) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:
 - member receives same retirement benefit as prior to return to service;
 - member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
 - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revise DC Funding Laws - House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan – for PERS and MUS-RP

The PCR was paid off effective March 2016 and the contributions of 2.37%, .47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

1. b CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

Method and assumptions used in calculations of actuarially determined contributions

The following addition was adopted in 2014 based on implementation of GASB Statement 68:

Admin Expense as % of Payroll 0.27%

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(June 30, 2016 Measurement Date)
For the year ended June 30, 2017

There were no changes following the 2013 Economic Experience study.

The following Actuarial Assumptions were adopted from the June 2010 Experience Study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Merit increase	0% to 6.0%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

NOTE 2. TEACHERS' RETIREMENT SYSTEM (TRS)

2. a. CHANGES OF BENEFIT TERMS

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

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two-tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The second-tier benefit structure for members hired on or after July 1, 2013 is summarized below.

- (1) **Final Average Compensation:** average of earned compensation paid in five consecutive years of full-time service that yields the highest average
- (2) **Service Retirement:** Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
- (3) **Early Retirement:** Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
- (4) **Professional Retirement Option:** if the member has been credited with 30 or more years of service and has attained the age of 60 they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%
- (5) **Annual Contribution:** 8.15% of member's earned compensation
- (6) **Supplemental Contribution Rate:** On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5% if the following three conditions are met:
 - a. The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
 - b. The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
 - c. A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.
- (7) **Disability Retirement:** A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- (8) **Guaranteed Annual Benefit Adjustment (GABA):**
 - a. If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board.

HB 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to \$25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS TO MONTANA RETIREMENT SYSTEMS (continued)
(June 30, 2016 Measurement Date)
For the year ended June 30, 2017

- 1% supplemental employer contribution. This will increase the current employer rates:
 - School Districts contributions will increase from 7.47% to 8.47%
 - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
 - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

2. b. CHANGES IN ACTUARIAL ASSUMPTIONS AND OTHER INPUTS:

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

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

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

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

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

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
 - For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and assumptions used in calculations of actuarially determined contributions:

• Actuarial cost method	Entry age
• Amortization method	Level percentage of pay, open
• Remaining amortization period	24 years
• Asset valuation method	4-year smoothed market
• Inflation	3.25 percent
• Salary increase	4.00 to 8.51 percent, including inflation for Non-University Members and 5.00% for University Members;
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2017

	General (Elem.)			General (HS)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District levies	\$ 1,707,460	\$ 1,707,460	\$ 1,700,687	\$ 932,787	\$ 932,787	\$ 930,771
Interest	5,133	5,133	6,067	2,538	2,538	2,567
Other	-	-	-	-	-	-
State	4,456,487	4,456,487	4,457,853	2,303,145	2,303,145	2,303,681
Total revenues	<u>6,169,080</u>	<u>6,169,080</u>	<u>6,164,607</u>	<u>3,238,470</u>	<u>3,238,470</u>	<u>3,237,019</u>
EXPENDITURES:						
Current:						
Instructional services			3,778,863			1,562,419
Support services			198,717			108,906
Educational media services			214,768			128,166
General administrative services			954,460			559,562
Operation & maintenance services			726,702			595,178
Transportation services			5,156			34,345
School food services			132,291			20,191
Extracurricular			57,433			192,471
Capital outlay			9,714			18,990
Total expenditures	<u>6,169,080</u>	<u>6,169,080</u>	<u>6,078,104</u>	<u>3,242,469</u>	<u>3,242,469</u>	<u>3,220,228</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>86,503</u>	<u>(3,999)</u>	<u>(3,999)</u>	<u>16,791</u>
OTHER FINANCING SOURCES/USES:						
Fund transfers (out)			(90,976)			(22,242)
Total other financial sources/uses	<u>-</u>	<u>-</u>	<u>(90,976)</u>	<u>-</u>	<u>-</u>	<u>(22,242)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(4,473)</u>	<u>(3,999)</u>	<u>(3,999)</u>	<u>(5,451)</u>
FUND BALANCE:						
Beginning of the year			502,998			338,732
End of the year			<u>\$ 498,525</u>			<u>\$ 333,281</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2017

	Flexibility Fund (Elem.)			Flexibility Fund (HS)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
District levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	1,576	-	-	1,291
Other	-	-	650	-	-	1,200
State	31,231	31,231	31,231	7,000	7,000	7,000
Total revenues	31,231	31,231	33,457	7,000	7,000	9,491
EXPENDITURES:						
Current:						
Instructional services			43,202			7,000
Support services			-			-
Educational media services			-			-
General administrative services			-			-
Operation & maintenance services			-			-
Transportation services			-			-
School food services			-			-
Extracurricular			-			-
Capital outlay			-			-
Total expenditures	185,578	185,578	43,202	168,259	168,259	7,000
Excess (deficiency) of revenues over expenditures	(154,347)	(154,347)	(9,745)	(161,259)	(161,259)	2,491
OTHER FINANCING SOURCES/USES:						
Fund transfers (out)			-			-
Total other financial sources/uses	-	-	-	-	-	-
Net changes in fund balances	(154,347)	(154,347)	(9,745)	(161,259)	(161,259)	2,491
FUND BALANCE:						
Beginning of the year			154,346			161,259
End of the year			<u>\$ 144,601</u>			<u>\$ 163,750</u>

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE BUDGET VS ACTUAL SCHEDULE
For the year ended June 30, 2017

NOTE 1. BUDGETS

1. a. BUDGETS

Budgets are adopted on a basis consistent with the State of Montana budget laws which are consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the general fund, budgeted special revenue funds including (Transportation, Bus Depreciation, Tuition, Retirement, Adult Education, Technology, Flexibility), debt service fund, and budgeted capital project funds (Building Reserve). All annual appropriations lapse at fiscal year end, unless the School District elects to encumber supplies and personal property ordered but not received at year end.

1. a. 1 GENERAL BUDGET POLICIES:

The School District's funds are either budgeted or non-budgeted in accordance with State statutes. Budgeted funds are those of which a legal budget must be adopted to have expenditures from such funds and are noted above. All other funds are non-budgeted, meaning a legal budget is not required in order to spend the cash balance of such a fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget vs. Actual, has been prepared on the modified accrual basis of accounting and contains financial information for only the major general and special revenue fund budgeted funds. The major funds debt service and building reserve are not included in the schedule because they are not special revenue funds and the school food service and miscellaneous programs funds are non-budgeted funds.

1. a. 2 BUDGET OPERATION:

The School District operates within the budget requirements for School Districts as specified by State law. The financial report reflects the following budgetary standards:

- By the second Monday in July, the County Assessor transmits a statement of the assessed valuation and taxable valuation of all property in the School District's borders.
- Before the fourth Monday in July, the County Superintendent estimates the revenue required for each fund.
- Before the fourth Monday in August, the Board of Trustees must meet to legally adopt the final budget. The final budget for the general fund is fund total only.
- Once adopted, the budget can be amended by subsequent Board action. An increase of the total budget of a given fund requires the adoption of an amended budget in accordance with State statutes.
- According to State statutes, the expenditures of a budgeted fund may not legally exceed the adopted budget.
- At the end of a fiscal year, unencumbered appropriations lapse unless specifically obligated by the School District.

NOTE 2. BUDGET AMENDMENT

The original budgets were not amended so the original budget and the final budget are the same.

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO THE BUDGET VS ACTUAL SCHEDULE (continued)
For the year ended June 30, 2017

NOTE 3. COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE ALL SUB-FUNDS OF THE GENERAL FUND

	Sub-fund General (Elem.)	Sub-fund Metal Mines Tax Reserve (Elem.)	Sub-fund Flexibility Fund (Elem.)	Sub-fund General (HS)	Sub-fund Metal Mines Tax Reserve (HS)	Sub-fund Flexibility Fund (HS)	Total General
REVENUES:							
District levies	\$ 1,700,687	\$ -	\$ -	\$ 930,771	\$ -	\$ -	\$2,631,458
Interest	6,067	952	1,576	2,567	1,351	1,291	13,804
Other	-	-	650	-	-	1,200	1,850
State	<u>4,457,853</u>	<u>-</u>	<u>31,231</u>	<u>2,303,681</u>	<u>-</u>	<u>7,000</u>	<u>6,799,765</u>
Total revenues	<u>6,164,607</u>	<u>952</u>	<u>33,457</u>	<u>3,237,019</u>	<u>1,351</u>	<u>9,491</u>	<u>9,446,877</u>
EXPENDITURES:							
Current:							
Instructional services	3,778,863	-	43,202	1,562,419	-	7,000	5,391,484
Support services	198,717	-	-	108,906	-	-	307,623
Educational media services	214,768	-	-	128,166	-	-	342,934
General administrative services	954,460	-	-	559,562	-	-	1,514,022
Operation & maintenance services	726,702	-	-	595,178	-	-	1,321,880
Transportation services	5,156	-	-	34,345	-	-	39,501
School food services	132,291	-	-	20,191	-	-	152,482
Extracurricular	57,433	-	-	192,471	-	-	249,904
Capital outlay	<u>9,714</u>	<u>-</u>	<u>-</u>	<u>18,990</u>	<u>-</u>	<u>-</u>	<u>28,704</u>
Total expenditures	<u>6,078,104</u>	<u>-</u>	<u>43,202</u>	<u>3,220,228</u>	<u>-</u>	<u>7,000</u>	<u>9,348,534</u>
Excess (deficiency) of revenues over expenditures	<u>86,503</u>	<u>952</u>	<u>(9,745)</u>	<u>16,791</u>	<u>1,351</u>	<u>2,491</u>	<u>98,343</u>
OTHER FINANCING SOURCES/USES:							
Fund transfers (out)	<u>(90,976)</u>	<u>-</u>	<u>-</u>	<u>(22,242)</u>	<u>-</u>	<u>-</u>	<u>(113,218)</u>
Total other financial sources/uses	<u>(90,976)</u>	<u>-</u>	<u>-</u>	<u>(22,242)</u>	<u>-</u>	<u>-</u>	<u>(113,218)</u>
Net changes in fund balances	<u>(4,473)</u>	<u>952</u>	<u>(9,745)</u>	<u>(5,451)</u>	<u>1,351</u>	<u>2,491</u>	<u>(14,875)</u>
FUND BALANCE:							
Beginning of the year	502,998	89,152	154,346	338,732	168,870	161,259	<u>1,415,357</u>
Ending of the Year (GAAP)	498,525	90,104	144,601	333,281	170,221	163,750	<u>\$1,400,482</u>
Current year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending of the Year (Budget)	<u>\$ 498,525</u>	<u>\$ 90,104</u>	<u>\$ 144,601</u>	<u>\$ -</u>	<u>\$ 170,221</u>	<u>\$ 163,750</u>	<u>-</u>

In the reconciliation the elementary and high school general funds, elementary and high school flexibility funds and elementary and high school metal mines tax reserve funds, are added together to get to the aggregate general fund shown as a major fund on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds. The elementary and high school flexibility funds, and elementary and high school metal mines tax reserve funds, are maintained as special revenue funds for accounting purposes, however, for external financial reporting they are added to the general fund because they have unassigned fund balance like the general fund.

On the Statement of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual) All Budgeted Major Governmental Funds display budgeted information for the general and major special revenue funds. The Statement presents budgetary information for the elementary and high school general funds and elementary flexibility funds because they are reported as major funds and have legally adopted budgets. The following major funds are not reported because the elementary and high school metal mines tax reserve funds are non-budgeted special revenue funds.

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENSES AND BALANCES EXPENDABLE TRUST –
STUDENT ACTIVITY FUNDS
For the year ended June 30, 2017

Activity Account Name	Beginning Balance 7/1/2016	Revenues	Expenses	Transfers	Ending Balance 6/30/2017
ANNUAL	\$ 716	\$ 9,433	\$ 9,161	\$ -	\$ 988
AP TESTING	2,925	4,546	4,180	-	3,291
BAND	172	181	310	-	43
EASTERN MT JAZZ FESTIVAL	13	-	-	-	13
BPA	368	5,860	5,753	-	475
CT MT MENTORS	265	-	44	-	221
CHEERLEADERS	10,162	8,983	11,838	-	7,307
NHS/CLAWS	134	999	1,080	-	53
EAGLE RENAISSANCE	2,304	560	565	-	2,299
FCLUB	2,271	79	254	-	2,096
FFA	7,052	25,833	27,364	-	5,521
FCCLA	15,887	36,042	46,512	-	5,417
FLY FISHING	1,218	140	135	-	1,223
SPANISH CLUB	2,727	3,986	4,543	-	2,170
HOW CLUB	1,262	654	1,523	-	393
VICA/SKILLS USA	629	2,068	2,661	-	36
KEY CLUB	4,021	1,646	1,757	-	3,910
ART CLUB	1,235	-	19	-	1,216
SCIENCE CLUB	5,437	1,916	4,145	-	3,208
SKI CLUB	6,453	1,846	1,831	-	6,468
STUDENT COUNCIL	703	8,641	6,063	-	3,281
THESPIANS	1,735	-	654	-	1,081
TROPHY	2,281	-	-	-	2,281
VOCAL MUSIC	1,624	975	412	-	2,187
DIST. 8 MUSCH FESTIVAL	3,307	3,230	5,167	-	1,370
WEIGHT CLUB	1,265	-	116	-	1,149
AP GOVT	160	1,316	1,361	-	115
CAREER FAIR	3,850	-	-	-	3,850
EAGLE WEAR	208	2,419	1,787	-	840
Astronomy Club	-	204	-	-	204
CLASS OF 2016	-	-	-	-	-
CLASS OF 2017	3,351	-	3,151	-	200
CLASS OF 2018	245	8,469	6,237	-	2,477
CLASS OF 2019	368	-	-	-	368
CLASS OF 2020	250	-	157	-	93
SCHOOL SPONSORED X-CURR	53,408	156,618	171,152	-	38,874
GIRLS SOFTBALL/BOYS CROSS COUNTRY	27,220	28,404	32,803	-	22,821
GENERAL ACTIVITIES	60,943	13,716	14,539	-	60,120
LC SERVICE COUNCIL	1,160	479	537	-	1,102
BUILDERS CLUB	142	-	-	-	142
CHEERLEADERS	1,354	37	-	-	1,391
CONSUMER TECH	678	2,953	2,895	-	736
FACS	1,075	4,761	4,748	-	1,088
BC, SC STORE	657	4,748	4,739	-	666
MUSIC	2,624	139	483	-	2,280
PHOTO CLUB	2,979	2,413	3,234	-	2,158
SERVICE LEARNING	285	-	92	-	193
SKI CLUB	1,317	6,660	6,787	-	1,190
STUDENT COUNCIL	350	533	536	-	347
NEWS	170	-	-	-	170
GIS CLUB	313	-	-	-	313
COMPUTER SERV LEARNING	129	-	-	-	129
FIELD TRIP SKI DAY	858	-	-	-	858
ROBOTICS CLUB	439	-	-	-	439
SCIENCE OLYMPIAD	375	1,470	1,208	-	637
EXPEDITION YELLOWSTONE	3,629	5,761	-	-	5,992
Total	<u>\$ 244,703</u>	<u>\$ 358,718</u>	<u>\$ 395,931</u>	<u>\$ -</u>	<u>\$ 207,490</u>

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF REPORTED ENROLLMENT

For the year ended June 30, 2017

	<u>FALL ENROLLMENT –</u> <u>OCTOBER, 2016</u>			<u>SPRING ENROLLMENT –</u> <u>FEBRUARY, 2017</u>		
Elementary	<u>Reported</u>	<u>Audited</u>	<u>Variance</u>	<u>Reported</u>	<u>Audited</u>	<u>Variance</u>
Kindergarten Full	110	110	0	108	108	0
Grade 1 - 6	538	538	0	531	531	0
Grade 7 - 8	173	173	0	170	170	0
Total	<u>821</u>	<u>821</u>	<u>0</u>	<u>809</u>	<u>809</u>	<u>0</u>
Part-time Students						
Less than 181 hours	0	0	0	0	0	0
Less than 359 hours	0	0	0	2	2	0
Less than 539 hours	1	1	0	0	0	0
Less than 719 hours	<u>3</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total Part-time	<u>4</u>	<u>4</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>
High School						
Grade 9 - 12	<u>352</u>	<u>352</u>	<u>0</u>	<u>344</u>	<u>344</u>	<u>0</u>
Part-time Students						
Less than 181 hours	0	0	0	0	0	0
Less than 359 hours	0	0	0	1	1	0
Less than 539 hours	2	2	0	0	0	0
Less than 719 hours	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total Part-time	<u>3</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>
19-year olds included	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Amount Passed to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION:				
National School Lunch Program (Donated Food) (fn2)	10.555	N/A	\$ -	36,779
National School Lunch Program (fn1)	10.555	N/A	\$ -	278,367
Total U.S. Department of Agriculture				<u>\$ 315,146</u>
U.S. DEPARTMENT OF EDUCATION				
PASSED THROUGH CENTRAL MT LEARNING RESOURCE CENTER COOPERATIVE				
Special Education Grants to States	84.027	N/A	\$ -	68,500
PASSED THROUGH MONTANA OFFICE OF PUBLIC INSTRUCTION				
Title I Grants to Local Education Agencies				
- Part A, Improving Basic Programs	84.010	014-0258-32-17	\$ -	385,534
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	N/A	\$ -	35,349
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	014-0259-84-17	\$ -	325
Vocational Education--Basic Grants to States (Carl Perkins)	84.048	014-0259-81-17	\$ -	18,129
Total U.S. Department of Education				<u>\$ 507,837</u>
Total Federal Financial Assistance				<u><u>\$ 822,983</u></u>

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

LEWISTOWN SCHOOL DISTRICT NO. 1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lewistown School District No. 1 under programs of the federal government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lewistown School District No. 1, it is not intended to and does not present the financial position, changes in net position or cash flows of Lewistown School District No. 1.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

Lewistown School District No. 1 has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FOOTNOTES

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

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

N/A – Not applicable/ available.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lewistown School District No. 1 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lewistown School District No. 1's basic financial statements and have issued our report thereon dated December 27, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewistown School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewistown School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

STROM & ASSOCIATES, PC

Billings, Montana

December 27, 2017



STROM & ASSOCIATES, P.C.

Certified Public Accountants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
Uniform Guidance

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Lewistown School District No. 1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lewistown School District No. 1's major federal programs for the year ended June 30, 2017. Lewistown School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lewistown School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lewistown School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lewistown School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, Lewistown School District No. 1's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Lewistown School District No. 1, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lewistown School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lewistown School District No. 1's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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



STROM & ASSOCIATES, PC
Billings, Montana
December 27, 2017

LEWISTOWN SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2017

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. The auditor, Strom & Associates, PC, has issued an unmodified opinion on Lewistown School District No. 1's financial statements as of and for the year ended June 30, 2017.
2. Our audit did not identify any material weaknesses relating to internal controls over financial reporting and its operation.
3. Our audit did not identify any significant deficiencies in internal controls over financial reporting and its operation.
3. Our audit did not identify any noncompliance which was material to the financial statements.

Federal Awards:

4. Our audit did not identify any material weaknesses relating to internal controls over federal programs.
5. Our audit did not identify any significant deficiencies in internal controls over federal programs.
5. The auditor, Strom & Associates, PC, has issued an unmodified opinion on Lewistown School District No. 1's compliance with major federal awards programs as of and for the year ended June 30, 2017.
6. The audit disclosed no audit findings which are required to be reported under section 200.516 of Uniform Guidance.
7. The major program for Lewistown School District No. 1 for the year ended June 30, 2017 was

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Education Agencies

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. This School District does qualify as a low risk audit client.

B. Findings relating to the financial statements which are required to be reported in accordance with "Governmental Auditing Standards."

Prior year findings/status:

The following is the status of prior year findings and there were no finding for the fiscal year ended June 30, 2017.

2016-001 – Compensated Absences	Not repeated
2016-002 – Student Activities	Not repeated

C. Findings and questioned costs for Federal awards, as defined in section 200.516 of Uniform Guidance.

The audit disclosed no findings or questioned costs relating to federal awards as defined in section 200.516 of Uniform Guidance in the prior audit report or for the fiscal year ended June 30, 2017.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

11

☐ Minutes/Claims ☐ Board of Trustees ☒ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: REPORT—BUDGET INFORMATION

Requested By: Superintendent Prepared By: Rebekah Rhoades

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will update the Board on current projections for the 2018-2019 budget.

SUGGESTED ACTION: Informational

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

2018-2019 BUDGET PROJECTIONS

As of 1/9/2018

ELEMENTARY

2018-2019 Projected Budgets	\$6,312,086.77	w/out a vote
	\$6,312,086.77	w/a vote
2018-2019 Projected Expenses	\$6,357,942.87	
Over/Under Budget	(\$45,856.10)	w/out a vote
	(\$45,856.10)	w/a vote

HIGH SCHOOL

2018-2019 Projected Budgets	\$3,256,543.47	w/out a vote
	\$3,256,543.47	w/a vote
2018-2019 Projected Expenses	\$3,355,201.32	
Over/Under Budget	(\$98,657.85)	w/out a vote
	(\$98,657.85)	w/a vote

These numbers DO NOT include any percentage increase to salaries for all staff or any benefit increase for certified staff, as Gaining is still taking place.

These numbers use an enrollment projection to calculate ANB. Actual enrollment/ANB will not be known until February 2018.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

12

☐ Minutes/Claims ☐ Board of Trustees ☒ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: REPORT—ELECTION INFORMATION

Requested By: Superintendent **Prepared By:** Rebekah Rhoades

SUMMARY:

Rebekah Rhoades, Business Manager/District Clerk, will report on the election calendar and procedures for 2018.

Attached are the Terms of Office Listing and the 2018 School Election Calendar.

Board members terms of office that are due to expire in 2018 include: CJ Bailey and Monte Weeden.

SUGGESTED ACTION: Informational

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD MEMBERS TERMS OF OFFICE

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

	Expire 2018	Expire 2019	Expire 2020
SCHOOL DISTRICT #1	CJ Bailey Monte Weeden	Phillip R. Koterba Jennifer Thompson	Kris Birdwell Jeff Southworth Stephen Vantassel

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

_____ 3-year term (to expire in 2021)


_____ 3-year term (to expire in 2021)

Declaration of Intent Filed for Nomination of School Board Trustee:

SCHOOL ELECTION CALENDAR 2018

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
No earlier than 145 days, or later than 40 days before	Thursday, December 14 through Thursday, March 29	Trustee candidates file for election. A Declaration of Intent and Oath of Candidacy must be filed with election administrator. NO CANDIDATE MAY APPEAR ON THE BALLOT UNLESS THE CANDIDATE MEETS THIS DEADLINE. <i>Candidate must be registered to vote at the time the Oath is filed.</i>	13-10-201 20-3-305
At least 70 days before	Tuesday, February 27	Trustees call for an election. The trustees must pass a resolution stating: 1) the date of the election; 2) the purpose of the election; 3) whether the election will be by mail or poll; 4) the voting locations and boundaries for each location, if there are multiple locations within a district (if changed from a previous school election the new locations must be specifically noted); and 5) the time the polls will open, if before noon. The trustees do NOT have to set levy amounts at this time; however, they must be set in time for the clerk to certify the ballot (not less than 30 days before the election). The resolution must be delivered to the county election administrator within 3 days of passage but it need NOT be posted. The trustees must also appoint three election judges per precinct. <ul style="list-style-type: none"> Bond Elections are subject to additional requirements (see 20-9-422, MCA). Request for a mail ballot election must be sent from trustees to the election administrator. Exception: Even if no request is received, the election administrator could decide to request a mail ballot election. 	13-19-202 13-19-203 20-9-422 20-20-201 20-20-203
At least 67 days before (within 3 days of passage of the election resolution)	Friday, March 2	Last day to file resolutions for school election with county election administrator. To assist with the provisions of late registration, include the name and best contact number for the district's election administrator with the resolution.	20-20-201(2)(a)
At least 60 days before	Friday, March 9	Election administrator sends mail ballot election plan/timetable/sample instructions to the Secretary of State's Office so that it is received by this deadline (i.e. fax, mail, or e-mail to SOS office (not post marked)). One plan must be submitted for each election. As soon as the plan (and any amendments are approved), forward a copy of the mail ballot plan to the county election administrator. Link to instructions: Mail Ballot Plan Timetable and Instructions	13-19-205
4 weeks preceding the close of regular registration	Monday, March 12	Notice of close of regular registration. The county election administrator publishes the notice of close of regular registration for school districts at least 3 times in the 4 weeks preceding the close of regular registration. Contact the county election administrator to coordinate that publication.	13-2-301
Not later than 5pm the day before ballot certification	Thursday, April 5 (by 5 p.m.)	Last day trustee candidates can withdraw from the election. Any candidate that has already filed for election, but wishes to withdraw their name, may do so by sending a statement of withdrawal to the election administrator.	20-3-305(3)(a)
Not later than 5pm the day before ballot certification	Thursday, April 5 (by 5 p.m.)	Deadline for write-in candidate for a trustee position on a school board to file Declaration of Intent.	20-3-305(2)(b)
No later than the 30th day before	Friday, April 6	Deadline to notify election judges of appointment.	13-4-101

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not less than 30 days before	Friday, April 6	Election administrator certifies ballot. The election administrator prepares the final ballot form, listing all candidates and propositions to be voted upon. The ballot must then be delivered to the election administrator, if other than the clerk. <i>Trustees must pass a resolution stating exact levy amounts by this date in order for the clerk to certify the ballot.</i> This resolution must include the durational limit, if any, on the levy.	20-20-401 15-10-425
Not less than 30 days before	Friday, April 6	Election by Acclamation and Cancellation of Election - Notice. If the number of candidates filing a nomination petition or filing a declaration of intent to be a write-in candidate is equal to or less than the number of open trustee positions to be elected, the trustees cancel the trustee election. They must then give notice that a trustee election will not be held. The trustee election may not be declared by acclamation until all candidate filing deadlines have passed. Send a copy to the county election administrator to aid with the provisions of late registration. <i>**A trustee election held in single-member or trustee nominating district is considered a separate trustee election for declaring the election by acclamation.</i>	20-3-313
30 days before any election	Monday, April 9	Close of regular voter registration. Registration forms postmarked by this date and received within 3 days are accepted for regular registration. Late registration must be completed at the county election office.	13-2-301
Not more than 30 days before	Monday, April 9	Contact your county election administrator for the absentee ballot list.	13-13-212 20-20-312
Day after Close of Regular Registration	Tuesday, April 10	Start of Late Registration. Late voter registrations starts and continues through the close of polls on election day, except that late registration is closed from noon to 5 pm on the day before the election. Late registration must be completed at the office of the county election administrator.	13-2-304
Not less than 10 days, or more than 40 days before	Thursday March 29 Through Saturday, April 28	Notice of election is posted. The election notice must be published in a newspaper of general circulation in the district if available, posted in at least three public places in the district AND posted on the district's website for the 10 days prior to the election, if the district has an active website. Notice using any other recognized media may be used to supplement the posting. The notice must include: 1) the date and voting locations for the election; 2) voting location hours; 3) each proposition to be considered by the electorate; 4) the number of trustee positions, if any, subject to election and the length of the terms for those positions; 5) where and how absentee ballots may be obtained; and 6) where and how late registrants may obtain a ballot on election day. <ul style="list-style-type: none">• If the polling place has changed from the previous school election, that change must be referred to in the notice.• If more than one proposition will be considered in the same district, each proposition must be set apart and identified, or placed in separate notices.	20-20-204
At least 20 days before	Wednesday, April 18	Absentee ballots available. The election administrator prepares ballots for absentee voters. Remember to enclose four things in the absentee package. <ul style="list-style-type: none">• The ballot (with stubs removed);• Instructions for voting and returning the ballot;• A secrecy envelope, free of an marks that would identify the voter; and• A self-addressed, return envelope with affirmation printed on the back.	13-13-214 20-20-401

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Not before the 20 th day nor later than the 15 th day	Wednesday, April 18 through Monday, April 23	Mail ballots mailed. If mail ballot election is used, all ballots must be mailed on the same day, except that if an inactive elector reactivates after the ballots are mailed, the elector should be provided with or mailed a ballot. If the elector reactivates after noon on the day before election day, the elector must come in on election day to receive a ballot.	13-19-207
Not more than 10 days or less than 2 days before	Saturday, April 28 through Sunday, May 6	Absentee Ballot Counting Notice. Districts must publish in a newspaper of general circulation in the county a notice indicating the method that will be used for counting absentee ballots and the place and time that the absentee ballots will be counted on election day. <i>If the district publishes their notice of election on the 10th day prior to the election, in a newspaper of general circulation in the county, this information may be included in that notice.</i>	13-15-105
Day before (By Noon)	Monday, May 7	Deadline for absentee ballot requests. Voters who wish to vote absentee may request an absentee ballot in writing or in person until noon the day before the election.	13-13-211 13-13-214
Day before	Monday, May 7	Deliver certified copy of the lists of registered electors. Before the day of election, the county election administrator shall deliver a certified copy of the lists of registered electors for each voting location to the district. The district shall deliver them to the election judges prior to the opening of a voting location.	20-20-313
Day before (between noon and 5pm)	Monday, May 7	Late registration closed. Late registration is closed between noon and 5pm the day before the election. Electors may late register on election day at the office of the county election administrator.	13-2-304
Election Day 	Tuesday, May 8	ELECTION DAY. The election administrator must prepare the polling places, printed ballots, ensure election judges are present, and conduct a fair and unbiased election (See Election Procedures). Notify election judges of the names of write-in candidates	Title 13 20-20-105 20-20-401 20-20-411
No sooner than 3pm on the 6 th day after the election	Monday, May 14	The first date that provisional ballots may be counted. Following the election, unresolved provisional ballots are sealed. These ballots may not be opened until after 3pm on the 6 th day after election. At that time election judges convene and a determination is made as to whether or not the ballots are counted. If there are provisional ballots in a school election, the canvass may not occur until after all provisional ballots are resolved.	13-15-107
Following receipt of the tally sheets from all polls and within 15 days after the election	By Wednesday, May 23	Trustees canvass the votes, issue certificates of election, and publish results. Trustees review the tally sheets compiled by the election judges to ascertain their accuracy. Recounts are ordered, if necessary. If tally is complete and accurate, trustees issue certificates of election to successful candidates. The canvassed results shall be published immediately in a newspaper that will give notice to the largest number of people in the district.	20-20-415 20-20-416
Within 5 days after the official canvas	Monday, May 14 through Tuesday, May 29	Deadline for filing a petition for recount. When a question submitted to a vote of the people is decided by a margin not exceeding ¼ of 1% of the total votes cast for and against the question, a petition for recount must be filed within 5 days after the official canvas.	13-16-201
Within 5 days of receipt of notice from the election administrator	Monday, May 14 through Tuesday, May 29	Deadline for convening the School Recount Board. When a tie vote has been certified to the election administrator or conditions have been met for filing a recount petition, the board shall convene at its usual meeting place to perform a recount. The recount must be completed within 5 days of receipt of official canvas or recount petition.	13-16-204 20-20-420

Days From Election	Deadlines	Event (Special Instances Identified in Green)	MCA Citation
Within 15 days of election	By Wednesday, May 23	Deadline for trustees to hold organizational meeting to elect chair and appoint clerk.	20-3-321
June 1	Friday, June 1	Deadline for trustees to request county election administrator to conduct school elections for next year. The school district clerk/election administrator is designated the election administrator for school elections. However, the trustees of any district may request the county election administrator (EA) to become the election administrator for school elections. The request must be made by a resolution of the board of trustees. If the county EA accepts, then he/she must perform all the duties the school clerk would have. The school district must assume all costs of the election.	20-20-417
Within 15 days after receipt of certificate of election	By Wednesday, June 7	Candidate completes and files Oath of Office with the County Superintendent. <i>*Newly elected trustees may not be seated until the oath is filed. The issuance and the oath may be administered at the organizational meeting (below), but must be completed within 15 days of issuance.</i> <i>**In the event of a recount, the deadline for a candidate to complete and file the oath is 15 days from receipt of the certificate of election.</i>	20-3-307 20-1-202 1-6-101

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

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

Additional References:

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

Election Manual: [School Election Handbook](#)

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

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

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

13

☐ Minutes/Claims ☐ Board of Trustees ☒ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: REPORT—INVESTMENT

Requested By: Superintendent Prepared By: Rebekah Rhoades

SUMMARY:

Interest earned and distributed for November 2017 was as follows:

Elementary:	\$2,284.75
High School:	<u>\$2,158.19</u>
	\$4,442.94

Interest earned and distributed for December 2017 was not available at the time of posting.

SUGGESTED ACTION: Informational

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

14

☐ Minutes/Claims ☐ Board of Trustees ☒ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: OTHER ITEMS

Requested By: Superintendent **Prepared By:** Superintendent

SUMMARY:

Time is provided on the agenda for the Superintendent to discuss with the Board any calendar items, concerns, correspondence, future agenda items, and announcements.

- ❖ No School—Monday, January 15, 2018—PIR Day—Building and Grade Level PD
- ❖ 2018 MHSA Annual Meeting – January 15, 2018 @ Bozeman
- ❖ Building and Maintenance Priorities
- ❖ Curriculum Coop progress
- ❖ Gaining Progress
- ❖ Calendar Committee
- ❖ Technology Plan components
- ❖ Adult Ed Registration – Tuesday, January 16, 2018, 12:00 p.m. @ CMEC
- ❖ Eagle Booster Club meeting – Monday, February 5, 2018 at 7:00 p.m.
- ❖ Fergus High Semester Tests, Wednesday, January 17 through Friday, January 19, 2018
- ❖ Speech and Drama— Divisional Meet—Friday, January 19-Saturday, January 20, 2018 @ Sidney
- ❖ Speech and Drama—State Meet—Friday, January 26—Saturday, January 27, 2018—Corvallis
- ❖ FFA - Ag Mechanics Contest in Lewistown—Saturday, January 27, 2018
- ❖ WR—Central A Divisional Tournament—Saturday, February 3, 2018—Belgrade
- ❖ WR—State Tournament—Friday, February 9-Saturday, February 10, 2018—Billings
- ❖ Athletic Games/Meets
 - BBB-GBB vs Fairfield—Friday, January 12, 2018—3:00/4:30/6:00/7:30p.m.
 - BBB @ Park High—Saturday, January 13, 2018—2:00/3:30/5:00/6:30 p.m.
 - WR @ Rocky Mountain Classis in Missoula, January 12-13, 2018
 - S/D/D @ Laurel, January 13, 2018
 - JHBB @ Hardin Jamboree
 - WR – Central/Eastern “A” Duels @ FHS, January 19 – January 20, 2018**
 - BBB & GBB @ Huntley Project – Saturday, January 20th 2/3:30/5/6:30 p.m.
 - JHBB @ Lockwood Jamboree, Saturday, January 20th
 - WR @ Huntley Project, Friday, January 26 @ 5 p.m.
 - BBB & GBB @ Belgrade, Friday, January 26th, 3/4:30/6/7:30 p.m.
 - WR @ Hardin Invitational, Saturday, January 27th
 - BBB & GBB v. Miles City, Saturday, January 27, 2/3:30/5/6:30 p.m.
 - JHBB @ Laurel Jamboree
 - BBB & GBB @ Conrad, Thursday, February 1st, 3/4:30/6/7:30 p.m.
 - BBB & GBB v. Havre, Saturday, February 3rd, 2/3:30/5/6:30 p.m.

Technology Plan Elements:

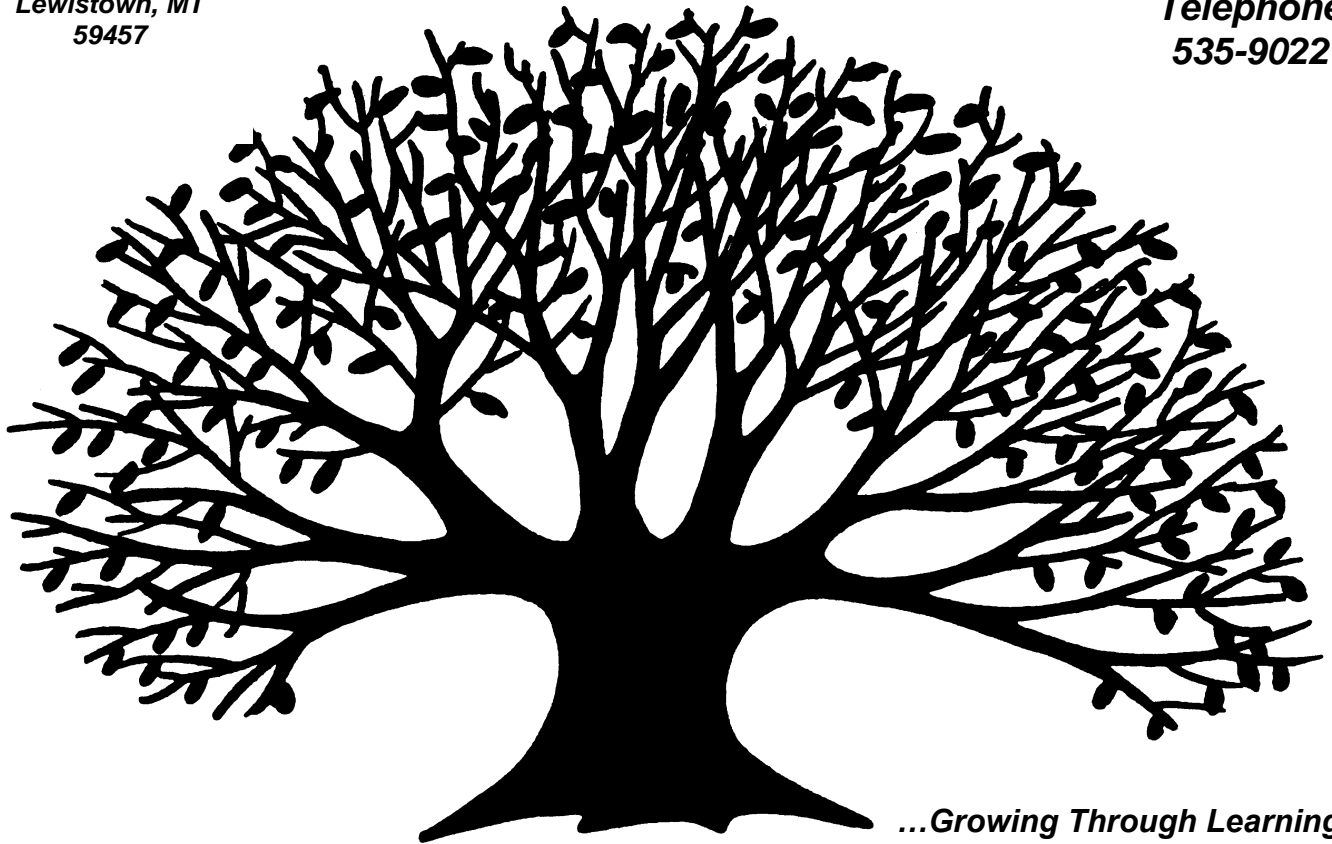
- Executive Summary
- Goals & Strategies
- Needs Assessment
- Cost Analysis
- Major Recommendations (First Phase)
 - **Cloud Migration to Google Apps for Education** for email & collaboration
 - **Data Center Server Overhaul & Virtualization** – hardware, software, switches, network & wireless upgrade, Centralize Print Server, Antivirus, backup & disaster recovery, Filters **Staff Professional Development** – “Basic Comfort” need & in-class integration, Professional Development Sessions and Review Filter Practices, Help Ticket System
- Minor Recommendations
 - Mobile Device Management and Volume Purchase programs
 - Automatic Windows Updates
 - Active Directory Maintenance or Rebuild
 - Software Deployment Program
 - Infinite Campus
 - Email and Calendar Collaboration
 - Projectors (Brightlink?)
 - VLAN's?
 - Student Accounts
 - Unused Wired Network Jacks?
 - Hardware and Software acquisition and approval list and/or process or “prototyping” system
 - Refresh Strategy “tier system”
- Evaluation Process

ADULT EDUCATION 2018 WINTER SCHEDULE

**Central Montana
Education Center
773 Airport Road
PO Box 1144
Lewistown, MT
59457**

**ADULT EDUCATION REGISTRATION:
BEGINS TUESDAY, JANUARY 16, AT NOON**

**Telephone
535-9022**



...Growing Through Learning



ADULT EDUCATION

2018 WINTER SCHEDULE

REGISTRATION:

Registration begins Tuesday, January 16, 12:00 noon - 5:00 p.m. and continues throughout winter quarter. Registration will remain open until each class is filled. Registrations may be phoned in after that time and fees mailed in, if necessary. No registration will be accepted prior to 12:00 noon, January 16. These classes are for adults, 16 years of age and older; please inquire as some exceptions may apply.

FEES:

Tuition is due at registration. Make checks payable to CMEC (Central Montana Education Center). Fees may be mailed to Central Montana Education Center, PO Box 1144, Lewistown, MT 59457. In some cases there are additional fees for supplies.

REFUNDS:

Anyone wishing to withdraw from a course must notify the Central Montana Education Center, 535-9022, (not your instructor) **no later than 24 hours** prior to the first class meeting. Leave a message on the answering machine after office hours. Refund of fees are as follows: 100% of fee 24 hours prior to first class meeting
50% of fee if canceled the day class begins or prior
to second class meeting
No refund of fee after second class meeting

ANY COURSES THAT ARE CANCELED BY THIS OFFICE WILL BE REFUNDED IN FULL.

Minimum enrollment is required for a course to be held, and the Central Montana Education Center may find it necessary to cancel a course. Those registered will be notified.

THE CM RUSSELL ART EVENT – BUS TOUR TO GREAT FALLS *

Join us on our coach bus tour to get an up close look at “The Russell Exhibition” located at the CM Russell Museum as they display the famous art pieces that will be auctioned to collectors from around the world. We will have lunch & proceed to the “Russell Skull Society of Artists” Exhibit to view the artwork for sale by this distinguished group of Western artists. Thurs., March 15, 8:30am-5pm, load at FHS parking lot. Fee: \$40 + your lunch cost

DRAFTING TECHNOLOGY AND DESIGN *

Basic understanding of drafting includes lettering, sketching, proper use of equipment, creation & interpretation of construction documents, geometric construction, 3-D drawing techniques, print reading & drawing. Students will gain valuable hands-on experience with Auto CAD. Several projects will be completed relating to these topics. Instructor: Tim Tarplee. Tues. & Thurs., 4 wks., Feb. 6-March 1, FHS 107. Fee: \$80

WOODWORKING *

Will cover basic hand and machine woodworking. Includes hand and power tool identification, safe usage & operation. Wood identification & classification, adhesives, fasteners & methods of shaping & forming wood. A project will be completed in class that demonstrates these skills. Instructor: Tim Tarplee. Tues. & Thurs., 4 wks., March 6-29, 6-8pm, FHS Wood Shop Rm. 127. Fee: \$80 + project supplies

KITCHEN AND BATH DESIGN WORKSHOP

As Montana’s only luxury custom kitchen and bath design specialist with nearly 40 years’ experience, Jeana will walk you through the steps of remodeling or designing your new kitchen and bathroom. Save time and money and avoid costly mistakes by attending this top-rated seminar. Instructor: Jeana Morrison-Noel. www.BellaCucinaWest.com/about. Sat, March 10. CMEC Rm. 2. Fee: \$30 for each class or \$50 for both. **Kitchen Design:** 9am-12pm **Bath Design:** 1-4pm

GROWING UP AND LIKING IT (MOM AND ME)

Mother/daughter workshop for adolescents 9-13 years of age. Topics include self-esteem, communications, bodily changes and sexual responsibility. Instructor: Sue Irvin. Sat., March 10, 1-4pm. CMEC. Fee: \$30 per pair

INTRODUCTION TO GRANT WRITING

Grant writers use clear, specific language to focus the reader’s attention & to persuade the reader to fund their proposal. The writing process can become easier with practice & awareness of a few common missteps. Start by identifying need, & focus through the basic process for success. Instructor: LaVonne Limpus. Mon., Feb. 12, 6-8 pm. CMEC Rm. 2. Fee: \$20

MORE ART JOURNALING * MUST REGISTER BY MARCH 1

Continuation of the Intro to Art Journaling class; all are welcome as beginners or those wanting more! Work with mixed media using paint & collage. Activities focus on techniques, effects, fun prompts & a variety of materials to create your own style of art! Instructor: KellyAnne Terry. Thurs., 2 wks., March 15-22, 6:30-8:30pm. FHS Rm. 216. Fee: \$30 + \$25 supply fee for art kit & journal.

PASTEL PAINTING *

Pastels are simply one of the most beautiful vibrant mediums you can work with; they have the glow that oils have. Come explore the materials and the techniques! Instructor: Clint Loomis. Sundays, Feb. 11, 18, 25; 1-4pm. Clint Loomis Studio. Fee: \$65 includes supplies.

GUITAR BASICS *

Guitar hiding in your closet & not sure how to get started? Dust it off & learn the terms, basic care, a few chords, & simple techniques to get going on your six-string adventure. Instructor: Dave Rummans. Mondays, 5 wks., Feb. 5-Mar. 5, 6-7pm. FHS Music Rm. 234. Fee: \$45

GUITAR BASICS PART 2 *

For folks who already know a few chords but would like to learn a few more and get a little help with their technique. Enjoy some simple song jams! Instructor: Dave Rummans. Mondays, 5 wks., Feb. 5-Mar. 5, 7:15-8:15pm. FHS Music Rm. 234. Fee: \$45

APPLE DEVICES: IPODS, IPADS & IPHONES *

Learn the fundamentals of your iOS Apple devices. Basic set-up, navigation of settings, naming your device, syncing & backing up through iTunes & creating a free Apple ID. Instructor: Russell Epperson, Thurs., Feb. 8-15, 6-8pm, CMEC Rm. 2. Fee: \$30

MORE CONVERSATIONAL SPANISH *

Together we will learn the next stage of dialogue, helping to make conversations smooth and understandable. Learn additional words, phrases & expressions from native Spanish-speaking instructor. Great for travel or just for fun! Instructor: Chiara Vanderbeek. Tues., 5 wks., Feb. 13-March 13, 6-8 pm. FHS Rm. 215. Fee: \$50

BLOGGING FOR FUN! *

A blog is a type of website that is updated regularly with new content. Most blogs contain short, informal articles called blog posts. These posts usually contain some combination of text, photos, videos, and other media. Beginners will learn how to set up the site, write a blog post & upload media. Instructor: LaVonne Limpus. Mon., Feb. 26, 6-8 pm. CMEC Rm. 2. Fee: \$20. Bring your laptop!

MEDITATION & STRESS REDUCTION TECHNIQUES

Learn how adrenaline affects the brain & the body. Learn to relax using stress reduction & meditation techniques. Revive and renew with instructor Chris Tremain. Sat., Feb. 17, 9 am-12 pm. CMEC. Fee: \$35.

STRESS: FIGHT OR FLIGHT?

“Stress may be one of the most toxic physiological and psychological concerns of the modern world.” (Sapolsky) What does it do to you? Is there good & bad stress? How does bad stress affect us physically, mentally & emotionally? Learn what you can do about it! Instructor: Rick Wright. Thurs., March 1, 6-8pm. CMEC Rm. 2. Fee: \$20

TEENS ONLY: PRE-PROM JITTERBUG/ SWING DANCE CLASS
Sunday, March 18, 3-5pm. Garfield Gym. Fee: \$15

TWO-STEP/ SWING / WALTZ DANCE CLASS

Come have some fun and get your exercise! Instructor: Sherry Bishop. Sun., 5 wks., Feb. 11-Mar. 11, 1-2:30 pm. Garfield Gym. Fee: \$40.

LINE DANCING

Learn popular line dances in a fun & easy environment! Great exercise! Instructor: Sherry Bishop. Sun., 5 wks., Feb. 11-Mar. 11, 2:45-4:15 pm. Garfield Gym. Fee: \$40.

THE RIGHT TREE IN THE RIGHT PLACE

How to select the optimal tree species for your yard & the right location for planting a tree. How to properly plant a tree & what will grow best in central MT. Just in time for spring! Instructor: Josh Stoychoff, State Service Forester. Mon., March 5, 6-8pm. CMEC. Fee: \$20

BASIC DOG OBEDIENCE *

For beginning dogs, 6 months or older. Teaches foundation commands for a well-behaved dog. Require proof of current rabies & distemper/parvo vaccines at first class. Instructor: Christina Arndt. Wednesdays, 5 wks., Feb. 21-March 21, 7-8pm. LJHS Gym. Fee: \$35

CROCHET –BEGINNERS & BEYOND *

Start here or brush up on your skills. Basic crochet stitches & how to read a pattern. Several projects to choose from. Instructor: LuAnn Schrauth. Mondays, 4 wks., March 5-26, 6-8pm, CMEC. Fee: \$40 + supplies

IDENTIFYING CUTS AND QUALITY OF BEEF

Ever feel overwhelmed in the meat section of the grocery store? What does it mean for a steak to be ‘choice’ or ‘select’? What’s the difference between a sirloin chop and a blade chop? How do you choose the right meat for your meal? Bring your questions and we’ll explore these topics and more to give you confidence to navigate the meat counter! Instructor: Emily Standley. Thurs., Feb. 8, 6-8 pm. FHS Rm. 117. Fee: \$20

BEEF: IT’S WHATS FOR DINNER! * **Recipes & Taste-Testing!**

This premiere cooking class offers the basics of cooking with beef. This class includes cooking demonstrations, samples of featured dishes and recipes to take home, while providing new ideas and techniques for your kitchen. Instructors: Central MT Cattle Women. Thurs., Feb. 15, 6-8 pm. FHS Rm. 117. Fee: \$25

MOMMY & ME DECORATING VALENTINE COOKIES *

Mom or Grandma & child (8 & older) have fun together learning great decorating ideas with frostings, different pipings, embellishments and more! Instructor: Dorothy Swanson, Tues., Feb. 6, 6-8 pm, FHS Rm. 117. Fee: \$20 per pair.

WILTON CAKE COURSE 1 - BUILDING BUTTERCREAM SKILLS *

Learn skills for all decorating projects, cupcakes to cakes for all occasions. Right consistency of icing, using a decorating bag, piping lines, borders, letters, shapes, icing flowers & transferring images onto a cake to decorate. Instructor: Dorothy Swanson. Tues. & Thurs., 2 wks., Feb. 20-March 1, 6-8pm, FHS 117. Fee: \$50 + supplies

WILTON CAKE COURSE 2 - FLOWERS AND CAKE DESIGN *

Work with royal icing, the ideal medium for creating flowers & designs in advance. Learn 8 different flower types, pipe appliques, design the color palette & pattern for a cake & pipe decorative borders onto your cake. Instructor: Dorothy Swanson. Tues. & Thurs., 2 wks., March 6-15, 6-8pm, FHS Rm.117. Fee: \$50 + supplies

FOOD “SERVSAFE” TRAINING

Safe food handling training for people who work in temporary food service such as fair booths, school concessions, church suppers, banquets, etc...or people who are employed in the food service areas such as restaurants, hospitals, daycares, bartending, etc. Must attend all 4 hrs. to receive certification. Instructor: Denise Seilstad. Wed.’s & Thurs., March 7 & 8, 6–8 pm. CMEC Rm. 2. Fee: \$20, includes book.

PRESERVING FOOD: YOU CAN DO IT!

Learn the most current, safe, recommended procedures for canning fruits, making pickles, jams, jellies, vegetables and meats. Receive updated info about methods, times and pressure. Hands-on workshop is good for the beginner or those who have canned a long time! Instructor: Denise Seilstad. Thurs., March 22, 6-8 pm. FHS Rm. 117. Fee: \$20

FIRST AID / ADULT, INFANT & CHILD CPR *

A certified American Heart Association course with hands-on learning of life-saving techniques, choking & rescue breathing & practical first aid. Instructor: CMMC Occupational Health Services. (Class/Card/Book Incl) **Choose a Saturday: January 27 or February 10 or March 10**
Heart Saver CPR: 8:30am-12 noon. Fee: \$55
First Aid: 1:00-4:30pm. Fee: \$40
Combo Class (CPR & First Aid) Fee: \$75

TESTING CENTER

*High School Equivalency Diploma – HiSET
*College Placement Exams: AccuPlacer & MUSWA
*Proctoring exams for online college courses
Fees vary. Please inquire by calling the CMEC at 535-9022.

*** Limited Enrollment**

ROOM LOCATION KEY: FHS = Fergus High School
CMEC = Cent MT Ed Center, Airport Road
LJHS = Lewistown Junior High School

SUGGESTED ACTION: Informational

**LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana**

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

15

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

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

Requested By: Board of Trustees **Prepared By:** _____

SUMMARY:

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

SUGGESTED ACTION:

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

16

☒ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☐ Action - Indiv.

ITEM TITLE: MINUTES

Requested By: Board of Trustees Prepared By: Rebekah Rhoades

SUMMARY:

The following minutes are attached for your approval:

- Minutes of the December 11, 2017, Regular Board Meeting

SUGGESTED ACTION: Approve Minutes as Presented

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

**MINUTES
LEWISTOWN PUBLIC SCHOOLS
BOARD OF TRUSTEES**

LINCOLN BOARD ROOM

215 Seventh Avenue South
Lewistown, Montana 59457

MONDAY, December 11, 2017

REGULAR BOARD MEETING

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

1. ROLL CALL

TRUSTEES PRESENT:

CJ Bailey, Kris Birdwell, Jennifer Thompson, Phil Koterba, Jeff Southworth,
Monte Weeden, Stephen Vantassel

TRUSTEES ABSENT:

STAFF PRESENT:

Business Manager/District Clerk Rebekah Rhoades, Bobbie Atchison, Chris
Hildebrant, Jeff Elliott, Jeff Friesen, Vic Feller

OTHERS PRESENT:

Joe Zahler – KXLO Radio, Doreen Heintz – News Argus, Emily Eckhardt,
and other interested parties.

2. PLEDGE OF ALLEGIANCE

3. MOTION TO SET AGENDA – Approved Unanimously (Bailey/Weeden)

4. Presentation – FHS Core/Flex Program, Principal Jeff Elliott, FHS Football
Program, Head Coach Vic Feller and FHS Volleyball Program, Coach Tara Taylor.

Vic Feller introduced members of the Fergus Football team that recently
completed their season.

Tara Taylor introduced members of the Fergus Girls Volleyball team that
recently completed their season.

Jeff Elliott and Jeff Friesen shared information on the Fergus High Core/Flex
and Advisory Programs to not only decrease dropouts and improve academic
grades, but to increase dual enrollment courses available to students. The
ultimate goal is to ensure that each student has a connection with an adult
within the school and that time is allowed for the additional assistance
needed.

5. Report—Student Representative

Emily Eckhardt, Student Representative to the Board, reported on upcoming
activities at Fergus High School.

6. Report – LEA

Chris Hildebrandt, President of the Lewistown Education Association (LEA)
updated the Board of Trustees on the activities and happenings for their
organization.

7. Report—Committees of the Board

The Gaining Committee will be meeting on Thursday, December 14th at
6:00pm.

8. Calendar Items, Concerns, Correspondence, Etc.
No items were discussed.
9. Report—Election Information
Rebekah Rhoades, Business Manager/District Clerk, presented to the Board the 2018 School Election Calendar and advised them of the Trustee seats that will be up for election in 2018 – CJ Bailey and Monte Weeden.
10. Report—Investment
Interest earned and distributed for November was not available at the time of the meeting. Amounts will be reported at the January Board Meeting.
11. Report—Superintendent
Superintendent Thom Peck handed out the 20-day plans for each Principal. Mr. Peck reported that the District is looking at replacing the phone systems in the District and obtaining quotes from both Mid-Rivers and Triangle. The January PIR day will be teacher led, allowing teachers to learn from their colleagues. As follow-up to the wrestling concerns brought to the Board at the November meeting, a solution is being worked out. Mr. Peck and Rebekah Rhoades updated the Board on decisions made during the Legislative Special Session that took place in November. A technology plan is being developed by the IT Department. Mr. Peck described a proposal he has made to surrounding school districts to develop a Curriculum Coop. A Kindergarten/1st Grade transition class is being considered for Garfield Elementary. Maintenance walk-throughs are being done to assess the District's facility needs, both long term and short term. Mr. Peck introduced the idea of running a Bond Election in 2 years to address the District's long term facility needs. Johnson Controls and Apollo will be submitting their energy performance audit proposals in the near future to the Building and Grounds Committee. Mr. Peck updated the Board on various events taking place in the District.

PUBLIC PARTICIPATION

12. Recognition of Parents, Patrons, and Others Who Wish to Address the Board on Non-Agenda Items
There was no public participation.

ACTION ITEMS

MINUTES

13. Minutes of the November 13, 2017, Regular Board Meeting – Approved unanimously (Birdwell/Peterson)

APPROVAL OF CLAIMS

14. Claims -- Approved unanimously (Weeden/Birdwell)
Claims Committee for October through December 2017 will be Board Chair Phil Koterba, Kris Birdwell, Jeff Southworth, and Monte Weeden. The new Claims Committee for January through March 2018 will be Board Chair Phil Koterba, CJ Bailey, Jennifer Thompson, Jeff Southworth.

INDIVIDUAL ITEMS

15. First Reading – Board Policy 1006FE – Transfers for School Safety – with the amendment for the title to read Transfers “of Funds” for School Safety – Approved unanimously (Bailey/Weeden)
16. First Reading – Board Policy 1009FE – Flexible Instructor Licensing – Approved unanimously (Birdwell/Bailey)
17. First Reading – Board Policy 1014FE-F1 – Intent to Increase Non-Voted Levy – Approved unanimously (Thompson/Bailey)
18. Approve Fergus High School Student Activity Account for Model UN Club – Approved unanimously (Bailey/Birdwell)
19. Approve Agreement between Lewistown Public Schools and the City of Lewistown 2017-2018 – Approved unanimously (Weeden/Thompson)
20. Approve Disposal/Destruction of Documents per the State Record Retention Schedule – Approved unanimously (Bailey/Thompson)

21. Approve Additions to the Substitute List for the 2017-2018 School Year – Approved unanimously (Thompson/Bailey)
22. Approve Personnel Report – See Exhibit A – Approved unanimously (Weeden/Thompson)

EXECUTIVE SESSION

23. Board Chair Phil Koterba called for an Executive Session at 7:50 p.m. to conduct the Superintendent's evaluation stating that the individual's right to privacy clearly exceeds the public's right to know.

ADJOURNMENT

The meeting was adjourned at 8:30 p.m (Bailey). The next regular meeting will be held at 6:00 p.m. on Monday, January 8, 2018, at the Lincoln Board Room.

PHILLIP R. KOTERBA
BOARD CHAIR

REBEKAH RHOADES
BUSINESS MANAGER/CLERK

EXHIBIT 'A'
LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA
Monday December 11, 2017

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
Bowen, KC	Paraprofessional	Lewis & Clark	Approve appointment on schedule--PARA CERT Step 6 for up to 4 hours per day for 117 days	12/6/2017	Danny Wirtzberger	Replacing Ginger Ingersoll
Montgomery, Philip	Bus Driver	Bus Barn	Accept Letter of Resignation	11/27/2017		See attached letter.
Watson, Jade	Mechanic	Bus Barn	Approve appointment on schedule---MECHANIC Step 0 for up to 8 hours per day for 142 days	12/14/2017	Steve Klippenes	Replacing Jade Watson
Tombarge, Amanda	Food Server/Kitchen Aide	Highland Park and Central Kitchen	Approve appointment on schedule---FOOD SERVER/KITCHEN AIDE Step 0, for up to 3.50 hours as food server and up to 3.00 hours as p.m. kitchen aide for up to 123 days.	11/27/2017	Amie Friesen	Replacing Rachel Martin
Daniels, Jim	FH Girl's BB Assistant Coach	Fergus High School	Approve appointment on schedule (.090 x \$33,231.00) \$2,990.79	12/11/2017	Jeff Elliott	
Olson, Tara	Volunteer Girl's BB Coach	Fergus High School	Volunteer Position; no contract	12/11/2017	Jim Daniels	See memo.
Graham, Jimmy, Trafton, Kyle	Volunteer Boy's BB Coach	Fergus High School	Volunteer Position; no contract	12/11/2017	Jim Daniels	See memo.
Wallace, Robert Ritchey, Mitch	Volunteer Wrestling Coach	Fergus High School	Volunteer Position; no contract	12/11/2017	Jim Daniels	See memo.

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

17

☒ **Minutes/Claims** ☐ **Board of Trustees** ☐ **Superintendent's Report** ☐ **Action - Consent**
☐ **Action - Indiv.**

ITEM TITLE: CLAIMS

Requested By: Board of Trustees **Prepared By:** LuAnn Schrauth

SUMMARY:

Approve claims paid through January 5, 2018, as approved by the Finance Committee.

Members of the Finance Committee for January-March 2018 include: Board Chair Phil Koterba, CJ Bailey, Jennifer Thompson, and Jeff Southworth.

SUGGESTED ACTION: Approve Claims as Presented

☐ **Additional Information Attached** **Estimated cost/fund source** _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Thompson						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

18

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☒ Action - Indiv.

ITEM TITLE: Approve Board Policy #1006FE – Transfers for School Safety

Requested By: Board of Trustees **Prepared By:** Thom Peck

SUMMARY:

The Board of Trustees needs to approve Board Policy #1006FE – Transfers for School Safety

SUGGESTED ACTION: Approve Adoption of Board Policy #1006FE – Transfers for School Safety

☒ **Additional Information Attached** **Estimated cost/fund source** _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

Lewistown School District

Flexibility and Efficiency

1006FE

Transfers for School Safety

It is the policy of the District to increase flexibility and efficiency of the District's resources by utilizing the provision of law allowing transfers of funds to improve school safety and security. The District may transfer state or local revenue from any budgeted or non-budgeted fund, other than the debt service fund or retirement fund, to its building reserve fund in an amount not to exceed the school district's estimated costs of improvements to school safety and security.

The transfer of funds can be for:

1. Planning for improvements to school safety, including but not limited to the cost of services provided by architects, engineers and other consultants;
2. Installing or updating locking mechanisms and ingress and egress systems at public school access points, including but not limited to systems for exterior egress doors and interior passageways and rooms, using contemporary technologies;
3. Installing or updating bullet-resistant windows and barriers; and
4. Installing or updating emergency response systems using contemporary technologies.

Any transfers made under this policy and Montana Law are not considered expenditures to be applied against budget authority. Any revenue transfers that are not encumbered for **expenditures in compliance with four reasons stated above, within 2 full school fiscal years after the funds are transferred.**

If transfers of funds are made from a District fund supported by a non-voted levy, the District may not increase its non-voted levy for the purpose of restoring the transferred funds.

Legal Reference: 20-9-503, MCA Budgeting, tax levy, and use of building reserve fund
 20-9-236, MCA Transfer of funds – improvements to school
 safety and security

Adopted on:

Reviewed on:

Revised on:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

19

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☒ Action - Indiv.

ITEM TITLE: Approve Board Policy #1009FE – Flexible Instructor Licensing

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

The Board of Trustees needs to approve Board Policy #1009FE – Flexible Instructor Licensing

SUGGESTED ACTION: Approve Adoption of Board Policy #1009FE – Flexible Instructor Licensing

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

Lewistown School District

Flexibility and Efficiency

1009FE

Flexibility Instructor Licensing

It is the policy of the District to increase the flexibility and efficiency of the District's resources by utilizing the provision of the law allowing flexibility in licensure of instructors and as a means of addressing recruitment and retention of staff. Flexibilities in the following areas are available for the District's enhancement of its programs and services to enhance student achievement.

- Internships
 - Available to anyone with a current license and endorsement in one subject who wants to move to a new licensed role/endorsed area.
 - Requirements must be satisfied within 3 years
 - Must include a plan between the intern, the school district and an accredited preparation program
- Provisionally Certified
 - May be issued to an otherwise qualified applicant who can provide satisfactory evidence of:
 - The intent to qualify in the future for a Class 1 or Class 2 certificate and
 - Who has completed a 4-year college program or its equivalent, and
 - Holds a bachelor's degree from a unit of the Montana University System or its equivalent.
- Substitutes
 - Must have a GED or high school diploma
 - Will have completed at least 1 hour of training by the district each year
 - Will have submitted a fingerprint background check
(All requirements can be waived by the district if the substitute has prior substitute teaching experience in another public school from November 2002 to earlier)
 - May not substitute more than 35 consecutive days for the same teacher, however the same substitute can be used for successive absences of different staff as long as each regular teacher for whom the substitute is covering is back by 35 consecutive teaching days
- Retired Educators
 - School District must certify to OPI and TRS that the district has been unable to fill the position due to no qualified applications or not acceptance of offer by a non-retired teacher
 - No limit on the district
 - Retired teacher must have 30 years of experience in TRS
 - There is a 3 year lifetime limit on the retired individual going to work under this provision.
- **Class 3 Administrative License**
 - **Valid for a period of 5 years**
 - **Appropriate administrative areas include: elementary principal, secondary principal, k-12 principal, K-12 superintendent, and supervisor.**
 - **Must be eligible for an appropriately endorsed Class 1,2, or 5 license to teach in the school(s) in which the applicant would be an administrator or**

would supervise, and qualify as set forth in ARM 10.57.414 through 10.57.418

- **An applicant for a Class 3 administrative license who completed an educator preparation program which does not meet the definition in ARM 10.57.102(2), who is currently licensed in another state at the same level of licensure, may be considered for licensure with verification of five years of successful administrative experience as defined in ARM 10.57.102 as documented by a recommendation from a state accredited P-12 school employer on a form prescribed by the Superintendent of Public Instruction and approved by the Board of Public Education. The requirements of ARM 10.57.414(1)(c)(i-iii) must be met by an applicant seeking a superintendent endorsement.**
- Class 4 for CTE
 - Valid for a period of 5 years
 - Renewable pursuant to the requirements of 10.57.215, ARM and the requirements specific to each type of Class 4 license.
 - 4A – for licensed teachers without a CTE endorsement
 - 4B – for individuals with at least a bachelor's degree
 - 4C – for individuals with a minimum of a high school diploma or GED
- Class 5 alternatives
 - Good for a maximum of 3 years
 - Requirements dependent upon the alternative the district is seeking
- Emergency authorization of employment
 - Individual must have previously held a valid teacher or specialist certificate or have met requirements of rule 10.57.107, ARM
 - Emergency authorization is valid for one year, but can be renewed from year to year provided conditions of scarcity to continue to persist

Legal References:	10.55.716, ARM	Substitute Teachers
	10.55.607, ARM	Internships
	10.27.102, ARM	Definitions
	10.57.107, ARM	Emergency Authorization of Employment
	10.57.215, ARM	Renewal Requirements
	10.57.414, ARM	Class 3 Administrative License – Superintendent Endorsement
	10.57.420, ARM	Class 4 Career and Technical Education License
	10.57.424, ARM	Class 5 Provisional License
	19-20-732, MCA	Reemployment of certain retired teachers, specialists and administrators – procedure – definitions

Adopted on:
Reviewed on:
Revised on:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

20

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☒ Action - Indiv.

ITEM TITLE: Approve Board Policy #1014FE-F1 – Intent to Increase Non-Voted Levy

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

The Board of Trustees needs to approve Board Policy #1014FE-F1 – Intent to Increase Non-Voted Levy

SUGGESTED ACTION: Approve Adoption of Board Policy #1014FE-F1 – Intent to Increase Non-voted Levy

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

Lewistown School District

FLEXIBILITY AND EFFICIENCY

1014FE—F1

Intent to Increase Non-Voted Levy

The Lewistown Public School District is committed to financial transparency. Non-voted levies are an essential part of the budgeting process and this authority has been in place for many years. Senate Bill 307 (SB307), which was passed into law during the 2017 Legislative Session, requires the District to provide notice of its intent to increase non-voted levies in the ensuing fiscal year. The Lewistown Public Schools Board of Trustees estimates the following increases/decreases in revenues and mills for the funds noted below for the next school fiscal year beginning July 1, _____:

LEWISTOWN ELEMENTARY SCHOOL DISTRICT				
Fund Supported	Estimated Change in Revenues*	Estimated Change in Mills*	Estimated Impact, Home of \$100,000*	Estimated Impact, Home of \$200,000*
Bus Depreciation	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Transportation	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Tuition	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Building Reserve	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Total	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
FERGUS HIGH SCHOOL DISTRICT				
Fund Supported	Estimated Change in Revenues*	Estimated Change in Mills*	Estimated Impact, Home of \$100,000*	Estimated Impact, Home of \$200,000*
Adult Education	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Bus Depreciation	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Transportation	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Tuition	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Building Reserve	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease
Total	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease	\$_____ increase/decrease

*Impacts above are based on current certified taxable valuations from the current school fiscal year. If the District's taxable value increases as expected, the mill and taxpayer cost increases will be less than presented here. These estimates are preliminary and changes are expected before the final budgets are set in August.

Along with the public notice requirement for non-voted levies, SB307 allows for an additional levy in the Building Reserve Fund. Each school district may increase mills in their building reserve fund based on \$15,000.00 plus \$100 per ANB up to 10 mills.

Regarding the increase in the building reserve levy referenced above, the following are school facility maintenance projects anticipated to be completed at this time:

1. _____
2. _____
3. _____
4. _____

Legal Reference: SB 307, 2017 Legislative Session

Adopted on:

Reviewed on:

Revised on:

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

21

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☒ Action - Indiv.

ITEM TITLE: APPROVE ADDITIONS TO THE SUBSTITUTE LIST FOR THE 2017-2018 SCHOOL YEAR

Requested By: Board of Trustees Prepared By: Jennifer Peterson

SUMMARY:

The Board of Trustees needs to approve the additions to the substitute list for the 2017-2018 School Year as listed below:

Substitute Teacher/Aide List:

Danielle Gapay
Maida Walters
Nancy Barber
Tyrel Smith
Taylor Brown

SUGGESTED ACTION: Approve Additions to the Substitute List for the 2017-2018 School Year

☐ Additional Information Attached Estimated cost/fund source _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
Lewistown, Montana

BOARD AGENDA ITEM

Meeting Date

01/08/2018

Agenda Item No.

22

☐ Minutes/Claims ☐ Board of Trustees ☐ Superintendent's Report ☐ Action - Consent
☒ Action - Indiv.

ITEM TITLE: APPROVE PERSONNEL REPORT

Requested By: Board of Trustees Prepared By: Thom Peck

SUMMARY:

Attached is the Personnel Report for your review.

SUGGESTED ACTION: Approve All Items

☒ Additional Information Attached Estimated cost/fund source _____

NOTES:

	Motion	Second	Aye	Nay	Abstain	Other
<i>Board Action</i>						
Bailey						
Birdwell						
Koterba						
Southworth						
Thompson						
Vantassel						
Weeden						

LEWISTOWN PUBLIC SCHOOLS
LEWISTOWN, MONTANA

Monday January 8, 2018

<i>EMPLOYEE NAME</i>	<i>POSITION</i>	<i>LOCATION</i>	<i>RECOMMENDED ACTION</i>	<i>EFFECTIVE DATE</i>	<i>RECOMMENDED BY</i>	<i>COMMENTS</i>
Cripps, Kenton	Construction Academy Facilitator	Fergus High School	Approve appointment on schedule--CONSTR ACADEMY FACILITATOR \$25.00 per hour for up to 7 hours per day for 100 days for the 2017-2018 school year	1/17/2018	Jeff Elliot	Replacing Ron Peevey

School District #1 Mission Statement:

Excellence Today, Success Tomorrow

Core Values of the Lewistown Public Schools:

1. **High Standards:** Lewistown Public Schools upholds high standards and expectations for the Board, staff and students of the District. We strive to provide challenging curriculum taught by innovative leaders in the field of education, utilizing research-based curriculum and implementing best practices.
2. **Student-Centered:** The motivation for everything we do is based upon what is right and best for the children of our community. We ensure the development, well-being and education of students through a variety of academic and extracurricular activities. We assist students in overcoming challenges and help them celebrate their successes, all as part of a plan to maximize the potential of each student.
3. **Effective and Efficient Practices:** Lewistown Public Schools is committed to effective and efficient stewardship of our resources.
4. **Accountability:** Lewistown Public Schools is accountable for all that we do from fiscal management to the performance of students, staff, administration and the Board.
5. **Community Support:** Lewistown Public Schools understands that community support is vital, earned and continually renewed through consistent dedication to quality service. We believe the key to success is found through mutual engagement of the community and the schools, effective interaction between parents, students, staff, administrators, trustees and all elements of the Lewistown Community. We value the trust the community has invested in our public schools and we strive to earn and maintain that trust.
6. **Communication:** Lewistown Public Schools values effective and open communication with parents, students, staff, trustees and the community.

**LEWISTOWN PUBLIC SCHOOLS
2017-2018 SCHOOL CALENDAR**

A. Pupil Instruction

First Semester					89 Days	Second Semester					90 Days
FIRST QUARTER					DAYS	THIRD QUARTER					DAYS
First Week	Aug	24 -- Aug	25	2		First Week	Jan	22 -- Jan	26	5	
Second Week	Aug	28 -- Sept	1	5		Second Week	Jan	29 -- Feb	2	5	
Third Week	Sept	5 -- Sept	8	4		Third Week	Feb	5 -- Feb	9	5	
Fourth Week	Sept	11 -- Sept	15	5		Fourth Week	Feb	12 -- Feb	16	5	
Fifth Week	Sept	18 -- Sept	22	5		Fifth Week	Feb	19 -- Feb	22	4	
Sixth Week	Sept	25 -- Sept	29	5		Sixth Week	Feb	26 -- Mar	2	5	
Seventh Week	Oct	2 -- Oct	6	5		Seventh Week	Mar	5 -- Mar	9	5	
Eighth Week	Oct	9 -- Oct	13	5		Eighth Week	Mar	12 -- Mar	16	5	
Ninth Week	Oct	16 -- Oct	18	3		Ninth Week	Mar	19 -- Mar	23	5	
Tenth Week	Oct	23 -- Oct	27	5							44
					44						
SECOND QUARTER					DAYS	FOURTH QUARTER					DAYS
First Week	Oct	30 -- Nov	1	3		First Week	Mar	26 -- Mar	29	4	
Second Week	Nov	6 -- Nov	10	5		Second Week	Apr	3 -- Apr	6	4	
Third Week	Nov	13 -- Nov	17	5		Third Week	Apr	9 -- Apr	13	5	
Fourth Week	Nov	20 -- Nov	21	2		Fourth Week	Apr	16 -- Apr	20	5	
Fifth Week	Nov	27 -- Dec	1	5		Fifth Week	Apr	23 -- Apr	27	5	
Sixth Week	Dec	4 -- Dec	8	5		Sixth Week	Apr	30 -- May	4	5	
Seventh Week	Dec	11 -- Dec	15	5		Seventh Week	May	7 -- May	11	5	
Eighth Week	Dec	18 -- Dec	20	3		Eighth Week	May	14 -- May	18	5	
Ninth Week	Jan	3 -- Jan	5	3		Ninth Week	May	21 -- May	25	5	
Tenth Week	Jan	8 -- Jan	12	5		Tenth Week	May	29 -- May	31	3	
Eleventh Week	Jan	16 -- Jan	19	4							46
					45						

Totals

B. Pupil Instruction Related Days (PIR) - (Teachers ONLY - No School for Students)

August 22-23	PIR	2.00
October 19-20	Staff Development Days - Teachers Convention	2.00
November 1-2	Parent Teacher Conferences (Evening on Nov 1, All Day on Nov 2)	1.50
January 15	PIR	1.00
March 27	Parent Teacher Conferences - Evening <u>ONLY</u> (Regular Day for Students)	0.50
Floater	PIR	1.00
		8.00

Holidays / Vacations (Dates Inclusive)

September 4	Labor Day
October 19-20	Fall Vacation (Teachers - Convention)
November 2	Parent Teacher Conferences (Vacation Day for Students)
November 3	Vacation Day
November 22-24	Thanksgiving Vacation
December 21-January 2	Winter Break
January 15	PIR (Vacation day for Students)
February 23	Vacation Day
March 30-April 2	Spring Break
May 28	Memorial Day

