

# **CULBERTSON SCHOOL DISTRICT #17 J/R/C**

**RICHLAND/ROOSEVELT COUNTIES**

**CULBERTSON, MONTANA**

## **NOTICE OF REGULAR SCHOOL BOARD MEETING**

**Monday–April 19, 2021, 6:30 PM**

PREVIEW BILLS.....6:15 PM

CALL TO ORDER.....6:30 PM

### **ROLL CALL**

- 01. Action, establish quorum

### **RECOGNITION OF VISITORS**

- 02.

### **APPROVE AGENDA**

- 03. Action, approve agenda

### **PUBLIC COMMENT FOR AGENDA ITEMS**

- 04.

### **MINUTES OF PREVIOUS MEETINGS**

- 05. Action, approve minutes from the following meeting(s)
  - a. March 23, 2021 (Athletic Committee Meeting)
  - b. March 23, 2021 (Negotiation Committee Meeting)
  - c. March 23, 2021 (Regular Board Meeting)

### **FINANCE REPORT**

- 06. Action, pay bills, approve investments, and note cash & extra-curricular balances

### **REPORTS**

- 07. Information, Student Representative Report
- 08. Information, Teacher Report
- 09. Information, Activities Director Report
- 10. Information, Technology Systems Administrator Report
- 11. Information, Principal Report
- 12. Information, District Clerk Report
- 13. Information, Superintendent Report

\* Items listed on the agenda do not necessarily indicate the order in which they will be addressed.

#### **Mission**

Culbertson Public Schools are committed to providing opportunities for students in a safe and productive environment, to achieve their personal best, become responsible and productive citizens, and embrace lifelong learning in an ever changing world.

**UNFINISHED BUSINESS**

- 14. Action, Health and Safety Plan
- 15. Action, School Board Goals

**NEW BUSINESS**

- 16. Action BPA Request
- 17. Action, 2020-2021 Classified Staff Contract(s)
  - a. Custodial Director
  - b. Custodian
- 18. Action, 2021 Summer Employment Contract(s)
- 19. Action, 2021 Summer Computer Cleaning Contract(s)
- 20. Action, 2021-2022 Extra-Curricular Contract(s)
  - a. High School Boys' Basketball Head Coach
  - b. High School Girls' Basketball Head Coach
- 21. Action, 2021-2022 Teacher Assignments
- 22. Action, 2021-2022 Staffing & Classroom Plan
- 23. Action, 2019-2020 Audit Report
- 24. Action, 2021-2022 PIR Plan
- 25. Action, 2021-2022 Technology Budget
- 26. Action, Guest Teacher Application(s)
- 27. Action, District Clerk Evaluation

**PUBLIC COMMENT FOR NON-AGENDA ITEMS**

- 28.

**REPORTS (Continued)**

- 29. Information, Trustees Reports/Requests.

**DATE/TIME FOR NEXT MEETING**

- 30. Date: Tuesday, May 18<sup>th</sup> Time: 6:30 p.m.
  - Potential Conflicts: none
  - Suggested Changes: none

**ADJOURNMENT**

- 31. Time of adjournment: \_\_\_\_\_

\* Items listed on the agenda do not necessarily indicate the order in which they will be addressed.

**Mission**

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# Public Comment

(Agenda Items)

The Culbertson School Board of Trustees would like to encourage public comment on any agenda item during the time that it is presented. If any visitor has any particular agenda item or items on which to comment, we would ask that you please indicate your intentions by raising your hand at that time so that the chair may properly recognize you.

Thank you.

SCHOOL BOARD MINUTES  
COMMITTEE MEETING  
March 23, 2021  
Tuesday – 5:30 p.m.

The Athletic Committee met for the review of winter activities on March 23, 2021 at 5:30 p.m. Trustees present were: Paul Finnicum, Luke Anderson, Eric Bergum, and Mark Colvin. Representatives were: Larry Crowder, Dave Solem and Lora Finnicum.

Visitors were present. Notice for public comment given. Committee discussed winter activities. High School Boys Basketball Coach David Helmer retired position and was thanked for 22 years of coaching at all levels. Committee would recommend advertising position.

High School Girls Basketball season was interesting with a short season due to COVID, but managed to maintain through the season. Program would need new basketballs. Concerns and comments were discussed. Committee would recommend advertising position.

The Speech & Drama program also suffered due to COVID. Virtual meets and COVID restrictions caused participation and meets to be cut in half. Students performed well and ended the season with 3<sup>rd</sup> place state speech and 4<sup>th</sup> place state drama. Jeri Gustafson received Class C Drama Coach of the Year. Students should be recognized for their achievements. Committee would recommend renewal of coach.

Cheerleading program experienced a good year. COVID caused some difficulties as well and the program was able to adapt. No program needs. Committee would recommend renewal of coach.

Meeting adjourned at 5:54 p.m.

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Chairman of the Board



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Clerk

SCHOOL BOARD MINUTES  
COMMITTEE MEETING  
March 23, 2021  
Tuesday – 6:00 p.m.

The Negotiations Committee met for contract negotiations on March 23, 2021 at 6:06 p.m. Trustees present were: Paul Finnicum and Luke Anderson. Representatives were: Mike Olson and Lora Finnicum.

No visitors were present. Notice for public comment given. Committee discussed principal contract and the technology coordinator contract. Increases to the salary and principal stipend are tied to the teacher pay scale. Mr. Olson requested no other changes. Tech contract amount has not changed for several years. Suggestion was made to address automatic increases for next year in coordination with teacher negotiations. No change to contract. Meeting adjourned at 6:29 p.m.

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Chairman of the Board

  
Clerk

SCHOOL BOARD MINUTES  
REGULAR MEETING  
March 23, 2021  
Tuesday – 6:30 p.m.

The Board met in regular session on Tuesday, March 23, 2021, at 6:30 p.m. Trustees present were: Paul Finnicum, Luke Anderson, Eric Bergum, Mark Colvin, and Cheryl Kirkaldie. Representatives were: Larry Crowder, Mike Olson, Dave Solem, and Lora Finnicum. Visitors were recognized.

Mark Colvin made motion to approve the agenda. Luke Anderson seconded the motion. Motion carries unanimously. Notice of public comment was given.

Luke Anderson made motion to approve the minutes of February 22, 2021 (regular board) meeting. Eric Bergum seconded the motion. Motion carries unanimously.

Luke Anderson made motion to pay the March bills, approve investments, note cash and extra-curricular balances. Cheryl Kirkaldie seconded the motion. Motion carries unanimously.

Payroll Warrants	504 to 547
Claims Warrants	527 to 579

Reports were presented. Student testing has begun. Missoula Children's Theatre is scheduled this week. JMG program participated in Prospects program with numerous student scholarships and awards and will plan to participate next year. Audit field work is scheduled for this week to finalize the June 2020 audit for April.

School has had no COVID or isolation cases in March. No recommendations at this time for health and safety plan changes.

Eric Bergum made motion to accept the resignation from Maria Nunez effective March 18, 2021. Mark Colvin seconded the motion. Motion carries unanimously.

Mark Colvin made motion to hire Richard Weber as evening custodian, pending background check. Luke Anderson seconded the motion. Motion carries unanimously.

Eric Bergum made motion to renew tenure teaching contracts for Janelle Ator, Amy Berwick, Karen Brock, Amanda Bushlen, Courtney Forbregd (10 days), Jeri Gustafson, Angela Iverson, Theresa McDonald, Darla Mogga, Wendy Nickoloff, Brad Nielsen, Christina Olson, Paula Schledewitz, Rhonda Seitz, David Solem, and Jennessy Taberna for the 2021-2022 school year. Cheryl Kirkaldie seconded motion. Motion carries unanimously. Mark Colvin made motion to offer tenure teaching contracts to Brenda Harvey, Tiffany Nielsen, and Phyllis Owan for the 2021-2022 school year. Luke Anderson seconded motion. Motion carries unanimously. Eric Bergum made motion to renew non-tenure teaching contracts for Leanne Knapp, Mark Pederson, Russell Pfeifer, Shelly Salvevold, Lee Vandall, Pam Welch, Rhetta Wilson, and Joy Young for the 2021-2022 school year. Cheryl Kirkaldie seconded motion. Motion carries unanimously. Luke Anderson made motion for the non-renewal of non-tenure teaching contract, without cause,

SCHOOL BOARD MINUTES  
REGULAR MEETING  
March 23, 2021  
Tuesday – 6:30 p.m.

— for Ana Gonzalez for the 2021-2022 school year. Eric Bergum seconded motion. Motion carries unanimously.

Negotiation Committee met with Mike Olson. Luke Anderson made motion to renew principal contract with Mike Olson for 2021-2022 as presented. Cheryl Kirkaldie seconded motion. Salary and stipend follow the percentage increases according to the teacher scale. Motion carries unanimously.

Luke Anderson made motion to renew technology coordinator contract with Mike Olson for 2021-2022 with no change. Eric Bergum seconded motion. Increases will be considered next year pending teacher negotiations. Motion carries unanimously.

Athletic Committee met to review winter programs. David Helmer is retiring from the HS Boys Basketball Coach position. Eric Bergum made motion to advertise position. Cheryl Kirkaldie seconded motion. Motion carries unanimously. Eric Bergum made motion to advertise the HS Girls Basketball position. Mark Colvin seconded motion. Motion carries unanimously. Eric Bergum made motion to renew Tiffany Nielsen as Cheerleading Coach for 2021-2022. Cheryl Kirkaldie seconded motion. Motion carries unanimously. Eric Bergum made motion to renew Jeri Gustafson as Head Speech & Drama Coach for 2021-2022. Mark Colvin seconded motion. Motion carries unanimously.

— Luke Anderson made motion to approve an elementary general fund voted levy in the amount of \$27,000 for operations and maintenance for 2021-2022 school year. Mark Colvin seconded motion. Motion carries unanimously. Luke Anderson made motion to approve the resolution of \$0 increase to permissive levies for elementary Adult Education or Transportation for 2021-2022 school year. Eric Bergum seconded the motion. Motion carries unanimously. Luke Anderson made motion to approve no voted levy for the high school general fund for 2021-2022 school year. Mark Colvin seconded motion. Motion carries unanimously. Mark Colvin made motion to approve the resolution of \$0 increase to permissive levies for high school Adult Education and \$25,080 increase for Transportation for 2021-2022 school year. Eric Bergum seconded motion. Motion carries unanimously.

Eric Bergum made motion to renew the interlocal agreement with Roose-Valley Special Education Cooperative for 2021-2022. Mark Colvin seconded motion. Motion carries unanimously.

Trustees discussed public parking in the front entrance turn-around. The congestion on the north side of the turn-around is unsafe during drop-off and pick-up. Eric Bergum made motion to open the north side, parallel parking spots to public for loading and unloading children and eliminate parking in the red zone. Signage will be updated. Mark Colvin seconded motion. Motion carries unanimously.

— Board reviewed the Student Council proposal to clean the gym bleachers for \$1,000. Questions were raised regarding purchasing supplies. Board countered with providing district cleaning

SCHOOL BOARD MINUTES  
REGULAR MEETING  
March 23, 2021  
Tuesday – 6:30 p.m.


products and a reduced price. Students Council would reconvene to consider and bring an updated proposal in April. Detailed cleaning plans were requested.

School board goals were reviewed. Trustees were asked to prioritize and present their top five 2021-2022 goals for consideration in April.

Notice for public comment for non-agenda items was given. The next regular board meeting is scheduled for Monday, April 19, 2021 at 6:30 p.m. Cheryl Kirkaldie made motion to adjourn. Mark Colvin seconded motion. Motion carries unanimously. The meeting adjourned at 7:06 p.m.

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Chairman of the Board

  
Clerk



**CULBERTSON SCHOOL DISTRICT CASH FLOW REPORT**  
for the month of MARCH 31, 2021

FUND	BEGINNING BALANCE	RECEIPTS	INVESTMENTS IN	INVESTMENTS OUT	DISBURSEMENTS	ENDING BALANCE	TREASURER BALANCE	VARIANCE
GENERAL	(130,362.15)	77,144.90	-		159,973.77	(213,191.02)	(213,191.02)	-
TRANSF	88,033.63	2,606.42	-		19,373.59	71,266.46	71,266.46	-
RETIRED	19,945.73	417.43	90,014.00		23,264.96	87,112.20	87,112.20	-
MISC	(9,633.91)	31,136.00	-	-	6,523.50	14,978.59	14,978.59	-
Misc	4,850.00		-			4,850.00		
Title	(20,462.13)	21,831.00			1,320.14	48.73		
CARES	-					-		
Ind Ed	(2,756.11)	5,540.00			2,781.01	2.88		
JMG	1,013.20				169.42	843.78		
SRS	(1,894.77)	3,765.00			1,865.52	4.71		
JOM	9,615.90				387.41	9,228.49		
AD ED	(259.40)	66.04	9,067.00		316.75	8,556.89	8,556.89	-
COMPA	(21.18)		-			(21.18)	(21.18)	(0.00)
IMPACT	(26,146.49)		26,153.00			6.51	6.51	(0.00)
TECH	(1,106.99)		738.00		(371.00)	2.01	2.01	(0.00)
FLEX	-		-			-	-	-
PR	20,570.96	291,148.91	-		300,877.30	10,842.57	10,842.57	(0.00)
CL	39,672.68	108,269.80	-		126,114.67	21,827.81	21,827.81	-
ELEM	692.88	510,789.50	125,972.00	-	636,073.54	1,380.84	1,380.84	(0.00)
GENERAL	(137,963.86)	48,421.28	-		95,876.37	(185,418.95)	(185,418.95)	-
TRANSF	(9,213.17)	1,131.73	53,547.00		14,073.99	31,391.57	31,391.57	-
LUNCH	(12,221.24)	19,050.55	12,674.00		17,817.53	1,685.78	1,685.78	0.00
RETIRED	(6,565.81)	261.26	131,983.00		13,436.14	112,242.31	112,242.31	-
MISC	8,225.53	4,000.00	-	-	3,207.49	9,018.04	9,018.04	-
Misc	2,404.84		-			2,404.84		
CARES	-					-		
AG	0.00	2,000.00				2,000.00		
BUS	854.06					854.06		
JMG	5,064.63				267.93	4,796.70		
Perkins	(98.00)	2,000.00			2,939.56	(1,037.56)		
AD ED	(260.52)	65.56	8,999.00		316.75	8,487.29	8,487.29	-
DR ED	1.78	0.50	2,564.00			2,566.28	2,566.28	-
COMPA	(13.77)		-			(13.77)	(13.77)	0.00
IMPAC	(48.92)		49.00			0.08	0.08	0.00
TECH	(755.26)		552.00		(204.00)	0.74	0.74	0.00
FLEX	0.84		2.00			2.84	2.84	-
ENDOW	114,494.52	20.56	95,225.00	109,742.00		99,998.08	99,998.08	-
HS	(44,319.88)	72,951.44	305,595.00	109,742.00	144,524.27	79,960.29	79,960.29	0.00
TOTAL	(43,627.00)	583,740.94	431,567.00	109,742.00	780,597.81	81,341.13	81,341.13	(0.00)

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**CULBERTSON SCHOOL DISTRICT**  
**Cash Equivalent Accounts Summary**  
February 28, 2021

	Beginning Balance	Receipts <i>reconciled</i> <i>bank credits</i>	Expenses <i>reconciled</i> <i>bank debits</i>	Ending Balance
<b>General Funds 101 &amp; 201 - Asset 102:</b>				
First Community Bank Hot Lunch Revolving Account No. 335266	\$ 6,917.08	\$ 328.48	\$ 422.06	\$ 6,823.50
First Community Bank Savings Account No. 5000521	\$ 0.89	\$ -	\$ -	\$ 0.89
First Community Bank Pcard Account No. 4205644	\$ 11,719.89	\$ 11,326.51	\$ 21,825.19	\$ 1,221.21
Synovus AFLAC Cafeteria Plan Account No. 000-329-492-7	\$ 11,488.38	\$ 1,133.34	\$ 662.60	\$ 11,959.12
<b>Cash Equivalent Total</b>	<b>\$ 30,126.24</b>	<b>\$ 12,788.33</b>	<b>\$ 22,909.85</b>	<b>\$ 20,004.72</b>
	Fund 101 Balance: \$	10,002.36	Fund 201 Balance: \$	10,002.36
	102 Debit (Credit) \$	(5,060.76)	970 Credit (Debit) \$	(5,060.76)

**General Funds 101 & 201 - Asset 103:**

First Community Bank Petty Cash Account No. 332364	\$ 300.00	\$ -	\$ -	\$ 300.00
<b>Cash Equivalent Total</b>	<b>\$ 300.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300.00</b>
	Fund 101 Balance: \$	150.00	Fund 201 Balance: \$	150.00
	103 Debit (Credit) \$	-	970 Credit (Debit) \$	-

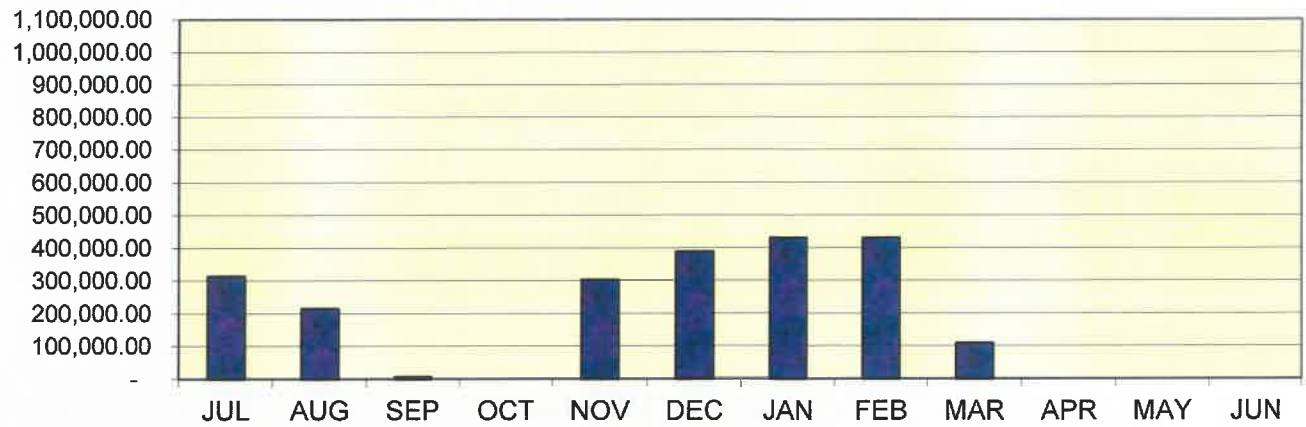
**Activities Fund 284 - Asset 102:**

First Community Bank Activities Account No. 332356	\$ 90,935.48	\$ 6,598.17	\$ 7,417.02	\$ 90,116.63
<b>Cash Equivalent Total</b>	<b>\$ 90,935.48</b>	<b>\$ 6,598.17</b>	<b>\$ 7,417.02</b>	<b>\$ 90,116.63</b>
	102 Debit (Credit) \$	(818.85)	970 Credit (Debit)	

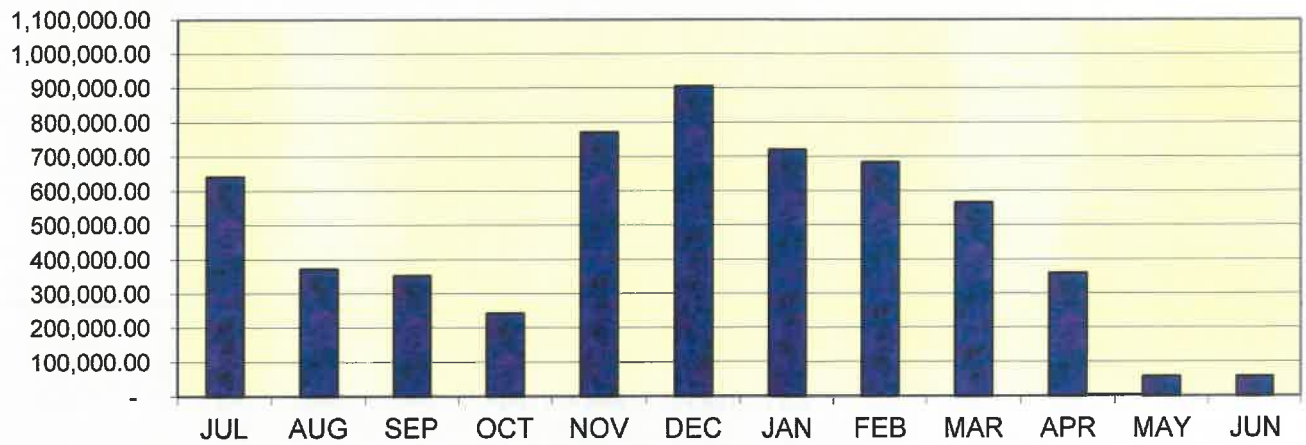
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
201	101 General	-	-	-	-	-	-	-	-	-	-	-	-
	110 Transport	42,791.00	47,590.00	-	-	15,467.00	10,587.00	-	-	-	-	-	-
	114 Retirement	10,633.00	-	-	-	27,466.00	72,524.00	90,014.00	90,014.00	-	-	-	-
	115 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
202	117 Adult Ed	4,713.00	-	-	-	7,464.00	8,582.00	9,067.00	9,067.00	-	-	-	-
	121 Comp Abs	5,264.00	-	-	-	-	-	-	-	-	-	-	-
	126 Impact Aid	18.00	-	-	-	12,545.00	-	26,153.00	26,153.00	-	-	-	-
203	128 Technology	1.00	-	-	-	1,061.00	789.00	738.00	738.00	-	-	-	-
	129 Flex	-	-	-	-	-	-	-	-	-	-	-	-
	201 General	-	-	-	-	-	-	-	-	-	-	-	-
	210 Transport	33,623.00	20,177.00	-	-	52,274.00	60,834.00	53,547.00	53,547.00	-	-	-	-
	212 Hot Lunch	1,888.00	-	-	-	-	9,888.00	12,674.00	12,674.00	-	-	-	-
204	214 Retirement	20,844.00	-	-	-	92,921.00	112,016.00	131,983.00	131,983.00	-	-	-	-
	215 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
	217 Adult Ed	4,663.00	4,045.00	-	-	7,251.00	8,494.00	8,999.00	8,999.00	-	-	-	-
205	218 Drivers Ed	313.00	2,563.00	-	-	2,564.00	2,564.00	2,564.00	2,564.00	-	-	-	-
	221 Comp Abs	3,341.00	-	-	-	-	-	-	-	-	-	-	-
206	226 Impact Aid	11.00	845.00	-	-	-	-	49.00	49.00	-	-	-	-
	228 Technology	-	2.00	-	-	565.00	565.00	552.00	552.00	-	-	-	-
207	229 Flex	2.00	-	-	-	2.00	2.00	2.00	2.00	-	-	-	-
	281 Endow	186,114.00	140,553.00	6,980.00	-	83,828.00	102,394.00	95,225.00	95,225.00	109,742.00	-	-	-
	TOTAL	314,219.00	215,775.00	6,980.00	-	303,408.00	389,239.00	431,567.00	431,567.00	109,742.00	-	-	-
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
208	101 General	-	-	-	-	88,659.00	130,578.00	2,016.00	28,859.00	-	-	-	-
	110 Transport	7,813.00	-	-	-	-	9,129.00	90,599.00	76,640.00	-	-	-	-
	114 Retirement	-	-	-	-	-	-	11,691.00	-	-	-	-	-
209	115 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
	117 Adult Ed	8,897.00	-	-	-	-	9,512.00	9,384.00	8,866.00	-	-	-	-
210	121 Comp Abs	11,920.00	-	-	-	-	-	13,908.00	13,716.00	-	-	-	-
	126 Impact Aid	1,949.00	-	-	-	-	-	-	-	-	-	-	-
211	128 Technology	-	-	-	-	-	1.00	1.00	1.00	-	-	-	-
	129 Flex	-	-	-	-	-	-	-	-	-	-	-	-
	182 Interlocal	315,911.00	242,258.00	203,086.00	193,709.00	294,350.00	240,582.00	206,030.00	220,521.00	239,069.00	161,265.00	-	-
212	201 General	-	-	-	-	-	11,703.00	-	-	-	-	-	-
	210 Transport	29,704.00	-	-	-	63,156.00	133,670.00	59,499.00	51,026.00	38,981.00	-	-	-
213	212 Hot Lunch	4,752.00	-	-	-	-	13,051.00	10,976.00	11,378.00	10,001.00	-	-	-
	214 Retirement	83,857.00	-	-	-	105,068.00	143,022.00	107,018.00	143,079.00	131,068.00	-	-	-
214	215 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
	217 Adult Ed	10,053.00	-	-	-	10,492.00	10,116.00	9,806.00	9,226.00	7,467.00	-	-	-
215	218 Drivers Ed	1,513.00	-	-	-	2,489.00	2,489.00	2,490.00	2,298.00	2,059.00	789.00	-	-
	221 Comp Abs	11,969.00	5,305.00	-	-	11,974.00	11,974.00	11,976.00	11,980.00	11,791.00	11,578.00	-	-
216	226 Impact Aid	40.00	-	-	-	-	-	-	-	26,060.00	4.00	-	-
	228 Technology	-	-	-	-	-	-	-	-	-	-	-	-
217	229 Flex	2.00	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00	-	-
	281 Endow	153,929.00	125,000.00	150,000.00	48,928.00	195,846.00	189,715.00	185,893.00	106,470.00	100,063.00	186,026.00	57,668.00	57,668.00
	TOTAL	642,309.00	372,563.00	353,086.00	242,637.00	772,036.00	905,544.00	721,289.00	684,062.00	566,561.00	359,664.00	57,668.00	57,668.00
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
218	101 General	-	-	-	-	-	93,446.00	72,439.00	174,830.00	47,673.00	-	-	-
	110 Transport	-	-	-	-	-	44,579.00	16,383.00	7,081.00	19,300.00	-	-	19,575.00
219	114 Retirement	-	-	-	-	-	31,328.00	-	-	-	-	-	111,732.00
	115 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
220	117 Adult Ed	-	-	-	-	-	-	5,477.00	5,310.00	5,319.00	-	-	8,568.00
	121 Comp Abs	-	-	-	-	-	-	1.00	1.00	1.00	-	-	1.00
221	126 Impact Aid	-	-	-	-	-	-	47,315.00	10,752.00	10,767.00	-	-	1,949.00
	128 Technology	-	-	-	-	-	-	-	-	-	-	-	-
222	129 Flex	-	-	-	-	-	-	-	-	-	-	-	-
	182 Interlocal	-	470,668.00	207,404.00	207,015.00	254,997.00	268,432.00	219,599.00	239,435.00	265,417.00	216,063.00	222,520.00	196,113.00
223	201 General	-	-	-	-	-	8,755.00	-	7,909.00	-	-	-	-
	210 Transport	-	-	-	-	-	39,194.00	34,574.00	27,811.00	15,605.00	-	-	20,363.00
224	212 Hot Lunch	-	-	-	-	-	7,623.00	3,222.00	-	842.00	-	-	2,960.00
	214 Retirement	-	69,218.00	-	-	32,660.00	44,627.00	-	16,884.00	-	-	-	-
225	215 Misc Fed	-	-	-	-	-	-	-	-	-	-	-	-
	217 Adult Ed	-	-	-	-	6,348.00	6,890.00	5,034.00	7,032.00	7,082.00	-	-	9,923.00
226	218 Drivers Ed	-	-	-	-	2,140.00	2,140.00	2,140.00	2,141.00	2,142.00	-	-	1,853.00
	221 Comp Abs	-	-	-	-	2.00	2.00	2.00	2.00	2.00	-	-	2.00
227	226 Impact Aid	-	-	-	-	9,579.00	21,075.00	21,078.00	56,786.00	6,040.00	-	-	40.00
	228 Technology	-	-	-	-	-	-	-	-	-	-	-	-
228	229 Flex	-	-	-	-	-	2.00	2.00	2.00	2.00	-	-	2.00
	281 Endow	-	138,355.00	-	-	2.00	130,505.00	110,505.00	110,545.00	59,156.00	59,094.00	65,000.00	153,909.00
	TOTAL	-	678,241.00	207,404.00	207,015.00	305,728.00	698,598.00	537,771.00	666,521.00	439,348.00	275,157.00	287,520.00	526,990.00



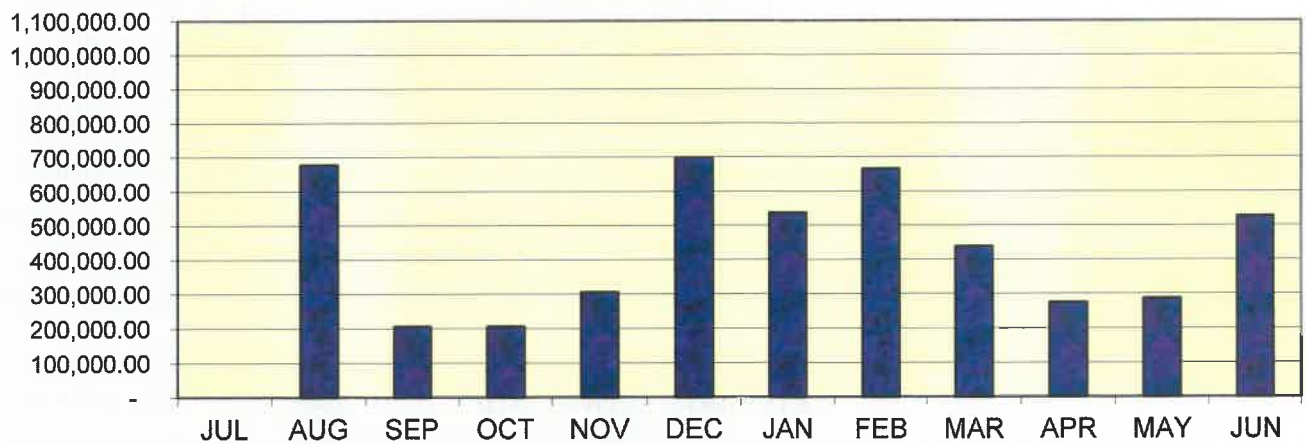
### 2020-21 INVESTMENTS



### 2019-20 INVESTMENTS



### 2018-19 INVESTMENTS



**Culbertson Public School**

**Totals Report for March 2021**  
2020-2021

04/07/2021  
8:10:46 AM

Checking  
Savings  
Investments

Account	Beginning	+ Receipts	- Expenditures	+ Transfers	= Ending
1 - ANNUAL	4,630.38	0.00	1,125.00	0.00	3,505.38
2 - ATHLETICS	3,386.84	477.03	104.06	-25.00	3,734.81
3 - SOPHOMORE CLASS 2023	992.66	0.00	0.00	0.00	992.66
4 - FRESHMAN CLASS 2024	1,506.71	0.00	0.00	0.00	1,506.71
5 - Extra - Open to use in future - was Senior Class 2020	0.00	0.00	0.00	0.00	0.00
6 - SENIOR CLASS 2021	3,323.92	0.00	0.00	0.00	3,323.92
7 - 8TH GRADE	0.00	0.00	0.00	0.00	0.00
8 - CHEERLEADER	664.81	0.00	0.00	0.00	664.81
9 - FFA	12,512.76	0.00	1,110.46	0.00	11,402.30
10 - BAND/CHOIR	6,144.91	0.00	121.00	0.00	6,023.91
11 - STUDENT COUNCIL	5,074.00	375.00	87.07	0.00	5,361.93
12 - SPEECH AND DRAMA	1,407.43	15.00	119.98	0.00	1,302.45
13 - VO-AG REVOLVING	1,895.49	0.00	0.00	0.00	1,895.49
14 - JUNIOR CLASS 2022	6,253.53	4.00	2,557.98	25.00	3,724.55
15 - PLAY	2,328.05	1,513.75	75.00	0.00	3,766.80
16 - JMG	2,885.65	3,322.71	213.11	0.00	5,995.25
17 - BPA	8,005.97	890.68	0.00	0.00	8,896.65
18 - EXPLORE AMERICA	11,898.45	0.00	0.00	0.00	11,898.45
19 - MUSIC PARENTS	2,601.75	0.00	0.00	0.00	2,601.75
20 - ART	1,576.68	0.00	0.00	0.00	1,576.68
21 - LIBRARY	1,464.42	0.00	0.00	0.00	1,464.42
22 - SPANISH CLUB	15.49	0.00	0.00	0.00	15.49
23 - INDIAN CLUB	0.00	0.00	0.00	0.00	0.00
24 - SCIENCE OLYMPIAD	5,016.23	0.00	0.00	0.00	5,016.23
	83,586.13	+ 6,598.17	- 5,513.66	+ 0.00	= 84,670.64



April 2021

Culbertson Board of Trustees,

Fall 2021 schedules are completed and attached. Golf and track are almost at the midpoint of the season. Next task will be to complete the winter activities schedule.

Sincerely,

David Solem

Here is the AD report from last April 2020

Culbertson Board of Trustees,

Not a lot to report as all MHSA spring activities will be suspended through April 24<sup>th</sup>. MHSA has also stated that resumption of spring activities will depend on the ability to return to in-person instruction by May 4<sup>th</sup>. If in-person instruction doesn't resume by that time, spring activities will be cancelled.

Additionally I am searching for a company that will recondition 36 of our football helmets.

# Culbertson School 2021-2022 Cross Country

<u>Date</u>	<u>Meet</u>	<u>Location</u>	<u>Who</u>	<u>Leave Time</u>	<u>Start Time</u>
Aug 28 (Sat)	Wolf Point	Golf Course	Ele/JH/HS	8:00 am	10:00 am
Sept 4 (Sat)	Poplar	Tribal Building	Ele/JH/HS	8:00 am	10:00 am
Sept 11 (Sat)	Sidney	Fairgrounds	Ele/JH/HS	8:00 am	10:00 am
Sept 18 (Sat)	Glasgow	Fort Peck: Kiwannas Camp Ground	Ele/JH/HS	7:00 am	10:00am
Sept 23 (Thurs)	Frazer	South of Frazer	Ele/JH/HS	2:00 pm	4:30 pm
Sept 25 (Sat)	Culbertson	Fairgrounds	Ele/JH/HS		10:00am
Oct 2 (Sat)	Miles City	Golf Course	HS/JH	6:15 am	10:00 am
Oct 9 (Sat)	Scobey	Pioneer Town	Ele/JH/HS		
Oct 16 (Sat)	Plentywood	Golf Course	Ele/JH/HS	8:00 am	10:00 am

**October 23      All Class State XC      Missoula**

Updated April 9, 2021

# Culbertson School

## 2021-2022

### Football

<u>Date</u>	<u>Opponent</u>	<u>Location</u>	<u>Time</u>	
Fri. Aug 27	Fairview	Fairview	7:00 pm 4:30 pm	Varsity JH
Mon. Aug 30	Fairview	Culbertson	4:30 pm	JV
Fri. Sept 3	Poplar	Culbertson	7:00 pm 4:30 pm	Varsity JH
Fri. Sept 10	Forsyth	Culbertson	7:00 pm 4:30 pm	Varsity JH
Mon. Sept 13	Poplar	Poplar	4:30 pm	Junior Varsity
*Fri. Sept 17	Scobey	Culbertson	7:00 pm 4:30 pm	Varsity JH
Mon. Sept 20	Scobey	Scobey	4:30 pm	Junior Varsity
Sat. Sept 25	St. Labre	St. Labre	7:00 pm	Varsity
Mon. Sept 27	Open			
Fri. Oct 1	Plentywood	Culbertson	7:00 pm 4:30 pm	Varsity JH
Mon. Oct 4	Plentywood	Plentywood	4:30 pm	Junior Varsity
Fri. Oct 8	Ekalaka	Ekalaka	7:00 pm 4:30 pm	Varsity JH
Sat. Oct 16	TBD	Inter Division Playoff		
Sat. Oct 23	TBD	Challenge games if necessary		

\*Homecoming

Updated March 19, 2021



# Culbertson School Fall Sports Schedules 2021-2022

## Volleyball

<u>Date</u>	<u>Opponent</u>	<u>Location</u>	<u>Time</u>	<u>Teams</u>
Sat. Aug 28	Culbertson Invite	Culbertson	8:00 am	Varsity
Tues. Aug 31	Lustre	Lustre	5:30 pm	Varsity
Thurs. Sept 2	Scobey	Culbertson	4:30 pm	JH, JV, V
Fri. Sept 10	Nashua	Nashua	5:30 pm	JV, V
Sat. Sept 11	Scobey Invite	Scobey	TBA	Varsity
Thurs. Sept 16	Bainville	Bainville	4:00 pm	JH, JV, V
*Sat. Sept 18	Mondak	Culbertson	4:00 pm	JH, JV, V
Tues. Sept 21	Froid/Lake	Med Lake	4:00 pm	JH, JV, V
Thurs. Sept 23	Savage	Culbertson	4:00 pm	JH, JV, V
Sat. Sept 25	Mondak	Grenora	4:00 pm	JH, JV, V
Tues. Sept 28	Lustre	Culbertson	5:30 pm	Varsity
Sat. Oct 2	Richey/Lambert Invite	Lambert	TBA	Varsity
Thurs. Oct 7	Fairview	Culbertson	4:00 pm	JH, JV, V
Fri. Oct 8	Froid/Lake	Culbertson	5:30 pm	JV, V
Tues. Oct 12	Plentywood	Culbertson	5:30 pm	JV, Varsity
Sat. Oct. 16	North Country	?	1:00 pm	JV, V
Tues. Oct 19	Richey/Lambert	Richey	5:30 pm	JV, V
Fri. Oct 22	Bainville	Culbertson	5:30 pm	JV, V
Oct. 28-30	District 1C Tournament	Scobey		
Nov. 4-6	Eastern C Div. Tournament	Sidney		
Nov. 11-13	State C Tournament	Bozeman		

\*Homecoming

Updated April 8, 2021

Mr. Olson  
Technology Report  
School Board Meeting  
April 19, 2021

I have been working with Northstar on fixes to the Failover Cluster Manager. The link between the servers keeps failing. Northstar has done an excellent job on addressing the issues.

Tech Budget has been finalized and is in the board agenda this month.

I will begin the updating of all computers as there is a large WIN 10 update at all the computers need.

Mr. Olson  
Principal Report  
School Board Meeting  
April 19, 2021

High School Prom was held on April 17 at the Old Armory.

Parent/teacher Conferences was held on April 15<sup>th</sup>

Mrs. Forbregd is continuing to conduct State Standardized testing. She working with teachers and testing students in the computer lab.

We continue to work with Infinite Campus through a series a Zoom meeting to begin the transition to their platform and out of School Master.

As of 4-13-21

Month	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total
Aug	13	22	22	17	22	14	19	29	17	17	26	21	15	254
Sept	16	22	22	18	22	15	20	29	19	18	28	21	15	265
Oct	18	23	23	18	22	15	19	30	19	17	28	21	16	269
Nov	18	22	24	18	22	15	20	30	19	16	28	21	15	268
Dec	19	23	24	19	23	15	21	29	19	16	28	21	16	273
Jan	19	24	24	19	23	14	20	29	19	15	27	22	17	272
Feb	19	23	23	19	25	14	21	29	19	16	27	24	17	276
March	19	23	23	20	25	15	21	29	19	16	27	22	17	276
April	19	23	22	21	25	15	21	28	19	17	27	22	16	275
May														0

Enrolled	9	3	3	5	7	4	6	1	5	3	6	6	3	61
Transferred	0	4	0	5	6	2	5	2	2	4	3	6	1	40
Total In/Out	9	7	3	10	13	6	11	3	7	7	9	12	4	101

Ended the 2019-2020 year with 276

# Culbertson School Board Meeting

## Superintendent's Report

### April 19, 2021

#### A. Events that I plan to attend for April and May.

April 1 <sup>st</sup>	MSGIA Board Meeting – Virtual
April 7 <sup>th</sup>	Culbertson Town Council Meeting – Dry Red Water
April 8 <sup>th</sup>	Culbertson Chamber of Commerce Meeting
April 12 <sup>th</sup>	Culbertson School Board Technology Committee Meeting
	Culbertson Town Council Meeting
April 13 <sup>th</sup>	Culbertson IEC Parent Advisory Committee Meeting
	Culbertson Fire Department Meeting
April 14 <sup>th</sup>	NEMASS Meeting @ Wolf Point
April 15 <sup>th</sup>	Culbertson School Parent/Teacher Conferences
	Culbertson Lions Club Meeting
April 17 <sup>th</sup>	Culbertson High School Prom
April 19 <sup>th</sup>	Culbertson School Board Meeting
April 20 <sup>th</sup>	Culbertson High School Music Concert
April 21 <sup>st</sup>	Culbertson School Safety Committee Meeting
	Culbertson IEC Parent Advisory Committee Meeting
April 27 <sup>th</sup>	Culbertson Lions Club Track Meet
	Culbertson Fire Department Training
April 29 <sup>th</sup>	Culbertson FFA Banquet
May 5 <sup>th</sup>	NEMASS Meeting @ Glasgow
May 10 <sup>th</sup>	Culbertson Town Council Meeting
May 11 <sup>th</sup>	Culbertson Fire Department Meeting
May 18 <sup>th</sup>	District 2C Meeting @ Culbertson
	Culbertson School Board Meeting
May 22 <sup>nd</sup>	Culbertson High School Graduation
May 25 <sup>th</sup>	Culbertson Fire Department Training
May 27 <sup>th</sup>	Culbertson Lions Club Cemetery Cleanup

#### B. Other items for your review and consideration:

1. I have not heard from Debra Silk about rescheduling our 2<sup>nd</sup> meeting for Strategic Planning.
2. I have completed Part II of the EASIE Title VI grant application. This is an annual federal grant and our district usually utilizes these funds for the salary and benefits of the JOM Home/School Coordinator position.
3. Lots of activities during the next six weeks of school to finish the year. We are also trying to finalize the class schedule and all other things to be ready for the start of the 2021-2022 school year in August.

4. Just so we don't forget, here are a few projects to think about in the short term and long term (in no particular order of importance):
  - Replacement of the oldest section of Playground Equipment
  - Replacement of the Football Field Lights
  - Old Armory: Renovation or Demolition
  - Replacement of the cinder track with an all-weather track.
  - Building or purchasing teacher housing.
  - Building an auditorium for music performances and plays
  - Re-establishment of the Family Consumer Science classroom and the corresponding student organization FCCLA (Family, Career and Community Leaders of America).
5. Here are a few items that might be part of the regular May Board meeting agenda:
  - Possible Guest Teacher Applications
  - 2021-2022 Extra-Curricular Contracts
  - 2021-2022 Organization Memberships (i.e. MTSBA, MREA, etc.)
  - Canvassing Election Ballots
  - Seating Trustees
  - Board Reorganization – Election of Officers

If you have any questions, comments, or concerns about any item in this report or on the agenda, please feel free to contact me at any time. I can be reached at 787-6246 (school), 787-5779 (home), 478-3330 (cell), or by email at [crowderl@culbertson.k12.mt.us](mailto:crowderl@culbertson.k12.mt.us) at any time.

# Culbertson School Board Committees

## 2020-2021

<u>Committee</u>	<u>Members</u>	<u>Chair</u>
Personnel	All Board Members	Paul Finnicum
Finance	All Board Members	Paul Finnicum
Curriculum	Paul Finnicum Luke Anderson Mark Colvin	Mark Colvin
Policy	Eric Bergum Gy Salvevold	Eric Bergum
Professional Development	Paul Finnicum Mark Colvin	Mark Colvin
Facility	Gy Salvevold Paul Finnicum	Paul Finnicum
Technology	Mark Colvin Eric Bergum	Eric Bergum
Vocational	Luke Anderson Gy Salvevold	Gy Salvevold
Public Relations	Paul Finnicum Gy Salvevold	Gy Salvevold
Athletics	Eric Bergum Paul Finnicum	Eric Bergum
Negotiations	Paul Finnicum Luke Anderson	Paul Finnicum

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 14

**AGENDA TITLE:** Health and Safety Plan

**SUMMARY:** Attached please find a copy of the plan that was adopted by the Board in August, as it was intended to be reviewed monthly for possible changes.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

# Culbertson School District

## Health & Safety Plan

### August 2020

The Culbertson School Board of Trustees recognizes the challenges and the impacts that COVID-19 has on the health and safety of the students and the staff of the Culbertson School District. To this end, the Board shall:

1. Develop, adopt, and implement a School District Health and Safety Plan.
  - a. Identify a Pandemic Coordinator and Pandemic Team that will meet regularly to monitor the effectiveness of the Health and Safety Plan and recommend changes, as needed.
  - b. Consider adoption of the 1900 COVID-19 Emergency Series of Model Board Policies from MTSBA that specifically address this pandemic.
  - c. Consider the declaration of a continuous state of emergency through June 30, 2021 in case there were to be a COVID-19 outbreak in our school and/or community.
  - d. Consider authorizing off-site instruction if an outbreak makes onsite instruction unfeasible.
  - e. Consider authorizing the administration to determine and declare proficiency learning status at each grade level and in each subject area. This will serve as an alternative to meeting aggregate hours of pupil instruction.
  - f. Consult with local health officials and the County Health Department on the development and implementation of this School District Health and Safety Plan.
  - g. Follow all CDC guidelines if a student or staff member tests positive for COVID-19.

The Culbertson School District Health and Safety Plan shall have three phases of implementation in accordance with the Governor's Plan for Reopening Schools.

#### Phase One and Phase Two

##### Academic:

- I. Off-Site Learning Only
  - a. Technology devices will be distributed, upon request, to all students in grades 3-12.
  - b. Classes will meet via technology when available and appropriate.
  - c. Learning materials will be delivered electronically, by mail, or personally delivered to students/families.
  - d. Staff will receive training to serve students through remote learning.



- e. Communication from teachers to students and parents will be via emails and phone calls on a weekly basis at a minimum.
- f. Consideration for IEP and Section 504 accommodations will be recognized and implemented for each student in each applicable subject.

Academic:

- I. On-Site Learning Only
  - g. Accommodations will be made for students and staff in an at-risk group or for those caring for someone in an at-risk group.
  - h. Use of the Google platform for lessons at least one day per week at the junior high and high school levels as a bridge for potential off-site learning.
  - i. Consider elementary students remaining in their homerooms during specialist time, if possible.

Physical and Structural:

- I. On-Site Learning Only
  - a. Consider staggering the arrival and unloading of buses at the school.
  - b. Consider increased parking distance between buses for the purpose of loading buses at the conclusion of school each day.
  - c. Implementation of strategies to keep students from congregating at school entrances before school and at the conclusion of lunch and/or recess time.
  - d. Clean and sanitize facilities daily in accordance with CDC guidelines.
  - e. Allow for the optional wearing of masks by students and staff while on campus unless masks are otherwise required by the county health department or other governmental entity.
  - f. HVAC filters will be changed in accordance with CDC guidelines.
  - g. Protocols will be implemented to reduce the number of students and staff touching door surfaces when entering and leaving the building during recess times.
  - h. Student seating in classrooms will be done to maximize social distancing.
  - i. Protocols will be implemented to minimize student contact while transitioning between classes during the school day.
  - j. The lunchroom will utilize all available tables to maximize social distancing during lunchtime.
  - k. Schedules will be made for regular handwashing and sanitizing for staff and students throughout the school day.

Social, Emotional, and Behavioral:

- I. On-Site or Off-Site Learning
  - a. Staff training will be offered to identify students struggling with trauma.

- b. Resources and training will be offered for students and staff recovering from traumatic events.
- c. Information will be provided to parents in an effort to assist students cope with tragedies.
- d. Share information about support services available for staff, students, and parents.
- e. Expand mental health outreach and treatment strategies for staff and students struggling with trauma.

Transportation:

- I. On-Site Learning Only
  - a. Assign seating charts on the buses with family members sharing seats if necessary.
  - b. Maximum social distancing will be utilized on all buses.
  - c. Cleaning of buses in accordance with CDC guidelines.
  - d. Utilize the flexibility in the transportation fund to provide instructional services to students.

Business:

- I. On-Site or Off-Site Learning
  - a. Adopt and implement the COVID-19 Emergency 1900 series policies to support and enhance the district's financial options.
  - b. Review technology and operational needs.
  - c. Communicate with the Roosevelt County and local area EMS managers to assess the PPE supply chain.

Extra-curricular Activities:

- I. On-Site Learning
  - a. Review each event that may be held at the school facilities to develop protocols and guidelines based on number attendees and the logistics of the district's various indoor and outdoor settings.
  - b. Make every attempt to accommodate at-risk individuals who may not be able to attend events on school grounds.
  - c. Consider social distancing guidelines for meals, etc.
  - d. Encourage on-line/virtual events when available.
  - e. Utilize outdoor venues when possible for increased social distancing and air flow.
  - f. Frequently disinfect all equipment in accordance with CDC guidelines.
  - g. Exercise social distancing on bus travel to the greatest extent possible with family members sharing seats when necessary.
  - h. Minimize the length of bus travel whenever possible.

Phase Three (On-Site Learning Only):

- I. Follow CDC guidelines at all times.

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 15

**AGENDA TITLE:** School Board Goals

**SUMMARY:** At the March meeting Board members were asked to prioritize their top five goals for the 2021-2022 school year and bring them to the April meeting.

Below are the various ideas that were shared at previous Board meetings:

- Cement in southwest parking area of the school building
- Top ten in the state academically
- Local beef for school lunches
- New playground equipment
- Underground sprinklers in the playground area
- Better facilities at the C-C Field (restrooms, concessions)
- Phasing out the coal boiler
- Replacement of activity buses
- Football field lights
- Rubberized track
- Sidewalk aprons
- North addition foundation rock
- Playground fence height
- Old Armory facelift
- Old Armory boiler replacement
- Elementary gym bleachers
- Update tech plan
- Align curriculum K-12
- Additional electives for the junior high students
- Adding family consumer science classes
- Additional staff trainings

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 16

**AGENDA TITLE:** BPA Request

**SUMMARY:** The BPA Chapter will be present at the April meeting to make a request.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 17

**AGENDA TITLE:** 2020-2021 Classified Staff Contract(s)

**SUMMARY:** Custodial Director:

Norine is retiring effective April 30<sup>th</sup>. The position has been advertised and I recommend Karen Eggett for the position.

Custodian:

I recommend John Wilson to fill the custodian position vacated by Karen Eggett.

Both candidates have successfully completed background checks.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 18

**AGENDA TITLE:** 2021 Summer Employment Contract(s)

**SUMMARY:** Below are the recommendations for summer employment contracts.

a. Recommendations for hire:

Adults: Lee Vandall

Students: Colter Romo  
Trevor Green  
Carson Solem  
Noelle Wilson

b. Alternates

Students: Nick Wilson  
Caden Summers  
Yrenebelle Jokeena G Maximo  
Shea Scott  
Kyle Summers

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 19

**AGENDA TITLE:** 2021 Summer Computer Cleaning Contract(s)

**SUMMARY:** Mike would like to recommend Wendy Nickoloff and Theresa McDonald for these positions.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					



**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 20

**AGENDA TITLE:** 2021-2022 Extra-Curricular Contract(s)

**SUMMARY:** High School Boys' Basketball Head Coach:

Thus far there are two candidates for this position.

Mark Pederson and Scott Sorenson

High School Girls' Basketball Head Coach:

Thus far there are three candidates for this position.

Scott Sorenson, Valli Hauge, and Scott Crain

If any other candidates express interest in the position prior to the Board meeting, I will send out their names as soon as they are received.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 21

**AGENDA TITLE:** 2021-2022 Teacher Assignments

**SUMMARY:** Attached please find the recommendation from the administration.

We expect a large numbers in the elementary and would like to have two teachers in Kindergarten, 2<sup>nd</sup> grade, 3<sup>rd</sup> grade, 4<sup>th</sup> grade, and 5<sup>th</sup> grade next year.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

## Elementary & High School Staffing

### Position

### 2021-2022 Teachers

Kindergarten

A. Bushlen & B. Harvey

1<sup>st</sup> Grade

W. Nickoloff

2<sup>nd</sup> Grade

J. Young & L. Knapp

3<sup>rd</sup> Grade

T. McDonald & K. Brock

4<sup>th</sup> Grade

A. Berwick & \_\_\_\_\_

5<sup>th</sup> Grade

A. Iverson & L. Vandall

6<sup>th</sup> Grade

M. Pederson

K-6 Special Education/Title I

R. Wilson

K-12 Art

P. Welch

K-12 Counselor

C. Forbregd

K-12 Librarian

C. Olson

K-12 Music

J. Taberna & R. Pfeifer

K-12 PE

B. Nielsen

K-12 Special Education

J. Ator

Junior High Science & Soc. St.

T. Nielsen

Junior High English & Math

R. Seitz

7-12 Title I

J. Gustafson

7-12 Business Education

P. Owan

8-12 Social Studies

D. Solem

HS Science

P. Schledewitz

HS English

S. Salvevold

HS Mathematics

D. Pust

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 22

**AGENDA TITLE:** 2021-2022 Staffing & Classroom Plan

**SUMMARY:** In addition to large classes in many of the elementary grades, we will also have large classes in both 7<sup>th</sup> (21) and 8<sup>th</sup> (28) grade next year.

Mike and I would like to recommend the Board hire an additional junior high teacher to accommodate adding extra sections of math, science, English, and social studies in order to lower the student/teacher ratios to assist with improving learning and ultimately, better achievement scores on statewide testing.

Mike and I would also like the Board to consider moving the Business Room from its current location to the Computer Lab. The Computer Lab is really spacious and would be accommodate the larger printers, 3D printers, etc. from the computer lab, plus there will be more computers in the new room to allow for slightly increasing the sizes of the business classes. The vacancy in the old business room would then make space for a new junior high teacher or to do other rearrangements with the junior high and high school staff.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 23

**AGENDA TITLE:** 2019-2020 Audit Report

**SUMMARY:** Attached please find a copy of the audit report. The audit is clean and there are no findings, as described in the letter on pages 60 and 61. I recommend the Board approve the audit as presented.

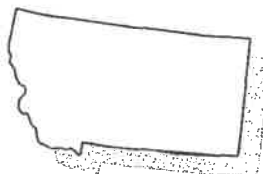
**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

**School District Nos. 17 J/R & 17 C/R  
Roosevelt County  
Culbertson, Montana**

**AUDITED FINANCIAL STATEMENTS**

**Year ended June 30, 2020**



**ROSS R. STALCUP**

CERTIFIED PUBLIC ACCOUNTANT, PC

**School District Nos. 17 J/R & 17 C/R  
Roosevelt County  
Culbertson, Montana**

**AUDITED FINANCIAL STATEMENTS**

**Year ended June 30, 2020**

**School District Nos. 17 J/R & 17 C/R  
Roosevelt County  
Culbertson, Montana**

**AUDITED FINANCIAL STATEMENTS  
Year ended June 30, 2020**

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**School District Nos. 17 J/R & 17 C/R  
Roosevelt County  
Culbertson, Montana**

**ORGANIZATION**

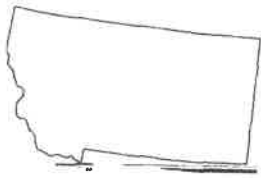
June 30, 2020

**BOARD OF TRUSTEES**

Paul Finnicum	Chairman
Gy Salvevold	Vice-Chairman
Luke Anderson	Trustee
Eric Bergum	Trustee
Mark Colvin	Trustee

**OFFICIALS**

Larry Crowder	Superintendent
Lora Finnicum	District Clerk



# ROSS R. STALCUP

CERTIFIED PUBLIC ACCOUNTANT, P.C.

## INDEPENDENT AUDITORS REPORT

Board of Trustees  
School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana

### 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 School District Nos. 17 J/R & 17 C/R, Culbertson, Montana, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise School District Nos. 17 J/R & 17 C/R'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; 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 of 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 School District Nos. 17 J/R & 17 C/R, Culbertson, Montana, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary comparison information, and Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District Nos. 17 J/R & 17 C/R's basic financial statements. The accompanying supplementary information the Supplemental Schedule of School District Enrollment (page 58) and the Extracurricular Fund Revenues, Expenditures and Changes in Net Position (page 59) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedule of School District Enrollment and the Supplementary Extracurricular Fund Revenues, Expenditures and Changes in Net Position are required by the State of Montana and 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, 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 Supplementary Schedule of School District Enrollment and the Supplementary Extracurricular Fund Revenues, Expenditures and Changes in Net Position is 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 a report dated March 26, 2021 on our consideration of School District Nos. 17 J/R & 17 C/R's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 School District Nos. 17 J/R & 17 C/R's internal control over financial reporting and compliance.

March 26, 2021



Ross R. Stalcup  
Certified Public Accountant

**CULBERTSON SCHOOL DISTRICT NO. 17 C/R/J  
ROOSEVELT COUNTY  
CULBERTSON, MONTANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*~ Unaudited ~*

**June 30, 2020**

This Management's Discussion and Analysis provides an overview of the District's financial position and activities for the fiscal year ended June 30, 2020 as required under the U.S. Generally Accepted Accounting Principles.

**FINANCIAL HIGHLIGHTS**

Culbertson School is progressively making strides in financial stability, despite having had revenue deficiencies over the past several years, particularly in oil and gas revenues. Overall revenues have decreased slightly by 1.2 percent from \$4,763,260 to \$4,708,325. Overall net expenditures (less program revenues) have increased by 11.4 percent from \$3,987,232 to \$4,441,612, due to increased salaries and pension expenses.

The taxable value of the District decreased less than half percent from \$9,959,446 to \$9,911,841 in the elementary and decreased 1.7 percent from \$8,342,280 to \$8,201,596 in the high school, due to changes in valuations of industrial businesses in our county. The total district mill levies for 2019-20 decreased from 152.11 to 151.76, a 0.2 percent decrease, due to increased fund balances and reserves.

Net positions previously known as net assets have experienced a 0.9 percent decline due to a slight decline in revenues and increased compensated absence liabilities. Overall fund balances have moderately grown due to increased efforts in targeted spending.

**USING THIS FINANCIAL REPORT**

This financial report consists of financial statements for the District as a whole with more detailed information for the District's major funds. Fund financial statements present a short-term view of the District's activities (including only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future).

**THE DISTRICT AS A WHOLE**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)

An important question to be asked is, "Is the District better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting (and report depreciation on capital assets), which is similar to the basis of accounting used by most private-sector companies.

The change in net positions (the difference between total assets and total liabilities) over time is one indicator of whether the District's financial health is improving or deteriorating. However, other non-financial factors should be considered in assessing the District's overall health, such as changes in legislative mandates, changes in enrollment, changes in the State's funding of educational costs, changes in the economy, changes in the District's tax base, etc. Changes in the District's net positions were as follows:

	2020	2019	Change	%
Current Assets	\$ 767,423	\$ 434,655	\$ 332,768	76.6%
Capital Assets-net	\$ 11,390,294	\$ 11,614,316	\$ (224,022)	-1.9%
Total Liabilities	\$ (5,146,082)	\$ (5,153,136)	\$ 7,054	-0.1%
Pension Resources-net	\$ 322,963	\$ 508,308	\$ (185,345)	-36.5%
Net Positions	\$ 7,334,598	\$ 7,404,143	\$ (69,545)	-0.9%
Net Positions Include:				
Invested Capital	\$ 10,055,922	\$ 10,060,695	\$ (4,773)	0.0%
Unrestricted and Restricted Assets	\$ (2,721,324)	\$ (2,656,552)	\$ (64,772)	2.4%
Total Net Positions	\$ 7,334,598	\$ 7,404,143	\$ (69,545)	-0.9%

Current assets, i.e. cash and investments, increased significantly by 76.6 percent due to increased fund balances. Net capital assets experienced a decline of 1.9 percent due to depreciating assets.

No land was purchased or land improvements were made during the fiscal year. Building improvements consisted of re-roofing the music room and Old Armory entry (\$41,485) as well as the initial boiler replacement project (\$63,857). Equipment added to the fixed asset schedule was a new Tenant

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)**

350 Scrubber (\$11,277) for janitorial services and Dr. Dish Ball (\$6,870) for athletics. Accumulated depreciation increased from \$4,036,977 to \$4,384,490, an 8.6 percent growth, due to the addition of building projects over the last few years.

Total liabilities decreased slightly by 1.0 percent from \$5,198,736 to \$5,146,082, due to payments made in capital leases and notes payable. Final payments were made on the activity bus leases from the previous year. Growth in current assets and payment of long-term debt were factors in the 1.0 percent decrease to net positions, i.e. cash, land, buildings, equipment, minus accumulated depreciation.

District revenues are divided into two categories: program revenues and general revenues. Program revenues include fees for services and monies that are restricted to a particular program. Revenues that are not classified to a particular program are considered general revenues. Changes in the District's actual revenues are noted on the following page.

Overall program revenues increased by 10.1 percent, from \$503,500 to \$554,475, mainly due to federal, emergency relief funds passed through the OPI. Carl Perkins experienced an increase of \$504, from \$3,502 to \$4,006. The Title VII Indian Education grant decreased from \$22,145 to \$20,901 due to the count of the federally-identified students. The Parent Advisory Committee was given autonomy over the JOM funding, which applied for and received JOM grant monies in the amount of \$2,964.

Due to the nationwide coronavirus pandemic, beginning April 14, 2020, school was closed and went to remote learning for the last 30 days of the school year. School breakfasts and lunches were only provided at the request of parents and guardians. As a result, the number of breakfast meals served decreased by 13.0 percent and the number of lunch meals served decreased by 16.5 percent. Food service revenues were equally affected by the pandemic. Daily food sales experienced a 13.8 percent decline from \$36,235 to \$31,252 and federal food reimbursements dropped 10.2 percent from \$82,963 to \$74,532. Free & Reduced Meal Applications were down by 11.6 percent due to reductions in enrollment and families residing in the District.

The Rural Education Initiative from the U.S. Department of Education provided Culbertson Schools with a Small Rural Schools grant. Due to federal

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)

government appropriations, grant funding decreased by 3.8 percent, from \$34,783 to \$33,472.

	2020	2019	Change	%
<b>PROGRAM Revenues:</b>				
Federal:				
Carl Perkins	\$ 4,006	\$ 3,502	\$ 504	14.4%
Vocational	\$ 12,423	\$ 13,451	\$ (1,028)	-7.6%
Indian Education	\$ 20,901	\$ 22,145	\$ (1,244)	-5.6%
JOM	\$ 2,964	\$ 5,187	\$ (2,223)	-42.9%
School Food	\$ 74,532	\$ 82,963	\$ (8,431)	-10.2%
Small Rural Schools	\$ 33,472	\$ 34,783	\$ (1,311)	-3.8%
Title Programs	\$ 121,922	\$ 126,057	\$ (4,135)	-3.3%
CARES Relief Fund	\$ 75,275	\$ -	\$ 75,275	N/A
State Revenues	\$ 70,797	\$ 58,372	\$ 12,425	21.3%
County Transportation	\$ 77,966	\$ 97,457	\$ (19,491)	-20.0%
Sale of Meals	\$ 31,252	\$ 36,235	\$ (4,983)	-13.8%
Drivers Education Reimb/Fees	\$ 2,780	\$ 1,116	\$ 1,664	149.1%
Other Program	\$ 26,185	\$ 22,232	\$ 3,953	17.8%
<b>TOTAL PROGRAM:</b>	<b>\$ 554,475</b>	<b>\$ 503,500</b>	<b>\$ 50,975</b>	<b>10.1%</b>
<b>GENERAL Revenues:</b>				
District Property Taxes	\$ 1,401,251	\$ 1,385,007	\$ 16,244	1.2%
County Equalization	\$ 356,044	\$ 369,742	\$ (13,698)	-3.7%
State Equalization	\$ 1,042,200	\$ 1,017,976	\$ 24,224	2.4%
State Oil & Gas	\$ 662,472	\$ 763,167	\$ (100,695)	-13.2%
Other State	\$ 431,964	\$ 381,424	\$ 50,540	13.3%
Federal Impact Aid	\$ 254,231	\$ 342,146	\$ (87,915)	-25.7%
Gain on Assets	\$ 4,961	\$ -	\$ 4,961	N/A
Interest	\$ 727	\$ 298	\$ 429	144.0%
<b>TOTAL GENERAL</b>	<b>\$ 4,153,850</b>	<b>\$ 4,259,760</b>	<b>\$ (105,911)</b>	<b>-2.5%</b>
<b>TOTAL REVENUE</b>	<b>\$ 4,708,325</b>	<b>\$ 4,763,260</b>	<b>\$ (54,936)</b>	<b>-1.2%</b>

Culbertson's free and reduced student numbers experienced a 16.0 percent decline which caused a reduction in title funding. The District received funding in Title I, II-A, II-D, and IV. The District has opted to re-direct all title monies to the Title I program area, for salaries to provide additional assistance in math and language. Title funds decreased from \$126,057 to \$121,922, a decline of 3.3 percent.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)**

Culbertson experienced a decrease in county transportation monies from \$97,457 to \$77,966, due to increased reserves available to fund the budgets. Route miles increased overall by 44.4 miles per day for the fiscal year. The district has a total of six bus routes; however, Bus Route #6 at 56.6 miles per day is paid by a daily rate due to ineligible riders and the proximity to the school. Since the route was commissioned to transport ineligible students, the route is not included in the on-schedule budgets and funded by local sources. State transportation monies increased from \$58,079 to \$68,362, due to a shortage in the previous fiscal year.

The remaining state program revenues are Jobs for Montana Graduates (\$7,200), state food reimbursement (\$262), excess timber proceeds (\$2,174) and vocational education programs (\$5,223). The District held a spring and summer driver's education program with driver's education fees of \$1,200 and state reimbursement of \$1,580.

General revenues declined by 2.5 percent. District property taxes experienced a 1.2 percent increase due to additional requested mills in the transportation budget. Taxes receivables rose by 18.4 percent, from \$42,293 to \$51,835 due to non-payment of tax bills; however, no protested taxes were on record at year-end. County retirement equalization decreased from \$369,742 to \$356,044 due to increased fund balances and budget reserves. State equalization grew slightly from \$1,017,976 to \$1,042,200 due primarily to additional state funding allocations and allowable growth factors.

Multiple components make up the state funding formulas in addition to direct state aid. The components are the Quality Educator payment (\$92,876), the At-Risk Student payment (\$11,800), the Indian Education for All payment (\$6,456), the American Indian Achievement Gap payment (\$22,248), and the Data for Achievement payment (\$6,183). Guaranteed Tax Base (GTB) monies increased by 20 percent from \$207,263 to \$248,610, due to the increased state subsidy per mill. The special education allowable cost payments grew by \$127 rounding out the general state funding increases of 13.3 percent, from \$381,424 to \$431,964. Impact Aid revenues decreased from \$342,146 to \$254,231 due to final appropriation payments from previous years and the federally connected students.

Oil and gas production has declined from past quarters. Oil revenues decreased by 13.2 percent from \$763,167 to \$662,472 and are only received in the general funds and the flex funds.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)

Nationally, interest rates are trending low. The District has been investing at the local bank in a money market at a rate of .30 percent. With slightly increased fund balances, interest earnings increased from \$298 to \$727.

The changes in the District's expenses and net expenses as reported in the Statement of Activities are as follows:

	2020	2019	Change	%
Regular Programs	2,159,769	1,837,928	321,841	17.5%
Special Programs	159,402	158,074	1,328	0.8%
Vocational Programs	129,384	129,251	133	0.1%
Adult Education Programs	1,095	1,655	(560)	-33.8%
Student/Staff Support	1,871	85,383	(83,512)	-97.8%
Operations & Maintenance	601,930	514,524	87,406	17.0%
School Food	160,380	205,787	(45,407)	-22.1%
Extracurricular	238,051	317,032	(78,981)	-24.9%
Student Transportation	366,018	350,808	15,210	4.3%
Administration	569,163	449,892	119,271	26.5%
Interest	51,069	53,798	(2,729)	-5.1%
Pension Expense	350,960	244,814	106,146	43.4%
Unallocated Depreciation	347,513	342,228	5,285	1.5%
Total Expenses	5,136,605	4,691,174	445,431	9.5%
Less Program Revenue	(694,993)	(703,942)	8,949	-1.3%
TOTAL NET EXPENSES	4,441,612	3,987,232	454,380	11.4%

Overall net expenditures have increased by 11.4 percent, from \$3,987,232 to \$4,441,612. The Culbertson full-time staff increased to 56 employees (with two more teachers and one less business/secretary position). Substitute teacher costs decreased 25.6 percent due to the covid-related closure of school. Overall, total salaries grew by 12.3 percent due to additional teachers and a 1 percent staff bonus. Regular education program expenses have increased by 17.5 percent, due to additional salaries. Expenditures in adult education decreased from \$1,655 to \$1,095 due to lack of class offerings.

Operation and maintenance expenditures increased by 17.0 percent, from \$514,524 to \$601,930 due to equipment purchases and termination payroll expenses. School food expenditures decreased considerably by 22.1 percent

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)**

due to the covid-related school closure. Student transportation costs increased by 4.3 percent due to additional bus miles traveled and increased bus driver rates. Extracurricular expenses decreased from \$317,032 to \$238,051 largely due to the covid-related school closure.

Salaries were recoded between Student/Staff Support and Administration expenditures. Overall, the two programs shared expenditures of \$571,034, an increase of \$35,759, due to additional needs of the District. Unallocated depreciation increased by 1.5 percent due to aging fixed assets.

Student enrollment counts, conducted two times per year on February 1<sup>st</sup> and October 1<sup>st</sup> give an accounting of the number of students currently enrolled. February 2019 counts showed 195 elementary and 76 high school students, while February 2020 counts showed 194 elementary and 82 high school students, an overall gain of 5 students.

ANB, Average Number Belonging, is calculated using both counts which drive the ANB figure, which, in turn, drives the general fund budgets. Districts can either use the actual ANB counts or use a 3-Year Average ANB count to determine budget limitations. Elementary ANB decreased from 214 to 212, a 0.9 percent decline; and High School ANB increased from 76 to 82, a 7.3 percent growth. Due to inflationary growth allowed by the state, the General Fund Budgets have increased by 1.17 percent.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide detailed information about the most significant of the District's funds. Under this new reporting model, the District is required to provide detailed information on its "major" funds.

Major funds are defined as the general fund and other funds where the assets, liabilities, revenues, or expenditures exceed 10% of total governmental fund assets. In the 2020 fiscal year, the amounts for the Elementary and High School General and High School Retirement Funds exceeded the 10% threshold. All other funds for the District have been grouped into the Other Governmental Funds category on the financial statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)**

### **CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

Net capital assets declined by 1.9 percent due to increased accumulated depreciation from the completion of the building improvements.

Culbertson School utilized the Board of Investments, InterCap Loan Program, for a \$1.6 million finance bond with a maturity date of 6/15/2031. Culbertson School also has finance bonds of \$800,000 for parking lot and kitchen remodels with a maturity date of 2/15/2020, and \$249,000 for reroofing with a maturity date of 6/15/2021. Semi-annual payments are made in August and February. The interest rate for the 2019-20 school year was 3.37 percent. Final payments were made on the parking lot and kitchen remodel bonds satisfying those liabilities. The District also has annual compensated absence liabilities which consist of \$172,207 to fund the staff outstanding sick leave and vacation leave benefits.

### **THE FUTURE OF THE DISTRICT**

As with any rurally-based community, enrollment fluctuations greatly impact the financial well-being of the school. Moreover, with Culbertson being on the edge of the Bakken oil basin, student mobility has become an important issue in the past several years. Even though enrollments fluctuated, the District's enrollment populations and budgets have remained fairly stable. The District has been fortunate to be able to make some renovations to accommodate the enrollment fluctuations and growth by self-funding building projects over the last decade totaling close to \$11 million. Despite combatting fluctuations in oil revenues and the loss of concentric circle oil monies, the District has healed from cash deficits over previous years. The District was fortunately able to take advantage of cost savings created by the coronavirus pandemic and absorb additional expenses in other areas. In the upcoming year, final payments will be made on the re-roofing, finance bonds through the Board of Investments Program thereby reducing our notes payable liability. The availability of funding will be utilized in the continuation of the boiler replacement project and in building fund balances and reserves.

The School Board continues to provide resources to guarantee student successes. Stable enrollments and growing assets are definitely securing our future. Culbertson continues to emphasize exceptional services to all students through numerous avenues. Our children greatly benefit from the

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CON'T)**

high level of instruction and up-to-date technology. The District prides itself on maintaining a safe, high level of standards for both staff and students and will continue to be innovative in all future endeavors.

## **CONTACTING THE DISTRICT**

This financial report is designed to provide the citizens, parents and tax payers of the Culbertson School District with the general overview of the District's finances and to show the District's accountability for the money it secures. If you have any questions about this report or need additional financial information, contact Larry Crowder, Superintendent, or Lora Finnicum, District Clerk, at Culbertson Schools, 423 1<sup>st</sup> Avenue West, P.O. Box 459, Culbertson, Montana 59218, (406) 787-6241.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**STATEMENT OF NET POSITION  
June 30, 2020**

	2019
<b>ASSETS</b>	
Current Assets:	
Cash .....	\$681,220
Property Taxes Receivable .....	51,835
Protested Taxes .....	0
Due from Other Entities .....	34,368
Total Current Assets .....	767,423
Capital Assets Net of Accumulated Depreciation .....	11,390,294
Total Assets .....	12,157,717
Deferred Outflow of Resources .....	539,792
Total Assets and Deferred Outflow of Resources .....	12,697,509
<b>LIABILITIES:</b>	
Current Liabilities	
Warrants Payable .....	261,094
Compensated Absences .....	57,502
Notes Payable .....	143,738
Total Current Liabilities .....	462,334
Non Current Liabilities	
Compensated Absences .....	115,004
Notes Payable .....	1,190,634
Net Pension Liability .....	3,378,110
Total Non Current Liabilities .....	4,683,748
Total Liabilities .....	5,146,082
Deferred Inflow of Resources .....	216,829
Total Liabilities and Deferred Inflow of Resources .....	5,362,911
Total Net Position .....	7,334,598
<b>NET POSITION</b>	
Net Investment in Capital Assets .....	10,055,922
Restricted- Expendable	
Retirement .....	194,658
Transportation .....	93,226
Instruction .....	15,483
Adult Education .....	10,017
Extracurricular .....	64,941
Compensated Absences .....	10,494
Total Restricted- Expendable .....	388,819
Unrestricted .....	(3,110,143)
Total Net Position .....	\$7,334,598

See Notes to Financial Statements

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**STATEMENT OF ACTIVITIES  
June 30, 2020**

	Expenses	Program Charges for Services	Revenue Operating Grants	Net (Expense) Revenue 2020
<b>GOVERNMENT OPERATIONS</b>				
Instruction:				
Regular Instruction . . . . .	\$2,147,260	\$2,460	\$263,488	(\$1,881,312)
Special Education . . . . .	159,402		43,792	(115,610)
Vocational Education . . . . .	129,384		9,229	(120,155)
Adult Education . . . . .	1,095			(1,095)
Educational Media . . . . .	12,509			(12,509)
Support Services - Students . . . . .	1,871			(1,871)
Administration:				
General . . . . .	268,057			(268,057)
Building . . . . .	187,930			(187,930)
Business . . . . .	113,176			(113,176)
Operation and Maintenance . . . . .	601,930			(601,930)
Transportation . . . . .	366,018		146,327	(219,691)
Food Services . . . . .	160,380	31,252	75,943	(53,185)
Student Extracurricular . . . . .	238,051		122,502	(115,549)
Interest . . . . .	51,069			(51,069)
Pension Expense . . . . .	350,960			(350,960)
Unallocated Depreciation . . . . .	347,513			(347,513)
Totals . . . . .	<u>\$5,136,605</u>	<u>\$33,712</u>	<u>\$661,281</u>	<u>(\$4,441,612)</u>
<b>GENERAL REVENUES</b>				
District Property Taxes . . . . .				\$1,410,796
Direct State Aid . . . . .				1,042,199
Guaranteed Tax Base . . . . .				248,610
Oil & Gas . . . . .				662,473
Other State Revenue . . . . .				367,366
County Sources . . . . .				356,044
Federal Sources . . . . .				254,231
Interest . . . . .				726
Other . . . . .				24,620
Loss/Gain on Disposal of Assets . . . . .				5,002
Total General Revenues . . . . .				<u>4,372,067</u>
<b>CHANGE IN NET POSITION</b> . . . . .				<u>(69,545)</u>
<b>NET POSITION</b>				
Beginning of Year . . . . .				<u>7,404,143</u>
End of the Year . . . . .				<u><u>\$7,334,598</u></u>

See Notes to Financial Statements

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

MAJOR FUNDS

NON MAJOR FUNDS

	General Fund	HS Retirement Fund	Other Governmental Funds	Total
<b>ASSETS:</b>				
Cash .....	\$313,092	\$120,725	\$247,403	\$681,220
Property Taxes Receivable .....	40,467		11,368	51,835
Protested Taxes .....				0
Due from Other Funds .....				0
Due from Other Entities .....	25,045		9,323	34,368
<b>Total Assets</b> .....	<b>378,604</b>	<b>120,725</b>	<b>268,094</b>	<b>767,423</b>
Deferred Outflow of Resources .....	0	0	0	0
<b>Total Assets and Deferred Outflow of Resources</b> .....	<b>378,604</b>	<b>120,725</b>	<b>268,094</b>	<b>767,423</b>
<b>LIABILITIES:</b>				
Warrants Payable .....	261,094			261,094
<b>Total Liabilities</b> .....	<b>261,094</b>	<b>0</b>	<b>0</b>	<b>261,094</b>
Deferred Inflow of Resources- Taxes .....	40,467	0	11,368	51,835
<b>Total Liabilities and Deferred Inflow of Resources</b> .....	<b>301,561</b>	<b>0</b>	<b>11,368</b>	<b>312,929</b>
<b>FUND BALANCE:</b>				
Non Spendable .....				0
Restricted .....		120,725	243,085	363,810
Assigned .....	7,321		13,641	20,962
Unassigned .....	69,722			69,722
<b>Total Fund Balance</b> .....	<b>77,043</b>	<b>120,725</b>	<b>256,726</b>	<b>454,494</b>
<b>Total Liabilities and Fund Balance</b> .....	<b>\$378,604</b>	<b>\$120,725</b>	<b>\$268,094</b>	<b>\$767,423</b>

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total fund balance from above .....	\$454,494
Net capital assets .....	11,390,294
Deferred inflow of resources .....	51,835
Less liabilities not reported above:	
Compensated absences .....	(172,506)
Long term debt .....	(1,334,372)
Pension:	
Deferred inflow of resources related to pension obligations .....	(216,829)
Deferred outflow of resources related to pension obligations .....	539,792
Net pension liability .....	(3,378,110)
<b>Net Position</b> .....	<b>\$7,334,598</b>

See Notes to Financial Statements

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
June 30, 2020**

	MAJOR FUNDS		NON MAJOR FUNDS	
	General Fund	HS Retirement Fund	Other Governmental Funds	Total
<b>REVENUES:</b>				
District Levy .....	\$1,082,034		\$319,217	\$1,401,251
Direct State Aid .....	1,334,601			1,334,601
State Oil and Gas .....	662,470			662,470
Other State Sources .....	365,366		84,800	450,166
County Sources .....		143,037	290,973	434,010
Federal Sources .....	254,231		334,221	588,452
User Fees .....	1,260		32,452	33,712
Interest .....	153		576	729
Other .....	898	187	23,537	24,622
Student Extracurricular .....			122,502	122,502
<b>Total Revenues .....</b>	<b>3,701,013</b>	<b>143,224</b>	<b>1,208,278</b>	<b>5,052,515</b>
<b>EXPENDITURES:</b>				
<b>Current Operations:</b>				
<b>Instruction:</b>				
Regular Programs .....	1,806,951	60,959	493,864	2,361,774
Special Programs .....	140,540	3,776	15,086	159,402
Vocational Education .....	114,339	15,045		129,384
Adult Education .....		337	758	1,095
Educational Media .....	5,547	1,489	5,473	12,509
Support Services Students .....	1,871			1,871
<b>Administration</b>				
General .....	202,192	11,458	54,407	268,057
Building .....	158,496	10,600	18,834	187,930
Business .....	75,271	5,870	32,035	113,176
Operation and Maintenance .....	520,084	25,130	56,716	601,930
Transportation .....	25,257		340,761	366,018
Food Services .....	36,989	7,296	116,095	160,380
Student Extracurricular .....	119,643	7,502	110,906	238,051
Capital Outlay .....	116,620		6,870	123,490
<b>Debt Service</b>				
Principal .....	219,249			219,249
Interest .....	51,069			51,069
<b>Total Expenditures .....</b>	<b>3,594,118</b>	<b>149,462</b>	<b>1,251,805</b>	<b>4,995,385</b>
Excess (Deficiency) or Revenues Over Expenditures .....	106,895	(6,238)	(43,527)	57,130
<b>OTHER FINANCING SOURCES &amp; USES</b>				
Transfers in (out) .....				0
Sale of Assets .....	5,002			5,002
<b>Total Other Financing Sources &amp; Uses .....</b>	<b>5,002</b>	<b>0</b>	<b>0</b>	<b>5,002</b>
<b>Change in Fund Balance .....</b>	<b>111,897</b>	<b>(6,238)</b>	<b>(43,527)</b>	<b>62,132</b>
<b>FUND BALANCE</b>				
Beginning of Year .....	(34,854)	126,963	300,253	392,362
End of Year .....	\$77,043	\$120,725	\$256,726	\$454,494

See Notes to Financial Statements



**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**RECONCILIATION OF THE  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**June 30, 2020**

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Change in Fund Balances .....	\$62,132
Change in Property Taxes Receivable not included in the Governmental Fund Statements .....	4,541
Amounts Reported as Expenditures in the Governmental Fund Statements	
Capital Outlay .....	123,490
Change in Compensated Absences .....	(11,291)
Expenses on the Statement of Activities not included in the Governmental Fund Statements	
Depreciation .....	(347,513)
Loss/Gain on Disposal .....	5,002
Principal .....	219,249
Pension Expense .....	(350,960)
On Behalf Pension Contributions not included in Governmental Fund Statements .....	225,805
Change in Net Position .....	<u>(\$69,545)</u>

See Notes to Financial Statements

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**STATEMENT OF FIDUCIARY NET POSITION  
AND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**June 30, 2020**

**FIDUCIARY NET POSITION**

**Custodial  
Fund**

**Scholarships**

**ASSETS**

Cash .....	\$186,114
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**NET POSITION**

Held in Trust .....	\$186,114
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**CHANGES IN FIDUCIARY NET  
POSITION**

**Revenues**

Contributions .....	42,185
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Interest .....	42,185
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**Expenditures**

Scholarships .....	10,000
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	10,000
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Change in Net Position .....	32,185
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**NET POSITION**

BEGINNING .....	130,477
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Prior period adjustment .....	23,452
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BEGINNING - restated .....	153,929
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ENDING .....	\$186,114
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See Notes to Financial Statements

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

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## Notes to Financial Statements (continued)

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The School District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### **A. Reporting Entity**

In determining the financial reporting District, the District complies with the provisions of GASB statement No. 14, *The Financial Reporting Entity*, as amended by GASB statement No. 61, *The Financial Reporting District: Omnibus*, and includes all component units of which the District appointed a voting majority of the component units' board; the District is either able to impose its' will on the unit or a financial benefit or burden relationship exists. In addition, the District complies with GASB statement No. 39 *Determining Whether Certain Organizations Are Component Units* which relates to organizations that raise and hold economic resources for the direct benefit of the District and with GASB Cod. Sec. 2100.

#### *Primary Government*

The District was established under Montana law to provide elementary and secondary educational services to residents of the District. Based on the criteria for determining the reporting District (separate legal District and financial or fiscal dependency on other governments) the District is a primary government as defined in preceding paragraph and has no component units.

The District is managed by a board of trustees, elected in district-wide elections, and by an administration appointed by and responsible to the Board. These financial statements present all activities over which the Board of Trustees exercises responsibility.

#### **B. Basis of Presentation, Measurement Focus, and Basis of Accounting**

##### *Government-wide Financial Statements:*

##### *Basis of Presentation*

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the reporting District except fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

## Notes to Financial Statements (continued)

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. The District does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated.

#### *Measurement Focus and Basis of Accounting*

##### **Government-Wide Financial Statements**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The District generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net assets are available.

##### **Fund Financial Statements:**

#### *Basis of Presentation*

Fund financial statements of the reporting District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into two categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental category. Each major fund is displayed in a separate column in the governmental funds statements. All of the remaining funds are aggregated and reported in a single column as non-major funds.

## Notes to Financial Statements (continued)

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues or, expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

#### *Measurement Focus and Basis of Accounting* **Governmental Funds**

##### Modified Accrual

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The District defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be upon receipt. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for current services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Notes to Financial Statements (continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Major Funds:

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund authorized by Section 20-9-301, MCA, for the purpose of financing general maintenance and operational costs of the District not financed by other funds.

The General Fund, Impact Aid Fund, Flexibility Fund, and On behalf payments have been combined into the General Fund pursuant to GASB Statement No. 54 and GASB Statement No. 85.

*High School Retirement Fund* - Authorized by Section 20-9-501, MCA, for the purpose of financing the employer's contribution to the Teachers' Retirement System (TRS), the Public Employees' Retirement System (PERS), Unemployment Compensation, Social Security and Medicare. Funded by a countywide levy for retirement.

*Fiduciary Funds*

Fiduciary funds presented using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain post employment healthcare plans). The required financial statements are a statement of fiduciary net position and a statement of changes in fiduciary net assets. The fiduciary funds are:

*Custodial Funds* – To report all other trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

*Endowment Fund* - The District has a custodial fund for student scholarships or endowment.

When both restricted and unrestricted resources are available for use it is the District's general policy is to spend resources in the following order: Restricted, Committed, Assigned, Unassigned assuming that there are different classifications within a particular fund.

Notes to Financial Statements (continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Cash and Investments**

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

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

**D. Inventories**

Inventories, if considered significant, are recorded using the purchases method. Inventories are recorded as expenses when purchased rather than when consumed.

**E. Property Taxes**

Property taxes receivable at June 30 consist primarily of delinquent and protested property taxes from the current and prior year levies. Property taxes receivable are offset by deferred inflow of resources in the fund financial statements. The District does not record an allowance for uncollectible taxes because it is not considered to be significant.

Property taxes are levied in September of each fiscal year, based on assessments as of the prior January 1. Real property taxes are usually billed in October and are payable 50% on November 30 and 50% on May 31. Property taxes are maintained and collected by the County Treasurer.



Notes to Financial Statements (continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Capital Assets**

Capital assets are carried at actual or estimated historical cost based on appraisals. Major additions and betterments with a cost in excess of \$5,000 are recorded as additions to capital assets. Gifts or contributions are recorded at fair market value when received. The costs of normal repair and maintenance are charged to operations as incurred. Improvements are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of assets.

**G. Compensated Absences**

Liabilities associated with accumulated vacation and discretionary leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example- as a result of employee resignations or retirements.

Vacation leave, within certain limitations, may be payable to administrative and classified (non-teaching) employees on termination.

Certified employees accrue 12 days discretionary leave each year to a maximum of 90 days and may elect to receive 1/4 of the discretionary leave accumulated since July 1, 1971 in cash.

Non-certified employees accrue 15 to 24 days of vacation leave each year, up to two times the maximum number of days earned annually. Employees are allowed to receive pay in lieu of vacation days not used upon termination.

Teachers do not receive paid vacations, but are paid only for the number of days they are required to work each year. The Superintendent does receive 24 days paid vacation each year, accrued up to a limit of 48 days, as well as, 15 additional personal leave days for summer break only.

Administrative personnel receive 12 discretionary leave days each year.

The District allows all staff to have a discretionary leave bank, as described in Board Policy 1-04-112. Unused discretionary leave may accumulate up to 90 days. Staff may apply to the Board to use up to 1/2 of the accumulated days.

**Non-certified Employees**

Classified employees earn leave and are paid for it according to Board Policy No. 2-04-110. Employees may request a lump sum pay-out each year.

The Superintendent earns vacation and sick leave in accordance with State law.

Notes to Financial Statements (continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Fund Equity**

For information regarding Fund Balance and Net Position see Note 6.

**I. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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. Examples of estimates are depreciation and net pension liability.

**J. Deferred Inflow/Outflow of Resources**

A *deferred outflow* of resources is defined as a consumption of net position by the government that is applicable to a future reporting period and a *deferred inflow* of resources as an acquisition of net position by the government that is applicable to a future reporting period. A deferred outflow of resources has a positive effect on net position, similar to assets, and a deferred inflow of resources has a negative effect on net position, similar to liabilities.

**K. Retirement System**

The District participates in two state-wide, cost-sharing multiple employer defined benefit retirement plans which cover all 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 Employees Retirement System (PERS) covers non-teaching employees. The plans are established under State law and are administered by the State of Montana.

## Notes to Financial Statements (continued)

### **2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

District cash (except for the Student Extracurricular Fund) and investments is held by the County Treasurer and pooled with other County cash. School District cash which is not necessary for short-term obligations is pooled in a County-wide investment program whereby all available cash is invested by the County Treasurer in pooled investments. Interest earned on the pooled investments is distributed to each contributing District and fund on a pro rata basis. The School District does not own specific identifiable investment securities in the pool; therefore, is not subject to categorization. Fair value approximates carrying value for investments as of June 30, 2020.

Authorized investments allowed by Section 20-9-213 MCA, include savings or time deposits in a state or national bank, building or loan association, or credit union insured by the FDIC or NCUA located in the state, repurchase agreements, and the State Unified Investment Program. Further, Section 7-6-202, MCA, authorizes investments in U.S. government treasury bills, notes, bonds, U.S. Treasury obligations, treasury receipts, general obligations of certain agencies of the United States, and U.S. government security money market fund if the fund meets certain conditions.

#### **Deposit Security**

Montana law (Section 7-6-207) allows the local governing body to require security for the portion of deposits not guaranteed or insured. Deposit insurance is administered by the FDIC. The County Treasurer has the fiduciary responsibility to ensure that adequate collateral is pledged for all deposits that are not fully covered by Federal Deposit Insurance. Montana code allows the County Treasurer to take collateral up to 50% of deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more and 100% if the ratio is less than 6%. Fair value, custodial credit risk, interest rate risk, and concentration of credit risk classifications of the government's deposits and pooled investments appear to be the responsibility of the County Treasurer. Risk of loss appears to be the responsibility of the County Treasurer.

Student activity funds are deposited in FDIC insured, interest bearing, checking accounts.

## Notes to Financial Statements (continued)

### 3. CAPITAL ASSETS

Improvements of over \$5,000 are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings . . . . .	30 - 60 years
Improvements . . . . .	30 - 60 years
Equipment . . . . .	5 - 60 years
Infrastructure . . . . .	50 - 65 years

June 1999 the Government Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the District has included the value of capital assets in the 2020 Basic Financial Statements.

Capital asset activity during 2020 was as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<b>Cost of assets:</b>				
Land	\$4,783			\$4,783
Construction in Progress	0	63,857		63,857
Land Improvements	635,098			635,098
Buildings and Improvements	14,086,925	41,485		14,128,410
Equipment	924,487	18,148		942,635
<b>Total</b>	<b>15,651,293</b>	<b>123,490</b>	<b>0</b>	<b>15,774,783</b>
<b>Accumulated depreciation:</b>				
Land Improvements	(272,865)	(30,538)		(303,403)
Buildings and Improvements	(3,303,236)	(230,679)		(3,533,915)
Equipment	(460,875)	(86,296)		(547,171)
<b>Total</b>	<b>(4,036,976)</b>	<b>(347,513)</b>	<b>0</b>	<b>(4,384,489)</b>
<b>Capital Assets, Net</b>	<b>\$11,614,317</b>	<b>(\$224,023)</b>	<b>\$0</b>	<b>\$11,390,294</b>

Depreciation expense was charged to function as follows:

#### Governmental Activities

Unallocated

\$347,513

Notes to Financial Statements (continued)

**4. LONG TERM DEBT**

Long-term liability activity for the year was as follows:

	June 30 2019	Reductions	Additions	June 30 2020	Current
Intercap Loan	1,553,621	219,249		1,334,372	143,738
Compensated Absences	161,215		11,291	172,506	57,502
	1,714,836	219,249	11,291	1,506,878	201,240
Net Pension Liability					
PERS	482,335	1,826		480,509	
TRS	2,955,965		(58,364)	2,897,601	
	3,438,300	1,826	(58,364)	3,378,110	
Total	\$5,153,136	\$221,075	(\$47,073)	\$4,884,988	\$201,240

\*Maturity information by year is not available for Intercap financing.

**5. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The District does not offer group health insurance. Other Post Employment Benefits liability does not apply.

Notes to Financial Statements (continued)

**6. FUND BALANCE/NET POSITION DISCLOSURES**

Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* was issued to enhance the usefulness of Fund Balance information and clarify existing governmental fund type definitions. To that end GASB 54 established the following fund balance classifications in the fund statements:

**Non-spendable**

Includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

**Restricted**

Includes fund balances that are constrained for specific purposes which are externally imposed by providers such as creditors, or amounts constrained due to law, constitutional provisions or enabling legislation.

**Committed**

Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. The Board of Trustees commits funds by resolution.

**Assigned**

Includes fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted or committed. A designee can be authorized to assign fund balance. The District management is responsible for assigning fund balance.

**Unassigned**

Unassigned fund balance includes positive fund balance within the General Fund which has not been classified within the above mentioned classifications. Negative fund balances in other governmental will be reported as unassigned.

The statement addresses fund classification to the extent that the fund type is dependent on proceeds of specific revenue sources which are restricted or committed to expenditure in accordance with a specific purpose.

The District addressed this matter in Policy No. 1-04-149. Generally speaking fund balance is restricted for the statutory purpose of a fund, or other externally imposed restriction.

Additionally the District policy states that resources will be spent in the following order: Restricted, Committed, Assigned, Unassigned assuming that there are different classifications within a particular fund.

Notes to Financial Statements (continued)

**6. FUND BALANCE/NET POSITION DISCLOSURES**

Fund classification to the extent that the fund type is dependent on proceeds of specific revenue sources which are restricted or committed to expenditure in accordance with a specific purpose is as follows:

Fund classification by revenue source	Budget Basis				GAAP Basis		
	ES Gen Fund	HS Gen Fund	Flex Fund	ES Impact Aid	HS Impact Aid	On behalf	Report General
Taxes	\$656,654	\$425,380					\$1,082,034
Direct State Aid	779,657	554,944					1,334,601
State Oil and Gas	391,934	154,755	115,781				662,470
Other State Revenue	102,237	37,324				225,805	365,366
Federal Sources				148,691	105,540		254,231
User Fees	1,260						1,260
Interest	107	35		3	8		153
Other	898						898
<b>Total Revenues</b>	<b>1,932,747</b>	<b>1,172,438</b>	<b>115,781</b>	<b>148,694</b>	<b>105,548</b>	<b>225,805</b>	<b>3,701,013</b>
Expenditures	1,938,149	1,173,965	0	150,623	105,576	225,805	3,594,118
Transfers							0
Sale of Assets	4,307	695					5,002
Change in Fund Balance	(1,095)	(832)	115,781	(1,929)	(28)	0	111,897
Bal July 1	26,293	52,645	(115,781)	1,948	41	0	(34,854)
PPA							0
Bal July 1 restated	26,293	52,645	(115,781)	1,948	41	0	(34,854)
Bal June 30	\$25,198	\$51,813	\$0	\$19	\$13	\$0	\$77,043

Fund Balance Classification is as follows:  
MAJOR FUNDS

	MAJOR FUNDS			NON MAJOR	
	General Fund	HS Retirement Fund	Other Government Funds	Total	
Non Spendable					0
Restricted:					
Instruction			1,990	1,990	
Adult Education			9,473	9,473	
Technology Acquisition			1	1	
Transportation			82,254	82,254	
School Food			1,888	1,888	
Retirement		120,725	73,933	194,658	
Compensated Absences			8,605	8,605	
Student Extracurricular			64,941	64,941	
	0	120,725	243,085	363,810	
Assigned:					
Instruction	7,321		13,641	20,962	
	7,321	0	13,641	20,962	
Unassigned:	69,722	0	0		
	69,722	0	0	69,722	
<b>Total Fund Balance</b>	<b>\$77,043</b>	<b>\$120,725</b>	<b>\$256,726</b>	<b>\$454,494</b>	

Notes to Financial Statements (continued)

**6. FUND BALANCE/NET POSITION DISCLOSURES (continued)**

In the government wide statements fund equity is classified as net position and displayed in following components:

Net investment in Capital Assets. Composed of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any debt incurred that is attributable to the acquisition thereof.

Restricted. Further classified as expendable and non-expendable, generally the net position resulting from property taxes levied for a statutory purpose.

Unrestricted. All other assets.

**Net Position  
Classifications:**

Invested in Capital Assets 10,055,922

**Restricted**

Non expendable 0

Expendable 388,819

Unrestricted (3,110,143)

\$7,334,598

A reconciliation of fund balance by classification to restricted net position by classification follows:

		Deferred Inflow of Resources Taxes	Capital Assets Net	Long term Debt	Pension Related	Adjustments	Net Position
Fund Balances							
Non Spendable	0						0
Restricted	363,810	11,368				13,641	388,819
Invest Capital Assets			11,390,294	(1,334,372)			10,055,922
Assigned	20,962					(20,962)	0
Unrestricted		40,467		(172,506)	(3,055,147)	77,043	(3,110,143)
Unassigned	69,722					(69,722)	0
Total	\$454,494	\$51,835	\$11,390,294	(\$1,506,878)	(\$3,055,147)	\$0	\$7,334,598



Notes to Financial Statements (continued)

**7. 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 non-teaching employees. The plans are established under State law and are administered by the State of Montana.

**Stand-Alone Statements**

The financial statements of the Montana Teachers Retirement System and the Public Employees Retirement Board *Comprehensive Annual Financial Report (CAFR)* and the GASB 68 Report disclose the Plans' fiduciary net position. The reports are available from:

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

Public Employees Retirement Board  
P.O. Box 200131  
100 N. Park Avenue Suite 200  
Helena, MT 59620-0131  
Phone: 406-444-3154  
[www.mpera.mt.gov](http://www.mpera.mt.gov)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF EMPLOYEE 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 of the MPERA and TRS and additions to/deductions from MPERA's and TRS's fiduciary net position have been determined on the same accrual basis as they are reported by MPERA and TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. MPERS and TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements. Stand-alone financial statements, actuarial valuations and experience studies can be found on the above listed websites.

## Notes to Financial Statements (continued)

### **7. EMPLOYEE RETIREMENT SYSTEM (continued)**

#### **SCHOOL DISTRICT 17 - CULBERTSON PUBLIC EMPLOYEES' RETIREMENT SYSTEM – DEFINED BENEFIT GASB 68 NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED**

**JUNE 30, 2019 (measurement date)**

**JUNE 30, 2020 (reporting date)**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2019 measurement date for the 2020 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2020.

#### **Summary of Significant Accounting Policies**

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the Net Pension Liability (NPL); Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

#### **General Information about the Pension Plan**

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

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

*Benefits provided:* The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

## Notes to Financial Statements (continued)

### **7. EMPLOYEE RETIREMENT SYSTEM (continued)**

#### **Service retirement:**

Hired prior to July 1, 2011:

- o Age 60, 5 years of membership service
- o Age 65, regardless of membership service
- o Any age, 30 years of membership service

Hired on or after July 1, 2011:

- o Age 65, 5 years of membership service
- o Age 70, regardless of membership service

#### **Early Retirement:**

Hired prior to July 1, 2011:

- o Age 50, 5 years of membership service
- o Any age, 25 years of membership service

Hired on or after July 1, 2011:

- o Age 55, 5 years of membership service

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

Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:

- o A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
- o No service credit for second employment;
- o Start the same benefit amount the month following termination; and
- o Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:

- o A recalculated retirement benefit based on provisions in effect after the initial retirement; and
- o GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months. Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
- o The same retirement as prior to the return to service;
- o A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- o GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

#### **Member's highest average compensation (HAC)**

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

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

#### **Compensation Cap**

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

#### **Monthly benefit formula**

Members hired prior to July 1, 2011

- o Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- o 25 years of membership service or more: 2% of HAC per year of service credit.

## Notes to Financial Statements (continued)

### 7. EMPLOYEE RETIREMENT SYSTEM (continued)

Members hired on or after July 1, 2011

- o Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- o 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- o 30 years or more of membership service: 2% of HAC per year of service credit.

#### **Guaranteed Annual Benefit Adjustment (GABA)**

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

3.0% for members hired **prior to** July 1, 2007

1.5% for members hired **between** July

1, 2007 and June 30, 2013 Members

hired on or after July 1, 2013:

- (a) 1.5% for 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.

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

**Special Funding:** The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are all participating employers.

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

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired < 07/01/11	Hired > 07/01/11	Employer	Employer	State	Employer	State
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012 – 2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010 – 2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008 – 2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000 – 2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

## Notes to Financial Statements (continued)

### 7. EMPLOYEE RETIREMENT SYSTEM (continued)

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

2. Employer contributions to the system:

a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.

b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers' reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

3. Non-Employer Contributions:

a. Special Funding

i. The state contributed 0.1% of members' compensation on behalf of local government entities.

ii. The state contributed 0.37% of members' compensation on behalf of school district entities.

iii. The state contributed a Statutory Appropriation from the General Fund of \$33,615,000.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2019, was determined by taking the results of the June 30, 2018, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$480,509 and the employer's proportionate share was 0.022987 percent.

As of measurement date	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018*	Change in Percent of Collective NPL
SCHOOL DISTRICT 17 - CULBERTSON Proportionate Share	\$480,509	\$482,355	0.022987%	0.023111%	(0.000124)%
State of Montana Proportionate Share associated with Employer	\$172,123	\$177,812	0.008234%	0.008519%	(0.000285)%
<b>Total</b>	<b>\$652,631</b>	<b>\$660,167</b>	<b>0.031221%</b>	<b>0.031630%</b>	<b>(0.000409)%</b>

\*To be consistent with this year's calculation of the *State of Montana Proportionate Share Associated with Employer Percent of Collective NPL*, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

## Notes to Financial Statements (continued)

### 7. EMPLOYEE RETIREMENT SYSTEM (continued)

*Changes in actuarial assumptions and methods:* There were no changes in assumptions or other inputs that affected the measurement of the TPL.

*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 NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

*Pension Expense:* At June 30, 2019, the employer recognized \$32,509 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$1,462 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$10,224 from the State Statutory Appropriation from the General Fund. (Two years of pension expense are documented in the table below but are not necessary for the employer's disclosures.)

As of measurement date	Pension Expense as of 6/30/2019	Pension Expense as of 6/30/2018
SCHOOL DISTRICT 17 - CULBERTSON'S Proportionate Share	\$32,509	\$21,149
Employer Grant Revenue – State of Montana Proportionate Share for employer	1,462	11,867
Employer Grant Revenue – State of Montana State Appropriation for employer	10,224	0
<b>Total</b>	<b>\$44,194</b>	<b>\$33,016</b>

*Recognition of Deferred Inflows and Outflows:* At June 30, 2019, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$22,785	\$22,610
Projected Investment Earnings vs. Actual Investment Earnings	5,826	0
Changes in Assumptions	20,399	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	55,827
Employer Contributions Subsequent to the Measurement Date	35,923	
<b>Total</b>	<b>\$84,933</b>	<b>\$78,437</b>
# the employer's contributions subsequent to the measurement date must be entered by the employer. These are the FY2020 contributions paid to the Plan.		

## Notes to Financial Statements (continued)

### 7. EMPLOYEE RETIREMENT SYSTEM (continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2020	\$(4,690)
2021	\$(32,133)
2022	\$2,167
2023	\$5,229
Thereafter	\$ 0

**Actuarial Assumptions:** The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions.

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.26%
General Wage Growth * *includes Inflation at	3.50% 2.75%
Merit Increases	0% to 6.30%
Postretirement Benefit Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit. Members hired prior to July 1, 2007 Members hired between July 1, 2007 & June 30, 2013 Members hired on or after July 1, 2013 For each year PERS is funded at or above 90% The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90% 0% whenever the amortization period for PERS is 40 years or more	3.0% 1.5% 1.5%    0%
Mortality: Contributing members, , service retired members & beneficiaries  Disabled Members	RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males  RP-2000 Combined Mortality Tables, with no projections

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions 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 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized in the table below:

## Notes to Financial Statements (continued)

### 7. EMPLOYEE RETIREMENT SYSTEM (continued)

Asset Class	Target Asset Allocation	Long-Term Expected Return on Assets/Minimum Basis
Cash Equivalents	3.0%	4.09%
Domestic Equity	36.0%	6.05%
Foreign Equity	18.0%	7.01%
Fixed Income	23.0%	2.17%
Private Equity	12.0%	10.53%
Real Estate	8.0%	5.65%
Total	100.0%	

**Discount Rate:** The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 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 TPL. A municipal bond rate was not incorporated in the discount rate.

**Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:** The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.65%)	Current Discount Rate	1.0% Increase (8.65%)
SCHOOL DISTRICT 17- CULBERTSON'S Net Pension Liability	\$690,354	\$480,509	\$304,160



**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**PERS Disclosure for the defined contribution plan**

SCHOOL DISTRICT 17 CULBERTSON contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

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

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

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

At the plan level for the measurement period ended June 30, 2019, 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 320 employers that have participants in the PERS-DCRP totaled \$714,024.

*Pension plan fiduciary net position:* The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>

Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**CULBERTSON PUBLIC SCHOOLS  
GASB 68 Notes to the Financial Statements  
Prepared as of June 30, 2019 (Measurement  
Date) For the Year Ended June 30, 2020  
(Reporting Date)**

**The following disclosures should be disclosed for each pension plan TRS and PERS**

**Net Pension Liability**

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2020 and June 30, 2019 (reporting dates).

	Net Pension Liability as of 6/30/2020	Net Pension Liability as of 6/30/2019	Percent of Collective NPL as of 6/30/2020	Percent of Collective NPL as of 6/30/2019	Change in Percent of Collective NPL
CULBERTSON PUBLIC SCHOOLS Proportionate Share	\$2,897,601	\$2,955,965	0.1503%	0.1593%	(0.0090)%
State of Montana Proportionate Share associated with employer	\$1,755,394	\$1,840,863	0.0910%	0.0992%	(0.0082)%
Total	\$4,652,995	\$4,796,828	0.2413%	0.2585%	(0.0172)%

At June 30, 2020, the employer recorded a liability of \$2,897,601 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2020, the employer's proportion was 0.1503 percent.

Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**Changes in actuarial assumptions and other inputs:** The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

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

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

**Pension Expense**

	<b>Pension Expense as of 6/30/2020</b>
CULBERTSON PUBLIC SCHOOLS Proportionate Share	\$336,932
State of Montana Proportionate Share associated with the Employer	\$214,119
Total	<u>\$551,051</u>

At June 30, 2020, the employer recognized a Pension Expense of \$551,051 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$214,119 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**Deferred Inflows and Outflows**

At June 30, 2020, the employer reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$19,180	\$0
Changes in actuarial assumptions	\$144,684	\$6,496
Differences between projected and actual investment earnings	\$28,088	\$0
Changes in proportion & Differences between actual and expected contributions	\$54,638	\$131,896
*Contributions paid to TRS subsequent to the measurement date - FY 2020 Contributions	\$208,269	
<b>Total</b>	<b>\$454,859</b>	<b>\$138,392</b>

\* 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, 2021.

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

<b>Year ended June 30:</b>	<b>Amount of Deferred Outflows (Inflows) to be recognized as an increase or (decrease) to Pension Expense</b>
2021	\$119,722
2022	(\$19,247)
2023	(\$15,532)
2024	\$23,257
2025	\$0
Thereafter	\$0

## Notes to Financial Statements (continued)

### **7. EMPLOYEE RETIREMENT SYSTEM (continued)**

#### **Plan Description**

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

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

#### **Summary of Benefits**

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

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

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

## Notes to Financial Statements (continued)

### **7. EMPLOYEE RETIREMENT SYSTEM (continued)**

#### **Overview of Contributions**

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

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

#### **School Districts and Other Employers**

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

#### **School Districts and Other Employers**

	Members	Employers	General fund	Total employee & employer
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	9.47%	0.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	9.85%	0.11%	17.11%
July 1, 2013 to June 30, 2014	8.15%	10.85%	0.11%	19.11%
July 1, 2014 to June 30, 2015	8.15%	10.95%	0.11%	19.21%
July 1, 2015 to June 30, 2016	8.15%	11.05%	0.11%	19.31%
July 1, 2016 to June 30, 2017	8.15%	11.15%	0.11%	19.41%
July 1, 2017 to June 30, 2018	8.15%	11.25%	0.11%	19.51%
July 1, 2018 to June 30, 2019	8.15%	11.35%	0.11%	19.61%
July 1, 2019 to June 30, 2020	8.15%	11.45%	0.11%	19.71%
July 1, 2020 to June 30, 2021	8.15%	11.55%	0.11%	19.81%
July 1, 2021 to June 30, 2022	8.15%	11.65%	0.11%	19.91%
July 1, 2022 to June 30, 2023	8.15%	11.75%	0.11%	20.01%
July 1, 2023 to June 30, 2024	8.15%	11.85%	0.11%	20.11%

## Notes to Financial Statements (continued)

### **7. EMPLOYEE RETIREMENT SYSTEM (continued)**

#### **TRS Stand-Alone Statements**

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

#### **Actuarial Assumptions**

The Total Pension Liability as of June 30, 2019, is based on the results of an actuarial valuation date of July 1, 2019. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the last actuarial experience study, dated May 3, 2018. Among those assumptions were the following:

- |                                   |   |
|-----------------------------------|---|
| -Total Wage Increases*            | 3.25% -7.76% for Non-University Members<br>and 4.25% for University Members |
| -Investment Return                | 7.50%   |
| -Price Inflation                  | 2.50%   |
| -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
- For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years
- Mortality among disabled members
- For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
  - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.

\*Total Wage Increases include 3.25% general wage increase assumption.

Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. 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 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

**Target Allocations**

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return* (a) x (b)
Domestic Equity	35.00%	6.05%	2.12%
International Equity	18.00%	7.01%	1.26%
Private Equity	10.00%	10.53%	1.05%
Natural Resources	3.00%	4.00%	0.12%
Core Real-Estate	7.00%	5.65%	0.40%
TIPS	3.00%	1.40%	0.01%
Intermediate Duration Bonds	19.00%	2.17%	0.41%
High Yield Bond	3.00%	4.09%	0.12%
Cash	2.00%	0.78%	0.02%
	<u>100.00%</u>		<u>5.54%</u>
		Inflation	2.50%
		Expected arithmetic nominal return	<u>8.04%</u>

\*The assumed rate is comprised of a 2.50% inflation rate and a real long-term expected rate of return of 5.00%.

The long term capital market assumptions published in the Survey of Capital Market Assumptions 2019 Edition by Horizon Actuarial Service, LLC, yield a median real return of 4.91%. Based on this information, the Board's adopted assumption of 5.00% for the real return is reasonable. Combined with the 2.50% inflation assumption, the resulting nominal return is 7.50%.



Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

**Sensitivity Analysis**

	<b>1.0% Decrease (6.50%)</b>	<b>Current Discount Rate</b>	<b>1.0% Increase (8.50%)</b>
The Employer's proportion of Net Pension Liability	\$3,963,186	\$2,897,601	\$2,004,814

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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

**Summary of Significant Accounting Policies**

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

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

Notes to Financial Statements (continued)

**7. EMPLOYEE RETIREMENT SYSTEM (continued)**

PENSION AMOUNTS TOTAL FOR EMPLOYER –  
EMPLOYER'S PROPORTION OF TRS AND PERS 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	\$1,837,510	\$9,239,399	\$11,076,909
Fiduciary Net Position	\$1,357,001	\$6,341,798	\$7,698,799
Net Pension Liability	\$480,509	\$2,897,601	\$3,378,110
Deferred Outflows of Resources	\$84,933	\$454,859	\$539,792
Deferred Inflows of Resources	\$78,437	\$138,392	\$216,829
Pension Expense System Reports	\$44,194	\$551,051	\$595,245

**8. RISK MANAGEMENT**

The District faces a number of risks including:

- a) loss or damage to property
- b) general liability
- c) workers compensation
- d) employee medical insurance

Commercial insurance policies are purchased for loss or damage to property, general liability, and health insurance.

The District participates in a statewide public risk pool, the Montana Schools Group Workers Compensation Risk Retention Program (WCRRP), for workers compensation coverage. Approximately 200 schools participate in WCRRP. All school participants in this pool are jointly and severally liable for the liabilities of this public risk pool.

The pool issues audited financial statements. Information about the amount of claim liabilities, changes in claims liabilities, amount of claims paid, operating results and other information is available at:

WCRRP  
1 South Montana Avenue  
Helena, Montana 59601

**Notes to Financial Statements (continued)**

**9. CONTINGENCY COVID-19**

Beginning in March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, followed by multiple jurisdictions in the United States, including the State of Montana, declaring a State of Emergency. The District experienced school closures, employees unable to come to work, and a variety of disruptions. The District has acknowledged that the pandemic is an issue and has taken precautions. It is impossible for the District to reasonably estimate the length or severity of this pandemic or the future impact of the economic changes as a result of the pandemic.

**10. CONTINGENCY**

As of the date of the Independent Auditors opinion, allegations of misconduct have been made concerning a District employee. An investigation is forthcoming.

# **REQUIRED SUPPLEMENTARY INFORMATION**

Other than Management's Discussion and Analysis

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES  
BUDGET AND ACTUAL  
ELEMENTARY GENERAL FUND  
June 30, 2020**

	Original Budget	Amended & Final Budget	Actual Amounts Budgetary Basis
<b>RESOURCES/INFLOWS</b>			
District Levy	\$643,254	\$643,254	\$656,654
Direct State Aid	779,657	779,657	779,657
State Oil and Gas	76,574	392,024	391,934
Other State Sources	101,936	101,936	102,237
County Sources			
Federal Sources			
User Fees	980	980	1,260
Interest	111	111	107
Other	533	533	898
Total	1,603,045	1,918,495	1,932,747
Other Financing Sources			
Sale of Assets			4,307
Total Revenue and Other Financing Sources			1,937,054
<b>EXPENDITURES/OUTFLOWS</b>			1,957,806
Change in Fund Balance			(\$20,752)

See notes to budgetary required supplementary information.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

Explanation of differences between budgetary inflows and outflows and GAAP  
Revenues and Expenditures

	Elementary General
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	<u>\$1,937,054</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds	<u><u>1,937,054</u></u>
<b>Uses/Outflows of resources</b>	
Actual amounts (budgetary basis) "charged to appropriations" from the budgetary comparison schedule	1,957,806
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	
Change in encumbrances	(19,657)
Total expenditures (GAAP Basis) as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$1,938,149</u></u>

**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**  
**BUDGET AND ACTUAL**  
**HIGH SCHOOL GENERAL FUND**  
**June 30, 2020**

See notes to budgetary required supplementary information.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

Explanation of differences between budgetary inflows and outflows and GAAP  
Revenues and Expenditures

High School General

**Sources/Inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$1,173,133
Total revenues reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds	<u>1,173,133</u>

**Uses/Outflows of resources**

Actual amounts (budgetary basis) "charged to appropriations" from the budgetary comparison schedule	1,173,215
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Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes

Change in encumbrances	750
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Total expenditures (GAAP Basis) as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$1,173,965</u>
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**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES  
BUDGET AND ACTUAL  
HIGH SCHOOL RETIREMENT FUND  
June 30, 2020**

See notes to budgetary required supplementary information.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

Explanation of differences between budgetary inflows and outflows and GAAP  
Revenues and Expenditures

	HS Retirement
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$143,224
Total revenues reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds	143,224
<b>Uses/Outflows of resources</b>	
Actual amounts (budgetary basis) "charged to appropriations" from the budgetary comparison schedule	149,462
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	
Change in encumbrances	0
Total expenditures (GAAP Basis) as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$149,462

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**NOTES TO REQUIRED SUPPLEMENTARY BUDGETARY INFORMATION  
June 30, 2020**

**Budgets:**

Budgets are adopted by funds defined as budgeted funds as defined in state law (MCA 20-9-201).

The budgets must be adopted on or before August 20<sup>th</sup> of each year, but may be continued day to day until August 25<sup>th</sup>. If taxable value information is not available. (MCA 20-9-131). Appropriations (budgetary spending authority) lapse at year end except for construction in progress and obligations for the purchase of personal property ordered but not paid for during the current year (MCA 20-9-209). Because Montana schools have appropriations which lapse at year end encumbrances are allowed as a means of budgetary control. Encumbrances do not represent expenditures for the period for generally accepted accounting principles. The budgetary basis statements total expenditures varies from modified accrual total expenditures in the ES & HS General Funds by the change in encumbrances of \$19,657 and \$(750) and the GASB 85 on behalf payment of \$ 225,805.

State law requires with certain exceptions only that total actual expenditures not exceed total budgeted expenditures. There were amendments to the budgets, the amounts shown are the original, amended, and final budgeted amounts. Budget amendments in the amount of \$315,450 to Elementary General Fund and \$135,512 to High School General Fund were made by resolution adopted June 16, 2020.

The ES & HS General Funds, Flexibility Funds, Impact Aid Funds, and On behalf payment are combined in the GAAP Basis Statements.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**Supplementary Schedule of Proportionate Share  
of the Net Pension Liability and Schedule of Contributions**

For the year Ended June 30  
Determined as of the Measurement Date

Plan: TRS

**Schedule of Proportionate Share of the Net Pension Liability:**

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.1503%	0.1593%	0.1569%	0.1406%	0.1474%	0.1431%
Employer's proportionate share of the net pension liability associated with the Employer	\$2,897,601	\$2,955,965	\$2,646,060	\$2,569,134	\$2,422,480	\$2,202,062
State of MT proportionate share of the net pension liability associated with the Employer	1,755,394	1,840,863	1,679,804	1,677,005	1,628,996	1,510,763
Total	\$4,652,995	\$4,796,828	\$4,325,864	\$4,246,139	\$4,051,476	\$3,712,825
Employer's employee payroll	2,039,848	2,127,195	2,069,932	1,825,447	1,881,861	1,804,577
Employer's proportionate share of the net pension liability as of its employee payroll (as a percentage)	142.05%	138.96%	127.83%	140.74%	128.73%	122.03%
Plan fiduciary net position the total pension liability (as a percentage)	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%

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

**Schedule of Contributions:**

	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$208,269	\$183,248	\$188,783	\$181,616	\$163,967	\$162,678
Contributions in relation to the contractually required contributions	208,269	183,248	188,783	181,616	163,967	162,678
Contribution deficiency (excess)	0	0	0	0	0	0
Employer's covered payroll	2,295,809	2,039,848	2,127,195	2,069,932	1,825,447	1,881,861
Contributions of covered payroll (as a percentage)	9.07%	8.98%	8.87%	8.77%	8.98%	8.64%

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

See Notes to Required Supplementary Information.

**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**Supplementary Schedule of Proportionate Share  
of the Net Pension Liability and Schedule of Contributions  
For the Last Ten Fiscal Years\***

**Plan: PERS**

**Schedule of Proportionate Share of the Net Pension Liability:**

As of measurement date	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (percentage)	0.022987%	0.0231%	0.0286%	0.0310%	0.0340%	0.0336%
Employer's net pension liability	\$480,506	\$482,355	\$556,496	\$527,929	\$475,735	\$418,560
State's net pension liability	172,123	177,812	26,923	24,673	22,355	19,566
Total	652,629	660,167	583,419	552,602	498,090	438,126
Employer's covered payroll	391,629	392,583	366,271	383,779	410,642	395,180
Employer's proportionate share as a percent of covered payroll	122.69%	122.87%	151.94%	137.56%	115.85%	111.22%
Plan fiduciary net position as a percent of total pension liability	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

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

**Schedule of Contributions:**

	2020	2019	2018	2017	2016	2015
Contractually required contributions	35,923	32,505	32,192	29,668	31,031	32,728
Plan Choice Rate required contributions	0	0	0	0	524	853
Contributions in relation to the contractually required contributions	35,923	32,505	32,192	29,668	31,555	33,581
Contribution deficiency (excess)	0	0	0	0	0	0
Employer's covered payroll	454,728	425,820	392,583	366,271	383,779	410,642
Contributions as percent of covered payroll	7.9%	8.35%	8.2%	8.10%	8.22%	8.18%

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

The amounts presented for each fiscal year were determined as of June 30.

See Notes to Required Supplementary Information.

## Notes to Required Supplementary Information

### PERS

#### Changes of Benefit Terms

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

#### 2017:

#### Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

#### Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

**Interest credited to member accounts** – Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

#### Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

#### Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

### Changes in Actuarial Assumptions and Methods

#### Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

## TRS

### *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:
  - The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
  - The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
  - 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.
- 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.



*Changes in actuarial assumptions and other inputs:*

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% per annum.

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
  - o For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

The tables include margins for mortality improvement which is expected to occur in the future.

-Mortality among disabled members was updated to the following:

- o For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
- o For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.

-Retirement rates were updated

-Termination rates were updated

-Rates of salary increases were updated

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

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

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

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 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	22 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

## **SUPPLEMENTARY INFORMATION**



**School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana**

**EXTRACURRICULAR FUND  
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN NET POSITION  
BY STUDENT ACTIVITY  
June 30, 2020**

<b>Student Activity</b>	<b>Balance June 30, 2019</b>	<b>Revenues &amp; Misc Earnings</b>	<b>Expenditures &amp; Misc Charges</b>	<b>Transfers In (Out)</b>	<b>Balance June 30, 2020</b>
Annual	\$4,623	\$1,495	\$2,988		\$3,130
Athletics	3,077	29,517	26,261	(117)	6,216
Cheerleader	505	261			766
FFA	7,143	31,355	31,332	69	7,235
Band/Choir	2,859	3,918	1,975		4,802
Student Council	5,172	3,663	2,124	(1,000)	5,711
Speech and Drama	959	1,569	1,223		1,305
Vo-Ag Revolving	2,570		674		1,896
JMG	581	5,336	4,479	1,000	2,438
BPA	3,785	9,378	5,808		7,355
Explore America	4,385	16,973	13,012		8,346
Music Parents	2,382	288	68		2,602
Art	1,577				1,577
Library	1,525	646	706		1,465
Spanish Club	15				15
Science Olympiad	2,025	5,511	4,142		3,394
Class of 2019	107	152	107	(152)	0
Class of 2020	472	2,797	3,424	155	0
Class of 2021	3,393	6,375	7,557	45	2,256
Class of 2022	988	954	393		1,549
Class of 2023	0	1,134	229		905
Play	2,694	1,180	1,896		1,978
	<b>\$50,837</b>	<b>\$122,502</b>	<b>\$108,398</b>	<b>\$0</b>	<b>\$64,941</b>



# ROSS R. STALCUP

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CERTIFIED PUBLIC ACCOUNTANT, P.C.

**INDEPENDENT AUDITORS 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**

Board of Trustees  
School District Nos. 17 J/R & 17 C/R  
Culbertson, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District Nos. 17 J/R & 17 C/R, Culbertson, Montana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise School District Nos. 17 J/R & 17 C/R's basic financial statements, and have issued our report thereon dated March 26, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered School District Nos. 17 J/R & 17 C/R'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 School District Nos. 17 J/R & 17 C/R's internal control. Accordingly, we do not express an opinion on the effectiveness of School District Nos. 17 J/R & 17 C/R'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 preceding paragraph 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 School District Nos. 17 J/R & 17 C/R's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 result 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.



March 26, 2021

Ross R. Stalcup  
Certified Public Accountant



**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 24

**AGENDA TITLE:** 2021-2022 PIR Plan

**SUMMARY:** Mike and I have been meeting with members of the staff to develop the PIR day plans for the three professional development days in August. The tentative plan is attached for the Board's review and consideration.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

# Culbertson Public Schools

## 2021-2022

### Orientation PIR Day - Monday, August 16<sup>th</sup>

9:00 a.m.	K-12 Staff Meeting in the Lunchroom <ul style="list-style-type: none"><li>• Refreshments</li><li>• Topics of Discussion Too Numerous to Mention*</li></ul>
10:30 a.m.	K-6 Staff Training with Infinite Campus in the Computer Lab Room Time for Everyone Else
12:00 p.m.	Lunch on your own
1:00 p.m.	K-6 Staff Training with Infinite Campus in the Computer Lab 7-12 Staff Meeting in the Lunchroom
3:00 p.m.	Room Time for Everyone
4:00 p.m.	Everyone is free to go

### Orientation PIR Day - Tuesday, August 17<sup>th</sup>

9:00 a.m.	7-12 Staff Training with Infinite Campus in the Computer Lab Room Time for Everyone Else
11:00 a.m.	K-6 Staff Meeting in the Lunchroom
12:30 p.m.	Lunch on your own
1:30 p.m.	Room Time for Everyone
2:00 p.m.	New Staff Orientation in the Computer Lab Room Time for Everyone Else
3:00 p.m.	K-12 Staff Meeting in the Lunchroom (if needed)
4:00 p.m.	Everyone is free to go

# Culbertson Public Schools

## 2019-2020

### Orientation PIR Day - Wednesday, August 18<sup>th</sup>

9:00 a.m.	K-12 Staff Training in the lunchroom – True Colors with Wendy Becker
12:00 p.m.	Lunch on your own
1:00 p.m.	Certified Teacher Meeting in the Computer Lab Room Time for Everyone Else
2:00 p.m.	Room Time for Everyone
4:00 p.m.	Everyone is free to go

\*Gmail Communications, Title IX Reporting, Website Information, Social Media Use, One Call Now, Policy Access, School Calendar, District Goals, District Financial Outlook, Facility Planning, Bell Schedule Time Changes, School Board Policy Manual, and the list just keeps on going.....

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 25

**AGENDA TITLE:** 2021-2022 Technology Budget

**SUMMARY:** The Technology Committee met on Monday, April 12<sup>th</sup>. The preliminary Technology Budget is attached. I believe a recommendation will be forthcoming from the Technology Committee.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

# 2021-2022 Technology Budget

The Culbertson School District will maintain a budget providing a sum of money strictly for technology items and training.

An increase of 3% for inflation will be added to next years budget.

<u>TECHNOLOGY ITEM</u>	<u>STAFF</u>	<u>QUANTITY</u>	<u>Last Year Cost</u>	<u>COST</u>	<u>TOTAL</u>	<u>Fund</u>
<b>Yearly Renewals</b>						
Renaissance Learning (yearly)	Renew on 6-30-22	240 Users	\$5,287	\$5,554.50	\$5,555	Federal SRS Grant
Acellus Annual Support (yearly)	Renew on 5-27-22		\$515	\$515	\$525	
AIMSweb Yearly Renewal (yearly)	Renew on 4-30-22	180	\$1,250	6.50 per student	\$1,170	Federal SRS Grant
BrainPop Yearly Renewal (yearly)	Renew on 1-29-22	unlimited	\$1,855	\$1,855	\$1,900	Federal SRS Grant
Infinite Campus SIS Annual renewal	Renew on 6-1-2022		\$2,100	\$2,620	\$2,620	Federal SRS Grant
Sonic Wall (School)	Renew 12-3-2022		\$4,602	\$4,602	\$0	General Fund
Nemont Internet	monthly		\$7,200	\$600 month	\$7,200	General/E-rate
Follette Destiny Software yearly renewal	Library 5-31-22		\$575	\$575	\$583	General Fund
Schoolwires Website (yearly/3 yr contract	Renew 6-30-2022		\$1,932.00	\$1,932.00	\$1,932.00	Federal SRS Grant/E-rate
Verizon	monthly		\$2,400.00	\$200 a month	\$2,400.00	General Fund/E-rate
OneCall Now (yearly)	Renew 12-1-21	270	\$487	\$427.00	\$489	
Harris Lunchcount Program (yearly)	Renew on 7-1-22		\$600	787.50/262.50	\$1,313	
E-Rate (Nicole Jones)				\$1,400		
			<b>\$34,301.00</b>		<b>\$25,686</b>	
<b>Maintenance /Supply</b>						
Technology Coordinator			\$5,200		\$5,200	General
Managed Services Server (North Star)			\$9,552	796.00 a month	\$9,552	General/Oil
Backup/Disaster Recovery (NorthStar)			\$5,352	446.00 a month	\$5,352	
On-ste/Project Work (NorthStar)		50 hours		\$5,000	\$0	
Computer Summer Cleaning		148	\$2,346	\$17 each	\$2,516	General
Marco Print Services copiers/printers	\$900/\$1,100		\$24,000	2,274 a month	\$27,285	
Incidentals			\$3,000	\$3,000	\$3,000	General Fund/Timber
			<b>\$35,146</b>		<b>\$52,905</b>	

1

### Future pu

2021-2022 Technology Budget

Desktop Computers complete  
Old smartbaord replacement complet

Desktops 100 Wing complete  
200 Wing  
300 Wing

Smartboard 100 Wing  
200 Wing  
300 Wing

\$0.00

Last Year 2020-21  
Desktop Computers 38 computers with monitors \$450 each \$17,100.00  
Old smartbaord replacement 10 old smartboard at \$3,403 board with \$99 to \$1,000 mount \$34,030.00

Desktops 100 Wing 15 \$6,750.00  
200 Wing 14 \$6,300.00  
300 Wing 9 \$4,050.00

Smartboard 100 Wing 7 \$19,453.00  
200 Wing 1 \$3,403.00  
300 Wing 2 \$6,806.00

with up to \$15,000 in mounting carts brackets  
\$51,130.00

**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 26

**AGENDA TITLE:** Guest Teacher Application(s)

**SUMMARY:** We have received an application from Sara Featherston. I recommend the Board approve her application pending background check.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					



**CULBERTSON PUBLIC SCHOOLS  
DISTRICTS 17 J/R/C  
BOARD AGENDA FACT SHEET**

**MEETING DATE:** 4-19-2021

**AGENDA ITEM #:** 27

**AGENDA TITLE:** District Clerk Evaluation

**SUMMARY:** Attached please find a copy of the District Clerk Evaluation Instrument. Lora would like to request executive session for the purposes of conducting her performance evaluation.

**BOARD ACTION**

	Motion	Second	Aye	Nay	Abstain
Finnicum					
Anderson					
Bergum					
Colvin					
Kirkaldie					

# Culbertson Public School District 17 J/R/C

## District Clerk Evaluation

District Clerk:

Date:

Performance Responsibilities:	Satisfactory	Unsatisfactory	Not Observed	Comments or Suggestions
1. Attend all Board meetings.				
2. Keep accurate and full minutes of the meetings of the Board.				
3. Send a copy of minutes to each member of the Board at least one week prior to the next regular meeting of the Board.				
4. Prepare, together with the superintendent, an agenda setting forth all known items of business to be considered at the meeting and deliver the agenda to each member of the Board at least one week prior to the meeting.				
5. Publish all legal notices concerning the district's business.				
6. Act as custodian of all federal, state, and local monies belonging to the district.				
7. Receive all federal, state, and local monies belonging to the district.				
8. Deposit monies received in banks or treasuries designated by the Board.				

Performance Responsibilities:				Comments or Suggestions
	Satisfactory	Unsatisfactory	Not Observed	
9. Become bonded in such sum as shall be required before entering on the duties of the office and notarize as requested.				
10. Pay out district monies on written order of designated officials of the Board.				
11. Give detailed accounts of monies received and distributed at least once a month prior to the regular meeting of the Board and such other times as the Board may request.				
12. Render a full annual report at the end of each fiscal year for each school budget.				
13. Work in conjunction with the Board designated audit firm to satisfy all state audit requirements.				
14. Maintain employee records as they pertain to items such as contracts, insurance, leave, time sheets, and voluntary payroll deduction.				
15. Direct District investments monthly to the County Treasurer detailed by fund.				
16. Maintain federal, state, and local grants and scholarships with fiscal year end reports.				
17. Maintain fixed assets as reported to OPI and inventory records for the District.				

Performance Responsibilities:		Satisfactory	Unsatisfactory	Not Observed	Comments or Suggestions
18. Maintain all bus driver certifications and contracts.					
19. Perform such other tasks as may from time to time be assigned.					

# Public Comment

## (Non-Agenda Items)

The Board recognizes the value of public comment on educational issues and the importance of involving members of the public in its meetings. The Board also recognizes the statutory and constitutional rights of the public to participate in governmental operations. To allow fair and orderly expression of public comments, the Board will permit public participation through oral or written comments during this “public comment” section. Individuals wishing to be heard by the Board shall first be recognized by the Chairperson. Individuals, after identifying themselves, will proceed to make comments within a 3 minute time period. Citizens may comment on items within the jurisdiction of the school board that do not appear on this meeting’s agenda. Citizens may not comment on matters related to student or staff privacy or contested adjudicative matters. The Chairperson may control the comment period to ensure an orderly progression of the meeting and may redirect or terminate an individual’s statement when appropriate, including when statements are out of order, too lengthy, personally directed, abusive, obscene, or irrelevant.

Thank you.