

LIVINGSTON SCHOOL DISTRICT

PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2025

AUDIT REPORT



LIVINGSTON SCHOOL DISTRICT

PARK COUNTY, MONTANA

Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

Organization	1
Management Discussion and Analysis	2-7
Independent Auditor’s Report	8-11
Financial Statements	
<u>Government-wide Financial Statements</u>	
Statement of Net Position	12
Statement of Activities	13
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position - Fiduciary Fund Types	18
Statement of Changes in Net Position - Fiduciary Fund Types	19
Notes to Financial Statements	20-58
Required Supplementary Information	
Budgetary Comparison Schedule	59
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation	60
Schedule of Changes in the Total OPEB Liability and Related Ratios	61
Schedule of Proportionate Share of the Net Pension Liability	62
Schedule of Contributions	63
Notes to Required Pension Supplementary Information	64-70
Supplemental Information	
Schedule of Enrollment	71
Schedule of Revenues and Expenditures – Extracurricular Fund – All Fund Accounts	72-73
Other Information	74-75
Single Audit Section	
Schedule of Expenditures of Federal Awards	76-77
Notes to the Schedule of Expenditures of Federal Awards	78

LIVINGSTON SCHOOL DISTRICT

PARK COUNTY, MONTANA

TABLE OF CONTENTS - Continued

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	79-80
Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance	81-84
Schedule of Findings and Questioned Costs	85-90
Report on Prior Audit Recommendations	91
Auditee's Corrective Action Plan	92-93

LIVINGSTON SCHOOL DISTRICT

PARK COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2025

BOARD OF TRUSTEES

Dan Vermillion	Chairperson
Randy Mogen	Vice Chairperson
Robin Addicott	Trustee
Adam Tanner	Trustee
Lori Dust	Trustee
Emily Fabich	Trustee
Luke Jersenson	Trustee
Jacey Edwards	Trustee
Justin Duffy	Trustee

DISTRICT OFFICIALS

Peter Grady	Business Director/District Clerk
Eldon (Chad) Johnson	Superintendent
Kendra Lassiter	County Attorney
Lisa Rosberg	County Superintendent
Kaleva Law Office	District Attorney
Felt & Martin, P.C.	District Attorney

Livingston Public School District No. 4 and 1
Management's Discussion and Analysis
June 30, 2025

This Management's Discussion and Analysis (MD&A) written by the Business Manager/District Clerk of the Livingston Public School District No. 4 & 1 provides an overview of the financial position and governmental financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with our audit report and financial statements. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights For 2025:

At the end of fiscal year 2025, the District's net position was \$11.4 million, which was an increase of \$0.75 million or 7% over fiscal year 2024, with total assets of \$44.2 million, offset in part by total liabilities of \$32.8 million. This increase was driven by increases in cash and restricted cash balances of \$0.66 million, partially offset by an increase in due-to-other-governments of \$0.24 million and a reduction in net pension liabilities of \$0.9 million. The District's statement of activities for fiscal year 2025 reflected revenue of \$21.2 million and expenses of \$20.1 million for a net increase of \$1.1 million.

The taxable property valuation trends of both districts have increased steadily since 2007 except for a modest decline for the 2016 fiscal year. Taxable market values for the high school district increased by \$2.2 million or 3.2% in fiscal year 2025, and \$49.4 million or 39.5% in fiscal 2024. The tax collection percentage for property taxes levied by the District was 99.5% in fiscal year 2025, and 97.4% in fiscal year 2024.

General Fund reserves remain robust with \$700,072 or 9.75% for the elementary district and \$347,684 or 8.8% for the high school district at the beginning of the 2026 fiscal year. The maximum allowed by law is ten percent of the budget.

Transportation Fund reserves are \$95,000 which is 20% for the high school district and \$48,000 also 20% for the elementary district. The maximum allowed by state law is 20%.

The Retirement Fund reserves are \$140,000 or 20% for the high school district and \$210,000 or 20% for the elementary district.

USING THIS AUDIT REPORT

Statement No. 34 of the Governmental Accounting Standards Board (GASB) requires the general format of this report. Components and purposes of the report are explained below.

Livingston Public School District No. 4 and 1
Management’s Discussion and Analysis
June 30, 2025

REPORTING THE DISTRICT AS A WHOLE

One important question asked about school district finances is, “Is the District, as a whole, in a better or worse financial position as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the basis of accounting used by most private-sector companies. A comparative analysis of government-wide data for the prior year is presented.

The change in net position over time is one indicator of whether the District’s financial health is improving or deteriorating. However, there are other non-financial factors that influence the financial health of the school district, such as enrollment changes, tax collections, changes in how the State of Montana funds educational costs, and changes in the tax base of the school district.

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

- A. The Statement of Net Position shows assets, liabilities, and the net position of the District. The statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in capital assets, such as land, buildings, and equipment; and some assets are available to fund budgets for the following year. Assets increased by \$0.2 million or 0.5% while liabilities decreased \$0.5 million or 1.6% comparing fiscal year 2025 to 2024. The resulting change in net position was an increase of \$0.75 million or 7% compared to the previous year.

Table 1 - Net Position

	Governmental		
	Activities		
	<u>FY25</u>	<u>FY24</u>	<u>Change</u>
			<u>Inc (Dec)</u>
Current and other assets	\$ 24,595,249	\$ 24,008,031	\$ 587,218
Capital assets	19,639,606	20,016,740	(377,134)
Total assets	<u>\$ 44,234,855</u>	<u>\$ 44,024,771</u>	<u>\$ 210,084</u>
Long-term debt outstanding	\$ 25,790,201	\$ 26,780,707	\$ (990,506)
Other liabilities	7,037,445	6,581,541	455,904
Total liabilities	<u>\$ 32,827,646</u>	<u>\$ 33,362,248</u>	<u>\$ (534,602)</u>
Net investment in capital assets	\$ 7,707,614	\$ 7,762,001	\$ (54,387)
Restricted	17,157,530	16,691,200	466,330
Unrestricted (deficit)	<u>(13,457,935)</u>	<u>(13,790,678)</u>	<u>332,743</u>
Total net position	<u>\$ 11,407,209</u>	<u>\$ 10,662,523</u>	<u>\$ 744,686</u>

Livingston Public School District No. 4 and 1
Management's Discussion and Analysis
June 30, 2025

B. The Statement of Activities shows the amounts of program-specific and general school district revenues used to support the various functions of the school district. Revenues decreased \$0.2 million in fiscal year 2025 primarily due to a reduction in grants and retirement contributions offset in part by increases in investment earnings and charges for services. Expenses increased \$0.5 million primarily due to Instructional spending. General revenues, from taxes, state aid and other sources for general school operations totaled \$16 million while program revenues totaling \$4.8 million were collected from other non-tax sources. Program revenues for Livingston Schools include grants, purchased meals and community education fees.

Table 2 - Changes in Net Position

	Governmental Activities		
	<u>FY25</u>	<u>FY24</u>	<u>Change Inc (Dec)</u>
Revenues			
<i>Program revenues (by major source):</i>			
Charges for services	\$ 406,534	\$ 401,479	\$ 5,055
Operating grants and contributions	4,321,557	4,807,274	(485,717)
Capital grants and contributions	29,449	33,190	(3,741)
<i>General revenues (by major source):</i>			
Property taxes for general purposes	7,069,237	6,954,819	114,418
Grants and entitlements not restricted to specific programs	6,941,464	6,878,247	63,217
Investment earnings	564,850	23,862	540,988
Contributions & Donations	6,454	2,690	3,764
Miscellaneous (other revenue)	85,306	69,987	15,319
State contributions to retirement	318,950	615,793	(296,843)
State technology	8,507	8,387	120
County retirement	1,418,698	1,654,061	(235,363)
Total revenues	<u>\$ 21,171,006</u>	<u>\$ 21,449,789</u>	<u>\$ (278,783)</u>
Program expenses			
Instructional - regular	\$ 7,415,814	\$ 7,988,437	\$ (572,623)
Instructional - special education	2,284,484	1,931,569	352,915
Instructional - vocational education	257,508	237,432	20,076
Instructional - adult education	27,900	27,340	560
Supporting services - operations & maintenance	1,682,043	1,541,470	140,573
Supporting services - general	964,312	887,274	77,038
Supporting services - educational media services	695,677	752,872	(57,195)
Administration - general	620,578	589,956	30,622
Administration - school	1,527,598	1,446,794	80,804
Administration - business	849,556	659,246	190,310
Student transportation	648,230	538,023	110,207
Extracurricular	886,255	876,008	10,247
School food	941,929	940,061	1,868
Community services	44,240	32,283	11,957
Debt service expense - interest	628,006	615,757	12,249
Unallocated depreciation*	638,730	529,126	109,604
Total expenses	<u>\$ 20,112,860</u>	<u>\$ 19,593,648</u>	<u>\$ 519,212</u>
Increase (decrease) in net position	<u>\$ 1,058,146</u>	<u>\$ 1,856,141</u>	<u>\$ (797,995)</u>

Livingston Public School District No. 4 and 1
Management's Discussion and Analysis
June 30, 2025

- C. Livingston Schools are reported under the category of Governmental Activities. These funds provide a short-term view of the District's operations. Basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other short-term assets and liabilities (receivables and payables) that can readily be converted to cash or will soon be paid with cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The Fund Financial Statements provide detailed information about the funds used by the school district. State law and Generally Accepted Accounting Principles (GAAP) establish the fund structure of school districts. State law generally requires school districts to segregate money generated for certain specific purposes, such as transportation, into separate fund accounts.

These fund statements report balances and activities of the most significant or major funds separately and combine activities of less significant funds under a single category. To be reported as a major fund, total assets, liabilities, revenues, or expenditures of an individual fund must be at least ten percent of the corresponding element totals (assets, liabilities, etc.) for all funds. The Elementary and High School General Funds are always reported as major funds. The Elementary Miscellaneous Programs Fund, High School Debt Service Fund, Elementary Building Reserve, and High School Interlocal Agreement Fund are other major funds for our District because each of these funds has assets exceeding ten percent of total assets.

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances are shown for governmental funds such as general funds, special revenue funds for debt service, and capital outlay funds. These funds use the modified accrual basis of accounting and represent most of the District's activities and programs.

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

REPORTING THE DISTRICT'S TRUST AND FIDUCIARY RESPONSIBILITIES

Fiduciary funds: The District is the trustee or fiduciary scholarship funds, cafeteria/flex, and COBRA insurance funds. This report includes these activities in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position because the District cannot use these assets to fund its operations. The District is responsible for ensuring these assets are used for their intended purpose.

Livingston Public School District No. 4 and 1
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets:

The District's capital assets, net of accumulated depreciation, as of June 30, 2025, totaled \$19.6 million, which was a reduction from June 30, 2024, which totaled \$20 million. The total capital outlay and additions in fiscal 2025 equaled \$0.4 million. The major additions included a new yellow school bus for \$159,000 and various repairs to all school buildings for approximately \$250,000.

Debt administration:

Liabilities of the District decreased by \$0.5 million, due primarily to lower pension liabilities and principal payments on the district's \$5 million bonds. The District also has a \$10 million sinking bond fund, which requires \$625,000 be set aside each year until the bond's maturity in 2026. The current balance set aside is \$9.375 million as of June 30, 2025. Another significant liability is the net pension liability, which decreased \$0.9 million to \$12.1 million as of June 30, 2025.

THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District experienced an increase in current assets of \$0.3 million primarily due to additional cash balances and higher due-from-other-governments balances. Current liabilities increased by \$0.9 million primarily due to higher due-to-other-governments balances and accrued payroll balances and the implementation of GASB 101. Non-current assets increased \$0.2 million due to increases in sinking bond funds offset in part by lower capital asset balances. Non-current liabilities decrease \$1.6 million due to reductions in long term capital and net pension liabilities and the implementation of GASB 101.

As stated in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, the combined ending fund balances for all funds increased by approximately \$0.5 million. The increase is primarily due to an increase in revenue offset in part by an increase in expenditures. In addition, the High School District has a sinking bond fund, which has reserves of \$9.375 million at the end of the 2025 fiscal year. This sinking bond fund matures in 2026 for a total of \$10 million.

THE FUTURE OF THE DISTRICT

Enrollment in the Livingston elementary district decreased by 31 ANB (Average Number Belonging), from 805 in fiscal year 2024 to 774 in fiscal year 2025. The high school district enrollment decreased by 18, from 423 in fiscal year 2024 to 405 in fiscal year 2025. While overall enrollment for the Livingston Public School Districts has declined in the past several years, we are expecting enrollment to remain relatively consistent going forward. Staffing and related budgets are adjusted annually to accommodate changes in the number of students and instructional requirements.

Livingston Public School District No. 4 and 1

Management's Discussion and Analysis

June 30, 2025

The Board of Trustees and administration are committed to providing the best and safest learning environment for students. We continue to work diligently to keep all classrooms, and the entire campus technologically up-to-date and the buildings and grounds well-maintained and safe.

CONTACT INFORMATION

Pete Grady – Business Director
406-222-0861

Livingston Public School District No. 4 & 1
129 River Road
Livingston, MT 59047



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Livingston Public Schools
Park County
Livingston, Montana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Public Schools, Park County, Montana as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Livingston Public Schools, Park County, Montana basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Public Schools, Park County, Montana, as of June 30, 2025, 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in the notes to the financial statements, the District reported a significant unrestricted deficit net position of \$13,457,935 as of June 30, 2025. This deficit is primarily the result of the recognition of long-term liabilities related to the net pension liability totaling \$12,156,508 and Other Post Employment Benefits net with deferred inflows/outflows of \$3,991,553, as required by Governmental Accounting Standards Board (GASB) standards. These liabilities represent actuarially determined estimates of future obligations and do not require immediate funding. The District is not legally required to fund these amounts at June 30, 2025. opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 1 to the financial statements, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, or the fiscal year ended June 30, 2025. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Public Schools, Park County, Montana's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Public Schools, Park County, Montana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedules of Proportionate Share of the Net Pension Liability and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Public Schools, Park County, Montana's basic financial statements. The Schedule of Revenues and Expenditures for the Extracurricular Fund, the Schedule of Enrollment and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Revenues and Expenditures for the Extracurricular Fund, the Schedule of Enrollment and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the market/taxable valuations, tax levies, debt capacity, etc. but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report April 9, 2026, on our consideration of the Livingston Public Schools, Park County, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Livingston Public Schools, Park County, Montana's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston Public Schools, Park County, Montana's internal control over financial reporting and compliance.

Nexus CPA Group
April 9, 2026

Livingston Public Schools, Park County, Montana
Statement of Net Position
June 30, 2025

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	\$	10,425,181
Taxes and assessments receivable, net		340,455
Accounts receivable - net		3,000
Due from other governments		1,419,084
Inventories		8,616
Total current assets	\$	12,196,336
Noncurrent assets		
Restricted cash and investments	\$	9,375,000
Capital assets - land		629,959
Capital assets - depreciable, net		19,009,647
Total noncurrent assets	\$	29,014,606
Total assets	\$	41,210,942
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pensions	\$	1,582,274
Deferred outflows of resources - OPEB		1,441,639
Total deferred outflows of resources	\$	3,023,913
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	44,234,855
LIABILITIES		
Current liabilities		
Accounts payable	\$	43,207
Accrued payroll		55,995
Due to other governments		356,124
Other payroll liabilities		79,441
Current portion of lease liabilities		16,373
Current portion of long-term capital liabilities		10,308,978
Current portion of compensated absences payable		952,447
Total current liabilities	\$	11,812,565
Noncurrent liabilities		
Other post-employment benefit liability	\$	199,158
Noncurrent portion of long-term capital liabilities		1,623,014
Noncurrent portion of compensated absences		533,723
Net pension liability		12,156,508
Total noncurrent liabilities	\$	14,512,403
Total liabilities	\$	26,324,968
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pensions	\$	1,268,644
Deferred inflows of resources - OPEB		5,234,034
Total deferred inflows of resources	\$	6,502,678
NET POSITION		
Net investment in capital assets	\$	7,707,614
Restricted for capital projects		1,926,020
Restricted for debt service		9,435,410
Restricted for special projects		5,796,100
Unrestricted		(13,457,935)
Total net position	\$	11,407,209
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$	44,234,855

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position Primary Government</u>
<u>Primary government:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instructional - regular	\$ 7,415,814	\$ 151,835	\$ 2,620,898	\$ -	\$ (4,643,081)
Instructional - special education	2,284,484	-	947,257	-	(1,337,227)
Instructional - vocational education	257,508	-	-	-	(257,508)
Instructional - adult education	27,900	-	-	-	(27,900)
Supporting services - operations & maintenance	1,682,043	-	-	29,449	(1,652,594)
Supporting services - general	964,312	-	-	-	(964,312)
Supporting services - educational media services	695,677	-	-	-	(695,677)
Administration - general	620,578	-	-	-	(620,578)
Administration - school	1,527,598	-	-	-	(1,527,598)
Administration - business	849,556	-	-	-	(849,556)
Student transportation	648,230	4,243	112,408	-	(531,579)
Extracurricular	886,255	-	318,771	-	(567,484)
School food	941,929	250,456	318,834	-	(372,639)
Community services	44,240	-	3,389	-	(40,851)
Debt service expense - interest	628,006	-	-	-	(628,006)
Unallocated depreciation*	638,730	-	-	-	(638,730)
Total governmental activities	\$ 20,112,860	\$ 406,534	\$ 4,321,557	\$ 29,449	\$ (15,355,320)
			General Revenues:		
			Property taxes for general purposes	\$ 7,069,237	
			Grants and entitlements not restricted to specific programs	6,941,464	
			Investment earnings	564,850	
			Contributions & Donations	6,454	
			Miscellaneous (other revenue)	85,306	
			State contributions to retirement	318,950	
			State technology	8,507	
			County retirement	1,418,698	
			Total general revenues, special items and transfers	\$ 16,413,466	
			Change in net position	\$ 1,058,146	
			Net position - beginning	\$ 10,662,523	
			Restatements	(313,460)	
			Net position - beginning - restated	\$ 10,349,063	
			Net position - end	\$ 11,407,209	

* This amount excludes the depreciation that is included in the direct expenses of the various programs
See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Elementary Miscellaneous Programs</u>	<u>High School Debt Services</u>	<u>High School Interlocal Agreement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Current assets:						
Cash and investments	\$ 3,520,029	\$ 939,772	\$ 281,183	\$ 2,339,452	\$ 3,344,745	\$ 10,425,181
Taxes and assessments receivable, net	211,729	-	34,895	-	93,831	340,455
Accounts receivable - net	3,000	-	-	-	-	3,000
Due from other funds	-	-	-	-	62	62
Due from other governments	293,745	360,164	22,025	-	743,150	1,419,084
Inventories	-	-	-	-	8,616	8,616
Total current assets	<u>\$ 4,028,503</u>	<u>\$ 1,299,936</u>	<u>\$ 338,103</u>	<u>\$ 2,339,452</u>	<u>\$ 4,190,404</u>	<u>\$ 12,196,398</u>
Noncurrent assets:						
Restricted cash and investments	\$ -	\$ -	\$ 9,375,000	\$ -	\$ -	\$ 9,375,000
Total noncurrent assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,375,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,375,000</u>
TOTAL ASSETS	<u>\$ 4,028,503</u>	<u>\$ 1,299,936</u>	<u>\$ 9,713,103</u>	<u>\$ 2,339,452</u>	<u>\$ 4,190,404</u>	<u>\$ 21,571,398</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 22,751	\$ 12,047	\$ -	\$ -	\$ 8,409	\$ 43,207
Accrued payroll	48,737	5,095	-	-	2,163	55,995
Due to other funds	-	-	-	-	62	62
Due to other governments	-	-	356,124	-	-	356,124
Other payroll liabilities	70,193	6,327	-	(5,496)	8,417	79,441
Total liabilities	<u>\$ 141,681</u>	<u>\$ 23,469</u>	<u>\$ 356,124</u>	<u>\$ (5,496)</u>	<u>\$ 19,051</u>	<u>\$ 534,829</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - taxes	\$ 211,729	\$ -	\$ 34,895	\$ -	\$ 93,831	\$ 340,455
Total deferred inflows of resources	<u>\$ 211,729</u>	<u>\$ -</u>	<u>\$ 34,895</u>	<u>\$ -</u>	<u>\$ 93,831</u>	<u>\$ 340,455</u>
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,492	\$ 1,492
Restricted	-	1,276,467	9,322,084	2,344,948	4,098,289	17,041,788
Unassigned fund balance	3,675,093	-	-	-	(22,259)	3,652,834
Total fund balance	<u>\$ 3,675,093</u>	<u>\$ 1,276,467</u>	<u>\$ 9,322,084</u>	<u>\$ 2,344,948</u>	<u>\$ 4,077,522</u>	<u>\$ 20,696,114</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,028,503</u>	<u>\$ 1,299,936</u>	<u>\$ 9,713,103</u>	<u>\$ 2,339,452</u>	<u>\$ 4,190,404</u>	<u>\$ 21,571,398</u>

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2025

Total fund balances - governmental funds	\$	20,696,114
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		19,639,606
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		340,455
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(13,434,535)
Net pension and other post employment benefit liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(12,355,666)
The changes between actuarial assumptions, differences in expected vs actual pension experiences, changes in proportionate share allocation, and current year retirement contributions as they relate to the net pension liability are a deferred outflow of resources and are not payable in current period, therefore are not reported in the funds.		1,582,274
The changes between actuarial assumptions, differences in projected vs actual investment earnings, and changes in proportionate share allocation as they relate to the net pension liability are a deferred inflows of resources and are not available to pay for current expenditures, therefore are not reported in the funds.		(1,268,644)
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment benefits liability are a deferred outflows of resources and are not payable in the current period, therefore are not reported in the funds.		1,441,639
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment benefits liability are a deferred inflows of resources and are not available to pay for current expenditures, therefore are not reported in the funds.		(5,234,034)
Total net position - governmental activities	\$	<u><u>11,407,209</u></u>

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	<u>General</u>	<u>Elementary Miscellaneous Programs</u>	<u>High School Debt Services</u>	<u>High School Interlocal Agreement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Local revenue	\$ 4,405,715	\$ 518,524	\$ 954,091	\$ 296,748	\$ 2,582,743	\$ 8,757,821
County revenue	87,279	-	-	-	1,474,119	1,561,398
State revenue	7,718,683	52,145	-	-	112,211	7,883,039
Federal revenue	-	2,013,816	495,534	-	469,393	2,978,743
Total revenues	<u>\$ 12,211,677</u>	<u>\$ 2,584,485</u>	<u>\$ 1,449,625</u>	<u>\$ 296,748</u>	<u>\$ 4,638,466</u>	<u>\$ 21,181,001</u>
EXPENDITURES						
Instructional - regular	\$ 5,305,033	\$ 1,663,484	\$ -	\$ 37,435	\$ 1,041,020	\$ 8,046,972
Instructional - special education	1,132,118	21,969	-	-	1,130,397	2,284,484
Instructional - vocational education	213,945	-	-	-	43,563	257,508
Instructional - adult education	-	-	-	-	27,900	27,900
Supporting services - operations & maintenance	1,429,570	2,394	-	-	225,455	1,657,419
Supporting services - general	450,532	450,116	-	-	63,664	964,312
Supporting services - educational media services	461,942	156,376	-	11,874	65,485	695,677
Administration - general	526,390	-	-	-	80,883	607,273
Administration - school	1,169,166	198,743	-	-	159,689	1,527,598
Administration - business	461,897	53,391	-	-	331,670	846,958
Student transportation	9,105	4,115	-	-	523,840	537,060
Extracurricular	566,571	-	-	-	319,684	886,255
School food	213,344	-	-	128,234	594,806	936,384
Community services	-	-	-	-	44,240	44,240
Debt service expense - principal	44,679	-	275,000	-	-	319,679
Debt service expense - interest	11,309	-	589,636	27,061	-	628,006
Capital outlay	-	-	-	8,795	426,868	435,663
Total expenditures	<u>\$ 11,995,601</u>	<u>\$ 2,550,588</u>	<u>\$ 864,636</u>	<u>\$ 213,399</u>	<u>\$ 5,079,164</u>	<u>\$ 20,703,388</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 216,076</u>	<u>\$ 33,897</u>	<u>\$ 584,989</u>	<u>\$ 83,349</u>	<u>\$ (440,698)</u>	<u>\$ 477,613</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ -	\$ -	\$ 145,000	\$ -	\$ 145,000
Transfers out	(145,000)	-	-	-	-	(145,000)
Total other financing sources (uses)	<u>\$ (145,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 71,076</u>	<u>\$ 33,897</u>	<u>\$ 584,989</u>	<u>\$ 228,349</u>	<u>\$ (440,698)</u>	<u>\$ 477,613</u>
Fund balances - beginning	<u>\$ 3,604,017</u>	<u>\$ 1,242,570</u>	<u>\$ 8,737,095</u>	<u>\$ 2,116,599</u>	<u>\$ 4,518,220</u>	<u>\$ 20,218,501</u>
Fund balance - ending	<u>\$ 3,675,093</u>	<u>\$ 1,276,467</u>	<u>\$ 9,322,084</u>	<u>\$ 2,344,948</u>	<u>\$ 4,077,522</u>	<u>\$ 20,696,114</u>

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	477,613
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
- Capital assets purchased		435,663
- Depreciation expense		(826,102)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Long-term receivables (deferred inflows)		5,955
The change in compensated absences is shown as an expense in the Statement of Activities		
		(112,911)
Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
- Long-term debt principal payments		319,679
Termination benefits are shown as an expense in the Statement of Activities and not reported on the Statement of Revenues, Expenditures and Changes in Fund Balance:		
- Post-employment benefits other than retirement liability		312,757
Pension expense related to the net pension liability is shown as an expense on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance		
		(533,616)
State aid revenue related to the net pension liability is shown as a revenue on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance		
		(15,950)
Current year contributions to retirement benefits are shown as deferred outflows of resources on the Statement of Net Position and shown as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance when paid.		
		995,058
Change in net position - Statement of Activities	\$	<u>1,058,146</u>

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2025

			<u>Custodial Funds</u>
ASSETS			
Cash and short-term investments	\$	<u>56,720</u>	
TOTAL ASSETS	\$	<u>56,720</u>	
 LIABILITIES			
Accounts payable	\$	<u>50,668</u>	
Total liabilities	\$	<u>50,668</u>	
 NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$	<u>6,052</u>	
Total net position	\$	<u>6,052</u>	
TOTAL LIABILITIES AND NET POSITION	\$	<u>56,720</u>	

See accompanying Notes to the Financial Statements

Livingston Public Schools, Park County, Montana
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

		<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Other revenue from local sources	\$	123,428
Interest and change in fair value of investments		<u>48</u>
Total additions	\$	<u>123,476</u>
 DEDUCTIONS		
Other expenditures	\$	<u>123,428</u>
Total deductions	\$	<u>123,428</u>
Change in net position	\$	<u>48</u>
Net Position - Beginning of the year	\$	<u>6,004</u>
Net Position - End of the year	\$	<u><u>6,052</u></u>

See accompanying Notes to the Financial Statements

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 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.

New Accounting Pronouncements

The District has implemented GASB Statement No. 101 Compensated Absences for the fiscal year ended June 30, 2025. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities

Financial Reporting Entity

In determining the financial reporting entity, 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 Entity: 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.

Primary Government

The District was established under Montana law to provide elementary and secondary educational services to residents of the District. The District actually consists of two legally separate districts. The Elementary District provides education from kindergarten through the eighth grade and the High School District provides education from grades nine through twelve. Based on the criteria for determining the reporting entity (separate legal entity and financial or fiscal dependency on other governments) the District is a primary government as defined by GASB Cod. Sec. 2100 and has no component units.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Separate accounting records must be maintained for each District because of differences in funding and legal requirements. However, both districts are managed as a single system by a central board of trustees, elected in district-wide elections, and by a central administration appointed by and responsible to the Board. These financial statements present, as a single reporting entity, all activities over which the Board of Trustees exercises responsibility.

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 District except fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities for the District at year end. 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, 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

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 position are available.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Fund Financial Statements:

Basis of Presentation

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a 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 three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. 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. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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 as collection within 60 days of the end of the current fiscal period, except for property taxes and other state grants that are recognized 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 inception of leases and subscription-base IT arrangements are reported as other financing sources.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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.

Major Funds:

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and it accounts for all financial resources of the District except those required to be accounted for in other funds.

Elementary Miscellaneous Programs Fund – Authorized by Section 20-9-507, MCA, for the purpose of accounting for local, state or federal grants and reimbursements. Donations and expendable trusts for scholarships or other purposes that support district programs are deposited in this fund.

High School Debt Service Fund – Authorized by Section 20-9-438, MCA, for the purpose of paying interest and principal on outstanding bonds and special improvement district (SID) assessments. This fund is also used to account for the proceeds of bonds sold for the purposes provided in Section 20-9-403 (c) and (d), MCA.

High School Interlocal Fund – Authorized by Section by Section 20-3-363, MCA. The fund accounts for the resources and uses of the District interlocal agreement in performing any services, activities and undertakings of the elementary and high school districts and to provide for joint funding and operations and maintenance of those participating districts.

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 postemployment 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 fiduciary activities that are not required to be reported in any of the other fiduciary categories in which the resources are held by the District in a custodial capacity. This fund primarily consists of reporting of resources held by the District as an agent for individuals, private organizations, and other local governmental entities.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Composition

Composition of cash, deposits, and investments at fair value on June 30, 2025, are as follows:

	<u>Primary Government</u>
<u>Cash on hand and deposits:</u>	
Cash in banks:	
Demand deposits	\$ 34,625
Savings deposits	1,250,109
Time deposits	9,375,000
<u>Investments:</u>	
U.S. Treasury Bills	6,009,633
Repurchase agreements	<u>3,187,534</u>
Total	<u>\$ 19,856,901</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. All deposits are carried at cost plus accrued interest. As of June 30, 2025, the government's bank balance was exposed to custodial credit risk as follows:

	<u>June 30, 2025 Balance</u>
<u>Depository Account</u>	
Insured	\$ 9,661,293
- Collateral held by the pledging bank's trust department but not in the District's name	<u>1,006,193</u>
Total deposits and investments	<u>\$ 10,667,486</u>

Deposit Security

Section 7-6-207, Montana Code Annotated (MCA), states (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

- a. 50% of such deposits if the institution in which the deposit is made has a net worth of total assets ratio of 6% or more; or
- b. 100% if the institution in which the deposit is made has a net worth of total assets ratio of less than 6%.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

The amount of collateral held for District deposits at June 30, 2025, equaled or exceeded the amount required by State statutes.

Concentration of Credit Risk

The government places no limit on the amount the entity may invest in any one issuer. The government's concentration of credit risk percentages follows for each investment issued that is not issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments:

	<u>% of credit risk</u>
Repurchase Agreements	35%

NOTE 3. RESTRICTED CASH/INVESTMENTS

The following restricted cash/investments were held by the District as of June 30, 2025. These amounts are reported within the cash/investment account on the Combined Balance Sheet.

<u>Description</u>	<u>Amount</u>
Bond Sinking Fund	\$ <u>9,375,000</u>

NOTE 4. RECEIVABLES

Tax Receivables

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

Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years, the County may exercise the lien and take title to the property. Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and the following May 31. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due September 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% a month plus a penalty of 2%. Real property on which taxes remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is to be seized and sold after the taxes become delinquent.

NOTE 5. INVENTORIES

Inventories are valued at cost (or lower of cost or market) using the First In First Out (FIFO) method.

The cost of inventories are recorded as an expenditure when consumed; therefore, the inventory asset amount is not available for appropriation.

NOTE 6. CAPITAL ASSETS

The District's assets are capitalized at historical cost or estimated historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements 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 & Improvements	15 – 50 years
Land Improvements	15 – 50 years
Machinery & Equipment	5 – 20 years

A summary of changes in governmental capital assets was as follows:

Governmental activities:

	Balance <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance <u>June 30, 2025</u>
Capital assets not being depreciated:					
Land	\$ 629,959	\$ -	\$ -	\$ -	\$ 629,959
Construction in progress	2,445,763	-	-	(2,445,763)	-
Total capital assets not being depreciated	<u>\$ 3,075,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,445,763)</u>	<u>\$ 629,959</u>
Other capital assets:					
Buildings	\$ 27,504,638	\$ 211,926	\$ -	\$ 2,445,763	\$ 30,162,327
Improvements other than buildings	625,628	-	-	-	625,628
Machinery and equipment	3,323,146	223,737	(43,459)	-	3,503,424
Total other capital assets at historical cost	\$ 31,453,412	\$ 435,663	\$ (43,459)	\$ 2,445,763	\$ 34,291,379
Less: accumulated depreciation	<u>(14,512,394)</u>	<u>(812,797)</u>	<u>43,459</u>	<u>-</u>	<u>(15,281,732)</u>
Total	<u>\$ 20,016,740</u>	<u>\$ (377,134)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,639,606</u>

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Governmental capital assets depreciation expense was charged to functions as follows:

Governmental Activities:	
Instructional – regular	\$ 30,130
Supporting services – operations and maintenance	24,624
Administration – business	2,598
Student transportation	111,170
School food	5,545
Unallocated	<u>638,730</u>
Total governmental activities depreciation expense	<u>\$ 812,797</u>

NOTE 7. LONG TERM DEBT OBLIGATIONS

In the governmental-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, are expensed at the date of sale.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2025, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restatements</u>	Balance <u>June 30, 2025</u>	Due Within <u>One Year</u>
General obligation bonds	\$ 11,775,000	\$ -	\$ (275,000)	\$ -	\$ 11,500,000	\$ 10,280,000
Loans and Contracted debt	459,185	-	(27,193)	-	431,992	28,978
Compensated absences	1,059,799	313,460	-	112,911	1,486,170	952,447
Leases	<u>33,859</u>	<u>-</u>	<u>(17,486)</u>	<u>-</u>	<u>16,373</u>	<u>16,373</u>
Total	<u>\$ 13,327,843</u>	<u>\$ 313,460</u>	<u>\$ (319,679)</u>	<u>\$ 112,911</u>	<u>\$ 13,434,535</u>	<u>\$ 11,277,798</u>

In prior years the General Fund and the compensated absences fund was used to liquidate compensated absences and claims and judgments.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

General Obligation Bonds - The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds outstanding as of June 30, 2025, were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2025</u>
Taxable General Obligation School Building Bonds, Series 2010A Qualified School Construction Bonds	9/14/10	4.90%	15 yrs	6/15/26	\$ 10,000,000	N/A	\$ 10,000,000
General Obligation School Building Bonds, Series 2010B, Build America Recovery Zone Economic Development Bonds	9/29/10	.925% -5.63%	19 yrs	6/15/30	5,000,000 <u>\$ 15,000,000</u>	N/A	1,500,000 <u>\$ 11,500,000</u>

Reported in the governmental activities.

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 10,280,000	\$ 574,645
2027	290,000	68,845
2028	300,000	52,480
2029	310,000	35,551
Total	<u>\$ 11,500,000</u>	<u>\$ 749,579</u>

General Obligation School Construction Bonds (QSCB)

On May 26, 2010, the qualified electors of Livingston Public Schools authorized the issuance and sale of school building bonds in the principal amounts of up to \$15,000,000 for the purpose of paying the costs of the design and installation of health, safety, and energy efficiency improvements to the existing high school building and upgrading the science labs and vocational education classrooms; designing, constructing, and furnishing a new addition to include a graphics and applied arts wing and a multi-purpose space for instructional and physical activities; upgrading and expanding athletics fields and track to provide safe and adequate facilities for physical education, practice and competition; and related improvements.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

The first bond issued is designated “Taxable General Obligation School Building Bonds, Series 2010A Qualified School Construction Bonds (Tax Credit Bonds)” and shall mature on June 15, 2026, in the principal amount of \$10,000,000, and shall bear interest at a rate of 4.90% per annum. Interest on the bonds shall be payable on each June 15 and December 15, commencing December 15, 2020.

To provide for the payment of the principal amount of the Bonds at maturity, for the Series 2010A, the District, shall, on June 15 in each fiscal year, commencing on June 15, 2011 and ending on June 15, 2026, deposit with the Treasurer for credit to the Debt Service Account for the bonds a payment which, together with the investment earnings on the Debt Service Account on hand on such date, will equal the sinking fund payment for that fiscal year. Set forth in the following table is the sinking fund payment schedule for the Bonds: Pursuant to the Sinking Fund Agreement, the District will maintain the sinking fund payments, in a separate account within the Debt Service Account to be applied to the payment of the principal of the Bonds. As of June 30, 2025 the account balance of the sinking fund is \$9,375,000. The District was in compliance with this sinking fund requirement.

The remaining payments required to be made to the Sinking Fund Account are as follows:

For Fiscal Year Ended	<u>Principal</u>	<u>Interest</u>
2026	\$ <u>625,000</u>	\$ <u> </u>
Total	\$ <u><u>625,000</u></u>	\$ <u><u> </u></u>

Loans/Contracted Debt

Loans/contracted debts outstanding as of June 30, 2025, were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Balance June 30, 2025</u>
High School Bank of the Rockies	3/16/21	2.50%	15 yrs	4/1/36	\$206,796	\$ 168,379
Elementary Bank of the Rockies	3/16/21	2.50%	15 yrs	4/1/36	<u>323,436</u>	<u>263,613</u>
Total					<u>\$530,232</u>	<u>\$ 431,992</u>

Reported in the governmental activities.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Annual requirement to amortize debt:

<u>For Fiscal</u> <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 28,978	\$ 10,618
2027	30,841	9,882
2028	32,786	9,100
2029	34,816	8,267
2030	36,936	7,384
2031	39,157	6,448
2032	41,458	5,454
2033	42,906	4,402
2034	46,356	3,313
2035	46,094	2,139
Total	\$ <u>431,992</u>	\$ <u>67,949</u>

Leases

Leases outstanding as of June 30, 2025, were as follows:

<u>Purpose</u>	<u>Origination</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Term</u>	<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Balance</u> <u>June 30, 2025</u>
Postage Machine	7/1/21	1.65%	5 yrs	6/30/26	\$ 3,050	\$ 625
Copiers	7/1/21	1.65%	5 yrs	6/30/26	<u>76,869</u>	<u>15,748</u>
Total					<u>\$ 79,919</u>	<u>\$ 16,373</u>

The District is a lessee in noncancelable leases for office equipment that meet the definition of leases under GASB Statement No. 87, Leases. These agreements convey to the District the right to use specific items of equipment for a stated period of time in exchange for fixed payments.

As of June 30, 2025, the District has the following significant equipment leases:

1. Copier lease – Kelly Connect
The District leases office copiers under a noncancelable lease agreement with Kelley Connect that meets the definition of a lease under GASB Statement No. 87, Leases, as it conveys control of the right to use specific copier equipment (nine Canon iR Adv 6555i units, one Canon iR Adv 65651 unit, and one Canon iR Adv C5550i unit) for a period of time in an exchange transaction. The contract is dated September 21, 2021 and has a base term of 60 months, with fixed monthly payments of \$1,332.27 and no stated renewal options; the agreement is noncancelable and irrevocable for the term except for a non-appropriation (fiscal funding) clause that permits termination at the end of the last funded fiscal period if funds are not appropriated, in which case the

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

equipment must be returned. The District has recognized a lease liability equal to the present value of remaining fixed lease payments and a corresponding right-to-use lease asset, measured using a discount rate of 1.65%, with the asset amortized over the 60-month lease term; variable amounts such as taxes or other non-fixed payments, if any, are excluded from the lease liability and expensed as incurred.

2. Postage machine lease – Kelley Create/Pitney Bowes

On February 17, 2025, the District entered into a 60-month noncancelable lease for two SendPro C Lite Mail Systems with 5-pound scales with Kelley Create (Pitney Bowes). The agreement requires 60 fixed monthly payments of \$120, billed quarterly. The lease includes a non-appropriation clause and is otherwise noncancelable except as provided in the contract. The lease is accounted for under GASB 87 using a discount rate of 1.65%. Only the fixed lease payments are included in the measurement of the lease liability; taxes and other variable amounts are expensed as incurred.

The full \$16,373 remaining on these leases are due within the next fiscal year.

Compensated Absences

The District records a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. The liability represents amounts owed to employees for (1) leave that has not been used and (2) leave that has been used but not yet paid or otherwise settled. A liability for unused leave is recognized when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.

The liability is measured using employees' pay rates in effect as of the end of the fiscal year and includes salary-related payments that are directly and incrementally associated with payments for leave.

The table above summarizes the activity in the compensated absences liability for the year ended June 30, 2025, presented as a net change. The net change represents the combined effect of benefits earned during the year and benefits used, paid, or forfeited.

The full liability is reported in the government-wide financial statements. In the governmental fund financial statements, only the portion of the liability expected to be liquidated with current financial resources is reported. The District has elected to present the activity for the year as a net change in the notes to the financial statements, as permitted by GASB Statement No. 101.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Leave Policies

Non-teaching District employees earn vacation leave ranging from fifteen to twenty-four days per year depending on the employee’s years of service. Vacation leave may be accumulated not to exceed two times the maximum number of days earned annually. Sick leave is earned at a rate of one day per month for non-teaching employees and upon retirement or termination, employees are paid for 100% of unused vacation leave and 25% of unused sick leave.

For teachers and specialists, they get on the first day of school ten sick leave days and three personal leave days. Any unused sick lave days will be accumulated up to 170 days. Using an exchange rate of four sick leave days for 1 personal leave day, any staff member who has accumulated 170 sick leave days may exchange for a maximum of two personal leave days in a given year. Any staff member who has accumulated sixty sick leave days by exchange for a maximum of one personal leave day in any given year. Sick leave is paid out at 25% at termination for 10-24 years 35% for 25-35 years and 45% for 36-55 years.

NOTE 8. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The healthcare plan, as required by section 2-18-704, MCA, provides employees with at least 5 years of service and who are at least age 50, along with surviving spouses and dependents, to stay on the government's health care plan as long as they pay the same premium. This creates a defined benefit Other Post-Employment Benefits Plan (OPEB); since retirees are usually older than the average age of the plan participants, they receive a benefit of lower insurance rates. The OPEB plan is a single employer defined benefit plan administered by the District. The government has not created a trust to accumulate assets to assist in covering the defined benefit plan costs and covers these when they come due. The above described OPEB plan does not provide a stand-alone financial report.

Benefits Provided. The government provides healthcare insurance benefits for retirees and their dependents upon reaching the age and service years defined in section 2-18-704, MCA. The benefit terms require that eligible retirees cover 100 percent of the health insurance premiums, but may pay the same premiums as the other members in the group health plan.

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	131
Active employees	1
Total employees	132

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Total OPEB Liability

The District’s total OPEB liability of \$199,158 at June 30, 2025, and was determined by actuarial valuation using the actuarial entry age normal funding method. The measurement date of the determined liability was June 30, 2025.

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

Average age of retirement (based on historical data)	61.12
Discount rate (average anticipated rate)	4.34%
Average salary increase (Consumer Price Index)	3.50%

Health care cost rate trend (Federal Office of the Actuary)

<u>Year</u>	<u>Medical</u>	<u>Pre-65 Rx</u>	<u>Post-65 Rx</u>
2025	8.7%	8.7%	8.7%
2026	7.0%	7.7%	9.2%
2027	6.3%	6.5%	1.5%
2028	5.6%	5.2%	1.2%
2029	5.5%	5.1%	2.9%
2030	5.4%	5.1%	3.0%
2031	5.3%	5.1%	3.2%
2032	5.2%	5.1%	4.1%
2033	5.1%	5.0%	4.6%
2034	5.0%	5.0%	5.0%
2035-2047	4.7%	4.7%	4.7%
2048-2065	4.6%	4.6%	4.6%
2066-2067	4.5%	4.5%	4.5%
2068-2069	4.4%	4.4%	4.4%
2070-2072	4.3%	4.3%	4.3%
2073-2074	4.2%	4.2%	4.2%
2075	4.1%	4.1%	4.1%
2076 +	4.0%	4.0%	4.0%

The discount rate was based on the 20-year General obligation (GO) bond index.

Participation Rate

20.0% of future retirees are assumed to elect medical coverage.

70% of the future retirees who elect medical coverage and are married (see marriage rate assumption) are assumed to elect spousal coverage as well.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Mortality Contributing Members

For TRS employees, mortality follows the Pub-2010 Teacher table, projected generationally using MP-2021.

For general MPERA members, mortality follows the Pub-2010 General Employee table, projected generationally using MP-2021.

Mortality Disabled

For disabled TRS members, mortality follows the Pub-2010 General Disabled table, projected generationally using MP-2021.

For disabled MPERA members, mortality follows the Pub-2010 General Disabled table set forward 1 year for males and females, projected generationally using MP-2021.

Mortality Retired

For TRS retirees, mortality follows the Pub-2010 Retired Teacher table adjusted 102% for males and 103% for females, projected generationally using MP-2021.

For general MPERA retirees, mortality follows the Pub-2010 General Retiree table set forward 1 year and adjusted 104% for males, or adjusted 103% for females, projected generationally using MP-2021.

Mortality Surviving Beneficiaries

For TRS survivors, mortality follows the Pub-2010 Contingent Survivor table, projected generationally using MP-2021.

For general MPERA survivors, mortality follows the Pub-2010 Contingent Survivor table set forward 1 year for males and females, projected generationally using MP-2021.

The turnover rates were determined from the periodic experience studies of the Montana public retirement systems for the covered groups as documented in the GASB 68 actuarial valuations.

Changes in the Total OPEB Liability

Balance at 6/30/2024	\$ <u>378,814</u>
Changes for the year:	
Service Cost	\$ 38,072
Interest	17,917
Differences in experience	(82,602)
Change in assumptions	(144,841)
Benefit payments	<u>(8,202)</u>
Net Changes	\$ <u>(179,656)</u>
Balance at 6/30/2025	\$ <u><u>199,158</u></u>

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Sensitivity of the total OPEB liability to changes in the discount rate. The following summarizes the total OPEB liability reported, and how that liability would change if the discount rate used to calculate the OPEB liability were to decrease or increase 1%:

	<u>1% Decrease</u> <u>(3.34%)</u>	<u>Discount</u> <u>Rate (4.34%)</u>	<u>1% Increase</u> <u>(5.34%)</u>
Total OPEB Liability \$	211,950	\$ 199,158	\$ 186,221

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following summarizes the total OPEB liability reported, and how that liability would change if the healthcare trend rates used in projecting the benefit payments were to decrease or increase 1%:

	<u>1% Decrease</u>	<u>Healthcare</u> <u>Cost Trends*</u>	<u>1% Increase</u>
Total OPEB Liability \$	177,421	\$ 199,158	\$ 223,751

**Reference the assumptions footnotes to determine the healthcare cost trends used to calculate the OPEB liability.*

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

For the year ended June 30, 2025, the District recognized an OPEB expense of \$(179,656).

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources -</u> <u>OPEB</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources -</u> <u>OPEB</u>
Differences between expected and actual economic experience	\$ 532,931	(3,948,596)
Changes in actuarial assumptions	908,708	(1,285,438)
Total	<u>\$ 1,441,639</u>	<u>\$ (5,234,034)</u>

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

OPEB: Year ended June 30:	Amount recognized in OPEB Expense as an increase or (decrease) to OPEB Expense
2025	\$ (360,510)
2026	\$ (360,510)
2027	\$ (360,510)
2028	\$ (360,510)
2029	\$ (360,510)
Thereafter	\$ (2,055,118)

NOTE 9. NET PENSION LIABILITY (NPL)

As of June 30, 2025, the District reported the following balances as its proportionate share of PERS and TRS pension amounts:

District's Proportionate Share Associated With:

	PERS	TRS	Pension Totals
Net Pension Liability	\$ 2,171,097	\$ 9,985,411	\$ 12,156,508
Deferred outflows of resources*	\$ 363,316	\$ 1,218,958	\$ 1,582,274
Deferred inflows of resources	\$ 48,279	\$ 1,220,365	\$ 1,268,644
Pension expense	\$ 211,781	\$ 676,294	\$ 888,075

*Deferred outflows for PERS and TRS are reported as of the reporting date which includes employer contributions made subsequent to the measurement date of \$163,233, and \$831,825, respectively. These amounts will be recognized as a reduction of the net pension liability in the year ending June 30, 2025 Total deferred inflows and outflows in the remainder of the note are as of the reporting date of June 30, 2025.

The following are the detailed disclosures for each retirement plan as required by GASB 68.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Public Employee's Retirement System – Defined Benefit Retirement Plan

Summary of Significant Accounting Policies

The District's employees participate in the Public Employees Retirement System (PERS) administered by the Montana Public Employee Retirement Administration (MPERA). MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the 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).

Plan Descriptions

The PERS-Defined Benefit Retirement Plan (PERS) 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, local governments, certain employees of the Montana University System, and school districts.

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

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

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Summary of Benefits

Service retirement:

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

Early Retirement (actuarially reduced):

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

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

1. Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - a. A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - b. No service credit for second employment;
 - c. Start the same benefit amount the month following termination; and
 - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
2. Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
3. Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - a. The same retirement as prior to the return to service;
 - b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - c. 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;

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Compensation Cap

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

Monthly benefit formula

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state Legislature has the authority to establish and amend contributions 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 state agencies and universities but are reported as employer contributions.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Fiscal Year	Member		School Districts	
	Hired<07/01/11	Hired>07/01/11	Employer	State
2025	7.900%	7.900%	8.800%	0.370%
2024	7.900%	7.900%	8.800%	0.370%
2023	7.900%	7.900%	8.700%	0.370%
2022	7.900%	7.900%	8.600%	0.370%
2021	7.900%	7.900%	8.500%	0.370%
2020	7.900%	7.900%	8.400%	0.370%
2019	7.900%	7.900%	8.300%	0.370%
2018	7.900%	7.900%	8.200%	0.370%
2017	7.900%	7.900%	8.100%	0.370%
2016	7.900%	7.900%	8.000%	0.370%
2015	7.900%	7.900%	7.900%	0.370%
2014	7.900%	7.900%	7.800%	0.370%
2012 – 2013	6.900%	7.900%	6.800%	0.370%
2010 – 2011	6.900%		6.800%	0.370%
2008 – 2009	6.900%		6.800%	0.235%
2000 - 2007	6.900%		6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following 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 the 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.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

3. Non-Employer Contributions

a. Special Funding

- i. The State contributes 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
- iii. The State contributed a statutory appropriation from its General Fund of \$35,329,705.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's Total Pension Liability (TPL). The basis for the TPL for the reporting of June 30, 2025 (reporting period), is on an actuarial valuation performed by the Plan's actuary as of June 30, 2024.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2025, and 2024 (reporting period), are displayed below. The District 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 District recorded a liability of \$2,171,097 and the District's proportionate share was 0.088770 percent.

	Net Pension Liability as of 6/30/2025	Net Pension Liability as of 6/30/2024	Percent of Collective NPL as of 6/30/2025	Percent of Collective NPL as of 6/30/2024	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 2,171,097	\$ 1,957,333	0.088770%	0.080207%	0.008563%
State of Montana Proportionate Share associated with Employer	635,293	605,493	0.025975%	0.024812%	0.001163%
Total	<u>\$ 2,806,390</u>	<u>\$ 2,562,826</u>	<u>0.114745%</u>	<u>0.105019%</u>	<u>0.009726%</u>

Changes in actuarial assumptions and methods:

There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms:

There were no changes in benefit terms since the previous measurement date.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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. However, each employer may have unique circumstances that will impact the employer’s proportionate share of the collective net pension. 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:

At June 30, 2025, the District recognized a Pension Expense of \$177,735 for its proportionate share of the pension expense. The District also recognized grant revenue of \$34,046 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the District.

		Pension Expense as of 6/30/25		Pension Expense as of 6/30/24
Employer Proportionate Share	\$	177,735	\$	164,767
State of Montana Proportionate Share associated with the Employer		34,046		56,804
Total	\$	211,781	\$	221,571

Recognition of Beginning Deferred Outflow

At June 30, 2025, the District recognized a beginning deferred outflow of resources for the District’s fiscal year 2024 contributions of \$138,920.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Recognition of Deferred Inflows and Outflows:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 109,715	\$ -
Actual vs. Expected Investment Earnings	-	48,279
Changes in Assumptions	-	-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	90,368	-
Employer contributions subsequent to the measurement date - FY25*	163,233	-
Total	<u>\$ 363,316</u>	<u>\$ 48,279</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

	Recognition of Deferred Outflows and Deferred Inflows in Future years as an increase or (decrease) to Pension Expense	
<u>For the Measurement Year ended June 30:</u>		
2025	\$	(5,534)
2026	\$	212,071
2027	\$	(33,941)
2028	\$	(20,792)
<u>Thereafter</u>	<u>\$</u>	<u>-</u>

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Actuarial Assumptions

The total pension liability used to calculate the NPL was determined by taking the results of the June 30, 2024 actuarial valuation, and was determined using the following actuarial assumptions.

- Investment Return (net of admin expense) 7.30%
- Admin Expense as % of Payroll 0.28%
- General Wage Growth* 3.50%
*includes Inflation at 2.75%
- Merit Increases 0% to 4.80%

Postretirement Benefit Increases - Guaranteed Annual Benefit Adjustment (GABA)

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

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

Mortality

- Active Participants – PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females projected generationally using MP-2021.
- Disabled Retirees – PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
- Contingent Survivors – PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and projected generationally using MP-2021.
- Healthy Retirees – PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2024, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation or a fundamental change in the market that alters expected returns in future years. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return Arithmetic Basis</u>
Cash	3.00%	(0.33%)
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	<u>6.00%</u>	3.02%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed coal severance tax and interest money from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2128. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
\$ 3,164,989	\$ 2,171,097	\$ 1,337,670

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

PERS Disclosure for the defined contribution plan

Livingston Public Schools 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 contributions rates are specified by state law and are a percentage of the member’s compensation. Contributions are deducted from each member’s salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

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

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

Pension plan fiduciary net position: The stand-alone financial statements (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 <https://mpera.mt.gov/about/annualreports1/annualreports>.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Teachers Retirement System

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>.

Plan Descriptions

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

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

Summary of Benefits

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. 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)

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

- 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.

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.

MCA 19-20-605 requires each employer to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position. Pursuant to MCA 19-20-609, this amount shall increase by 1.00% for fiscal year 2014 and increase by 0.10% each fiscal year through 2024 until the total employer contribution is equal to 11.85% of re-employed retiree compensation.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

School District and Other Employers

	<u>Members</u>	<u>Employers</u>	<u>General fund</u>	<u>Total employee & employer</u>
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%

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

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2025, and June 30, 2024 (reporting dates).

	<u>Net Pension Liability as of 6/30/2025</u>	<u>Net Pension Liability as of 6/30/2024</u>	<u>Percent of Collective NPL as of 6/30/2025</u>	<u>Percent of Collective NPL as of 6/30/2024</u>	<u>Change in Percent of Collective NPL</u>
Employer Proportionate Share	\$ 9,985,411	\$ 11,133,090	0.5329%	0.5746%	-0.0417%
State of Montana Proportionate Share associated with Employer	5,296,629	6,018,255	0.2827%	0.3106%	-0.0279%
Total	<u>\$ 15,282,040</u>	<u>\$ 17,151,345</u>	<u>0.8156%</u>	<u>0.8852%</u>	<u>-0.0696%</u>

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

At June 30, 2025, the District recorded a liability of \$9,985,411 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The District’s proportion of the net pension liability was based on the District’s contributions received by TRS during the measurement period July 1, 2023, through June 30, 2024, relative to the total District contributions received from all of TRS’ participating employers. At June 30, 2025, the District’s proportion was 0.5329 percent.

Changes in actuarial assumptions and methods:

There have been no changes in actuarial assumptions since the previous measurement date.

Changes in benefit terms:

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

Changes in proportionate share:

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

Pension Expense:

At June 30, 2025, the District recognized a Pension Expense of \$676,294 for its proportionate share of the TRS’ pension expense. The District also recognized grant revenue of \$284,904 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the District.

	Pension Expense as of 6/30/25
Employer Proportionate Share	\$ 391,390
State of Montana Proportionate Share associated with the Employer	284,904
Total	\$ 676,294

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Recognition of Beginning Deferred Outflow

At June 30, 2025, the District recognized a beginning deferred outflow of resources for the District’s fiscal year 2024 contributions of \$826,288.

Recognition of Deferred Inflows and Outflows:

At June 30, 2025, the District reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 252,626	\$ -
Actual vs. Expected Investment Earnings	-	331,906
Changes in Assumptions	-	192,696
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	134,507	695,763
Employer contributions subsequent to the measurement date - FY25*	831,825	-
Total	\$ <u>1,218,958</u>	\$ <u>1,220,365</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in 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
2026	\$ (727,588)
2027	\$ 341,108
2028	\$ (259,490)
2029	\$ (187,262)
2030	\$ -
Thereafter	\$ -

Actuarial Assumptions

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

- Total Wage Increases* 3.50% - 9.00% for Non-University Members and 4.25%
for University Members
- Investment Return 7.30%
- Price Inflation 2.75%

Postretirement Benefit Increases

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

- Mortality among contributing members
 - PUBT-2010 General Employee mortality projected to 2021. Projected generationally using MP-2021.
- Mortality among service retired members
 - PUBT-2010 Retiree mortality projected to 2021 adjusted 102% for males and 103% for females. Projected generationally using MP-2021.
- Mortality among beneficiaries
 - PUBT-2010 Contingent Survivor tale projected to 2021. Projected generationally using MP-2021.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

- Mortality among disabled members
 - PUBT-2010 Disabled Retiree mortality table projected to 2021.

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

Discount Rate

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

Target Allocations

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return*</u>
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Equity	15.00%	9.13%
Natural Resources	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Cash	<u>3.00%</u>	(0.33)%
Total	<u>100.00%</u>	

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

LIVINGSTON PUBLIC SCHOOLS
 PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

The long-term expected rate of return on pension plan investments of 7.30% is reviewed as part of regular experience studies prepared for the System about every five years. The current long-term rate of return is based on analysis in the experience study report dated May 3, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Sensitivity Analysis

1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
\$ 14,351,501	\$ 9,985,411	\$ 6,337,501

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

NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from other funds

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Short term loan to cover deficit cash balance	Elementary Debt Service – Nonmajor Governmental	Elementary Building Reserve – Nonmajor Governmental	\$ <u>62</u>

Interfund Transfers

The following is an analysis of operating transfers in and out during fiscal year 2025:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Multidistrict expenditures	High School Interlocal – Major Governmental	General – Major Governmental	\$ <u>145,000</u>

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 11. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

Governmental Fund equity is classified as fund balance. The District, categorizes fund balance of the governmental funds into the following categories:

Non-spendable – Resources not in spendable form, such as inventory, or those legally required to be maintained intact, such as principle portion of permanent funds.

Restricted - constraint is externally imposed by a third party, State Constitution, or enabling legislation.

Unassigned – negative fund balance in all funds, or fund balance with no constraints in the General Fund.

The District considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance

<u>Fund</u>	<u>Amount</u>	<u>Reason Nonspendable</u>
All other aggregate	\$ <u>8,616</u>	Inventory

Restricted Fund Balance

<u>Fund</u>	<u>Amount</u>	<u>Purpose of Restriction</u>
Elementary Miscellaneous Programs	\$ 1,276,467	Third party grantor restrictions
High School Debt Services	9,322,084	Debt Service
High School Interlocal Agreement	2,344,948	Student instructional services
All other aggregate	319,998	Student transportation
	533,024	Bus replacement
	241,030	Extracurricular activities
	358,285	Employer costs of benefits
	398,258	Third party grant restrictions
	34,156	Adult education
	15,979	Operations and maintenance
	78,431	Future vacation and sick leave payments
	190,459	Technology upgrades and maintenance
	1,358,203	Future capital costs
	<u>570,466</u>	Student scholarships
Total	\$ <u>17,041,788</u>	

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 12. DEFICIT FUND BALANCES/NET POSITION

<u>Fund Name</u>	<u>Amount</u>	<u>Reason for Deficit</u>
Elementary Tuition	\$ (10,129)	Expenses in excess of assets available
Elementary Debt Service	(323)	Deficit cash balance
High School Tuition	(6,684)	Expenses in excess of assets available
High School Traffic Education	<u>(5,123)</u>	Expenses in excess of assets available
Total	<u>\$ (22,259)</u>	

In addition to the above, as of June 30, 2025, the District reported a deficit in unrestricted net position of \$13,457,935 in the government-wide financial statements. This deficit is primarily attributable to the recognition of long-term liabilities, including the net pension liability of \$2,173,273 and other post employment benefits net with deferred inflows/outflows for other post employment benefits (OPEB) of \$3,991,553, as required by Governmental Accounting Standards Board (GASB) Statements related to pensions and OPEB.

The net pension liability represents the District’s proportionate share of the collective pension liability and is actuarially determined using assumptions about future events, including investment returns, salary growth, and mortality. OPEB is also actuarially determined and in accordance with GASB Statement No. 75.

The recognition of this liability does not require the immediate use of current financial resources. The District funds its pension obligations through statutorily required contributions to the applicable retirement systems. Accordingly, the deficit in unrestricted net position does not indicate an immediate financial hardship but reflects the long-term nature of these obligations under GASB reporting requirements.

NOTE 13. RESTATEMENTS

During the current fiscal year, the following adjustments relating to prior years' transactions were made to fund balance and net position.

<u>Fund</u>	<u>Amount</u>	<u>Reason for Adjustment</u>
Government Wide –		Implementation of GASB Statement No. 101,
Governmental	\$(313,460)	Compensated Absences.

NOTE 14. SERVICES PROVIDED BY OTHER GOVERNMENTS

County Provided Services

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

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 15. RISK MANAGEMENT

The District faces considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation, i.e., employee injuries, and (f) medical insurance costs of employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Insurance Policies:

Commercial policies transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage, employee torts, and professional liability. Employee medical insurance is provided for by a commercial carrier. And, given the lack of coverage available, the District has no coverage for potential losses from environmental damages.

Insurance Pools:

The Montana Schools Group Insurance Authority (MSGIA) was created pursuant to the Interlocal Cooperation Act by execution of an Interlocal Agreement creating the MSGIA. The MSGIA is responsible for paying all workers' compensation claims of the member school districts. Each member of the MSGIA is jointly and severally liable for the full amount of any and all known or unknown claims of each member arising during the member's participation in the program. The MSGIA purchases workers' compensation reinsurance to provide statutory excess limits. The MSGIA contracts with Montana School Boards Association (MTSBA) to provide third party administrative services to the program. The MTSBA provides general program management, claim management, and risk management services to its program members.

The Montana School Unemployment Insurance Program (MSUIP) was created pursuant to the Interlocal Cooperation Act by execution of an Interlocal Agreement creating the MSUIP. The MSUIP is responsible for paying all unemployment insurance claims of the member school districts. Each member of the MSUIP is jointly and severally liable for the full amount of any and all known or unknown claims of each member arising during the member's participation in the program. The MSUIP contracts with Montana School Boards Association (MTSBA) to provide third party administrative services to the program. The MTSBA provides general program management and technical services to its program members.

Separate audited financial statements are available from Montana Schools Group Insurance Authority for MSGIA and MSUIP.

LIVINGSTON PUBLIC SCHOOLS
PARK COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 16. PENDING LITIGATION

The following is a list of litigation pending against the District and the amount of damages claimed by the Plaintiff. The District Attorney has made no evaluation as to the outcome of each case. The District has liability insurance which may cover all or part of the damages requested.

<u>Case</u>	<u>Damages Requested</u>	<u>Potential of Loss</u>
<i>Peter Ponca v. Livingston Public Schools Case No. DV-25-106</i>	\$50,000 - \$100,000	Unknown

**REQUIRED SUPPLEMENTARY
INFORMATION**

Livingston Public Schools, Park County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	General			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Local revenue	\$ 4,285,925	\$ 4,285,925	\$ 4,224,305	\$ (61,620)
State revenue	7,146,970	7,146,970	7,146,967	(3)
Amounts available for appropriation	\$ 11,432,895	\$ 11,432,895	\$ 11,371,272	\$ (61,623)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Instructional - regular	\$ 4,711,779	\$ 4,711,779	\$ 4,651,676	\$ 60,103
Instructional - special education	1,132,118	1,132,118	1,132,118	-
Instructional - vocational education	213,946	213,946	213,945	1
Supporting services - operations & maintenance	1,429,570	1,429,570	1,429,570	-
Supporting services - general	450,532	450,532	450,532	-
Supporting services - educational media services	459,863	459,863	459,986	(123)
Administration - general	527,010	527,010	526,390	620
Administration - school	1,169,166	1,169,166	1,169,166	-
Administration - business	485,385	485,385	461,897	23,488
Student transportation	3,257	3,257	3,257	-
Extracurricular	566,571	566,571	566,571	-
School food	138,698	138,698	138,698	-
Debt service expense - principal	-	-	44,679	(44,679)
Debt service expense - interest	-	-	11,309	(11,309)
Total charges to appropriations	\$ 11,287,895	\$ 11,287,895	\$ 11,259,794	\$ 28,101
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (145,000)	\$ (145,000)	\$ (145,000)	\$ -
Total other financing sources (uses)	\$ (145,000)	\$ (145,000)	\$ (145,000)	\$ -
Net change in fund balance			\$ (33,522)	
Fund balance - beginning of the year			\$ 1,073,438	
Fund balance - end of the year			\$ 1,039,916	

Livingston Public Schools, Park County, Montana
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation

Note A - Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures

	General
Sources/Inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 11,371,272
Combined funds (GASBS 54) revenues	840,405
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 12,211,677
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 11,259,794
Combined funds (GASBS 54) expenditures	735,807
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 11,995,601

Note B

The Elementary Miscellaneous Programs Funds and the High School Interlocal are non-budgeted major special revenue funds.

Livingston Public Schools, Park County, Montana
Required Supplementary Information
Schedule of Changes in the Entity's Total OPEB Liability
and Related Ratios
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service Cost	\$ 38,072	\$ 41,236	\$ 129,934	\$ 225,846	\$ 415,518	\$ 328,339	\$ 161,926	\$ 177,593
Interest	17,917	15,472	81,724	64,074	176,164	121,724	132,255	135,319
Differences in experience	(82,602)	-	(1,496,896)	-	(4,386,049)	-	1,038,241	-
Change in assumptions and inputs	(144,841)	(5,598)	(256,632)	(945,519)	(110,330)	1,534,221	(209,106)	590
Benefit payments	(8,202)	(14,886)	(36,734)	(39,798)	(52,081)	(58,905)	(92,004)	(105,380)
Net change in total OPEB liability	(179,656)	36,224	(1,578,604)	(695,397)	(3,956,778)	1,925,379	1,031,312	208,122
Total OPEB Liability - beginning	378,814	342,590	1,921,194	2,616,591	6,573,469	4,648,090	3,616,778	3,408,653
Total OPEB Liability - ending	\$ <u>199,158</u>	\$ <u>378,814</u>	\$ <u>342,590</u>	\$ <u>1,921,194</u>	\$ <u>2,616,691</u>	\$ <u>6,573,469</u>	\$ <u>4,648,090</u>	\$ <u>3,616,775</u>
Covered-employee payroll	\$ 7,340,749	\$ 7,238,688	\$ 6,993,901	\$ 7,467,202	\$ 7,285,075	\$ 5,531,143	\$ 5,396,237	\$ N/A
Total OPEB liability as a percentage of covered -employee payroll	2.71%	5.23%	4.90%	26%	36%	119%	86%	N/A

**The above schedule is presented by combining the required schedules from GASB 75 paragraphs 170a and 170b. The GASB requires that 10 years of information related to the OPEB liability be presented, additional data will be provided as it becomes available.*

Livingston Public Schools, Park County, Montana
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

	<u>PERS</u> <u>2025</u>	<u>PERS</u> <u>2024</u>	<u>PERS</u> <u>2023</u>	<u>PERS</u> <u>2022</u>	<u>PERS</u> <u>2021</u>	<u>PERS</u> <u>2020</u>	<u>PERS</u> <u>2019</u>	<u>PERS</u> <u>2018</u>	<u>PERS</u> <u>2017</u>	<u>PERS</u> <u>2016</u>
Employer's proportion of the net pension liability	0.088770%	0.080207%	0.863040%	0.080998%	0.082466%	0.084686%	0.085859%	0.110336%	0.111486%	0.115140%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 2,171,097	\$ 1,957,333	\$ 2,052,212	\$ 1,468,668	\$ 2,175,615	\$ 1,770,204	\$ 1,792,004	\$ 2,148,928	\$ 1,898,991	\$ 1,609,516
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 635,293	\$ 605,493	\$ 682,054	\$ 483,028	\$ 761,882	\$ 638,886	\$ 669,189	\$ 114,796	\$ 88,750	\$ 75,631
Total	\$ 2,806,390	\$ 2,562,826	\$ 2,734,266	\$ 1,951,696	\$ 2,937,497	\$ 2,409,090	\$ 2,461,193	\$ 2,263,724	\$ 1,987,741	\$ 1,685,147
Employer's covered payroll	\$ 1,792,613	\$ 1,537,480	\$ 1,564,246	\$ 1,476,174	\$ 1,428,109	\$ 1,442,764	\$ 1,481,605	\$ 1,415,435	\$ 1,380,476	\$ 1,389,290
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	121.11%	127.31%	131.19%	99.49%	152.34%	122.70%	120.95%	151.82%	137.56%	115.85%
Plan fiduciary net position as a percentage of the total pension liability	74.77%	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%
	<u>TRS</u> <u>2025</u>	<u>TRS</u> <u>2024</u>	<u>TRS</u> <u>2023</u>	<u>TRS</u> <u>2022</u>	<u>TRS</u> <u>2021</u>	<u>TRS</u> <u>2020</u>	<u>TRS</u> <u>2019</u>	<u>TRS</u> <u>2018</u>	<u>TRS</u> <u>2017</u>	<u>TRS</u> <u>2016</u>
Employer's proportion of the net pension liability	0.5329%	0.5746%	0.5750%	0.5549%	0.5769%	0.5480%	0.5413%	0.5253%	0.5171%	0.5033%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 9,985,411	\$ 11,133,090	\$ 11,308,342	\$ 9,192,528	\$ 12,976,640	\$ 10,566,698	\$ 10,047,684	\$ 8,857,559	\$ 9,446,140	\$ 8,269,457
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 5,296,629	\$ 6,018,255	\$ 6,245,537	\$ 5,244,847	\$ 7,672,915	\$ 6,398,096	\$ 6,244,731	\$ 5,622,577	\$ 6,156,915	\$ 5,542,823
Total	\$ 15,282,040	\$ 17,151,345	\$ 17,553,879	\$ 14,437,375	\$ 20,649,555	\$ 16,964,794	\$ 16,292,415	\$ 14,480,136	\$ 15,603,055	\$ 13,812,280
Employer's covered payroll	\$ 8,007,741	\$ 8,545,949	\$ 8,439,757	\$ 7,903,795	\$ 7,940,373	\$ 7,438,735	\$ 7,230,583	\$ 6,928,998	\$ 6,711,797	\$ 6,424,009
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	124.70%	130.27%	133.99%	116.31%	163.43%	142.05%	138.96%	127.83%	140.74%	128.73%
Plan fiduciary net position as a percentage of the total pension liability	73.33%	71.75%	70.61%	75.54%	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%

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

Livingston Public Schools, Park County, Montana
Required Supplementary Information
Schedule of Contributions
For the Year Ended June 30, 2025

	PERS	PERS	PERS	PERS	PERS	PERS	PERS	PERS	PERS	PERS
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 163,233	\$ 138,920	\$ 134,874	\$ 134,889	\$ 126,790	\$ 121,225	\$ 120,178	\$ 119,597	\$ 114,564	\$ 111,621
Contributions in relation to the contractually required contribution	\$ 163,233	\$ 138,920	\$ 134,874	\$ 134,889	\$ 126,790	\$ 121,225	\$ 120,178	\$ 119,597	\$ 114,564	\$ 116,326
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,854,920	\$ 1,615,349	\$ 1,537,480	\$ 1,564,246	\$ 1,476,174	\$ 1,428,109	\$ 1,442,764	\$ 1,481,605	\$ 1,415,435	\$ 1,380,476
Contributions as a percentage of covered payroll	8.80%	8.60%	8.77%	8.62%	8.59%	8.49%	8.33%	8.07%	8.09%	8.43%
	TRS	TRS	TRS	TRS	TRS	TRS	TRS	TRS	TRS	TRS
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 831,825	\$ 826,288	\$ 1,004,672	\$ 874,634	\$ 837,470	\$ 931,888	\$ 703,608	\$ 716,315	\$ 657,543	\$ 633,394
Contributions in relation to the contractually required contribution	\$ 831,825	\$ 826,288	\$ 1,004,672	\$ 874,634	\$ 837,470	\$ 931,888	\$ 703,608	\$ 716,315	\$ 657,543	\$ 633,394
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 8,382,343	\$ 8,007,741	\$ 8,454,949	\$ 8,439,757	\$ 7,903,795	\$ 7,940,373	\$ 7,438,735	\$ 7,230,583	\$ 6,928,998	\$ 6,711,797
Contributions as a percentage of covered payroll	9.92%	10.32%	11.76%	10.36%	10.60%	11.74%	9.46%	9.91%	9.49%	9.44%

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

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

Public Employees' Retirement System of Montana (PERS)

Changes of Benefit Terms

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

Permanent Injunction Limits Application of the GABA Reduction – Passed under House Bill 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

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

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

2015 Legislative Changes

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

Second Retirement Benefit - for PERS

- Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
 - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
 - No service credit for second employment;
 - Start same benefit amount the month following termination; and
 - GABA starts again in the January immediately following second retirement.
- For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
 - Member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
 - GABA starts in the January after receiving recalculated benefit for 12 months.
- For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
 - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
 - No service credit for second employment
 - Start same benefit amount the month following termination; and,
 - GABA starts again in the January immediately following second retirement.

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

- For members who retire on or after January 1, 2016, return to PERS-covered employment, and accumulate five or more years of service credit before retiring again:
 - Member receives same retirement benefit as prior to return to service;
 - Member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
 - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

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

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

The PCR was paid off effective March 2016, and the contributions of 2.37%, 0.47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

2017 Legislative Changes

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

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 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.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum payouts

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

Disabled PERS Defined Contribution (DC) Members

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

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0% to 4.80%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality	
• Active Participation	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
• Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
• Health Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021.

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

Teachers' Retirement System of Montana (TRS)

Changes of Benefit Terms:

The following changes to the plan provision 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 GABA for Tier 1 members has also been modified as follows:

- If the most recent actuarial valuation of the System shows that the funded ratio is less than 90%, then the maximum increase that can be granted is 0.50%.
- If the funded ratio is at least 90% and the increase is not projected to cause the System's funded ratio to be less than 85%, an increase can be granted to that is greater than 0.50% but not more than 1.50%.

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

- *Final Average Compensation:* Average of earned compensation paid in five consecutive years of full-time service that yields the highest average
- *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
- *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
- *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%.
- *Annual Contribution:* 8.15% of member's earned compensation
- *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.

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

- 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
- Guaranteed Annual Benefit Adjustment (GABA):
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 2022:

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return assumption was increased from 7.06% to 7.30%.
- The inflation rate was increased from 2.40% to 2.75%.
- Updated all mortality tables to the PUB-2010 tables for teachers.
- Updated the rates of retirement and termination.
- Updated the salary scale merit rates.

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

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

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

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

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

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

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

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

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.
 - The tables include margins for mortality improvement which is expected to occur in the future.
- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

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

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

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

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three-year COLA deferral period for Tier 2 Members.

Livingston Public Schools, Park County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year Ended June 30, 2025

- 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.

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	24 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary Increase	3.50 to 9.00 percent, including inflation for Non-University Members and 4.25% for University Members
Investment rate of return	7.30 percent. Net of pension plan investment expense, and including inflation

SUPPLEMENTAL INFORMATION

Livingston Public Schools
Park County, Montana
Schedule of Enrollment/ANB Schedule
For the Fiscal Year Ended June 30, 2025

Students Grade K – 8

Full-Time Students:

Fall Enrollment-El District	MAEFAIRS Reports	District Reports	Difference
Kindergarten Half Day	0	0	0
Kindergarten Full Day	75	75	0
Grades 1-6	499	499	0
Grades 7-8	171	171	0
Spring Enrollment-El District	MAEFAIRS Reports	District Reports	Difference
Kindergarten Half Day	0	0	0
Kindergarten Full Day	75	75	0
Grades 1-6	502	506	(4)
Grades 7-8	167	169	(2)

Part Time Students:

Fall Enrollment-El District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K-Half	0	0	0	0	0	0	0	0	0
K-Full	0	0	0	1	0	0	0	1	0
1-6	0	0	1	0	0	0	1	0	0
7-8	0	1	1	1	0	1	1	1	0
Spring Enrollment-El District	Per MAEFAIRS Reports Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
K-Half	0	0	0	0	0	0	0	0	0
K-Full	0	0	0	0	0	0	0	0	0
1-6	0	0	1	0	0	0	1	0	0
7-8	0	0	2	0	0	0	2	0	0

Students Grades 9 – 12:

Full-Time Students:

Fall Enrollment-HS District	MAEFAIRS Reports	District Reports	Difference
Grades 9 - 12	420	423	(3)
19-year olds included	0	0	0
Job Corps	0	0	0
Youth challenge	0	0	0
Spring Enrollment-HS District	MAEFAIRS Reports	District Reports	Difference
Grades 9 - 12	405	407	(2)
19-year olds included	0	0	0
Job Corps	0	0	0
Youth challenge	0	0	0
Early Graduates	7	7	0

Part Time Students:

Fall Enrollment - HS District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
Grades 9 - 12	0	2	0	0	0	2	0	0	0
Spring Enrollment-HS District	Per MAEFAIRS Enrollment Reports				Per District Reports				
Grade	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	<180 hrs/yr	180-359 hrs/yr	360-539 hrs/yr	540-719 hrs/yr	Difference
Grades 9 - 12	0	2	0	0	0	2	0	0	0

Livingston Public Schools
Park County, Montana
EXTRACURRICULAR FUND
SCHEDULE OF REVENUES AND EXPENDITURES - MIDDLE SCHOOL ACCOUNTS
Fiscal Year Ended June 30, 2025

FUND ACCOUNT	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In(Out)</u>	<u>Ending Balance</u>
Annual	\$ -	\$ 760	\$ 91	\$ -	\$ 669
Art Club	1,322	-	-	-	1,322
Band	2,846	6,620	1,868	-	7,598
Choir	674	-	555	-	119
Vending	2,124	-	-	-	2,124
Drama	1,226	-	-	-	1,226
Student Council	4,935	1,322	540	-	5,717
Shane Productions	2,373	-	-	-	2,373
Indust Tech	3,864	-	310	-	3,554
Science Club	119	-	-	-	119
FCS	1,519	762	1,736	-	545
Applied Math	107	-	-	-	107
Library	1,765	1,902	1,836	-	1,831
8th Grade	1,462	879	886	-	1,455
Cougar Service Org	2,438	318	133	-	2,623
General	11,907	724	1,319	-	11,312
Athletics	348	17,344	12,585	-	5,107
XC	285	-	-	-	285
6th Grade Intramurals	1,913	-	-	-	1,913
PE	2,970	1,900	-	-	4,870
Total	\$ <u>44,197</u>	\$ <u>32,531</u>	\$ <u>21,859</u>	\$ <u>-</u>	\$ <u>54,869</u>

Livingston Public Schools
Park County, Montana
EXTRACURRICULAR FUND
SCHEDULE OF REVENUES AND EXPENDITURES - HIGH SCHOOL ACCOUNTS
Fiscal Year Ended June 30, 2025

FUND ACCOUNT	Beginning Balance	Revenues	Expenditures	Transfers In(Out)	Ending Balance
Unreserved Fund - 1	\$ (14,318)	\$ 3	\$ 5,166	\$ -	\$ (19,481)
TSA	300	-	-	-	300
Unreserved Fund - 2	1,505	-	-	-	1,505
World Quest	1,505	-	-	-	1,505
MCTM Reg. Math Contest	1,635	328	412	-	1,551
PHS Academic Team	196	-	-	-	196
General	1,834	-	265	-	1,569
Athletics	-	94,442	82,723	-	11,719
Softball	168	1,829	190	-	1,807
Cheer	927	826	291	-	1,462
Golf	587	1,855	2,442	-	-
Purple & Gold	20,616	34,698	18,127	-	37,187
Wrestling	2,034	8,118	2,849	-	7,303
VB	8,051	2,700	7,331	-	3,420
GBB	336	-	87	-	249
Football	10,613	5,741	816	-	15,538
XC	7,969	2,627	1,258	-	9,338
BSoc	5,502	548	732	-	5,318
GSoc	-	150	1,314	-	(1,164)
Total	<u>\$ 49,460</u>	<u>\$ 153,865</u>	<u>\$ 124,003</u>	<u>\$ -</u>	<u>\$ 79,322</u>

OTHER INFORMATION

Livingston Public School, Park County, Montana
Other Supplementary Information
Fiscal Year Ending June 30, 2025

Livingston Public Schools Market/Taxable Valuations

Fiscal Year	Market Valuation	Percent Change	Taxable Valuation	Percent Change
2024/2025	\$ 5,855,154,764	26.4%	\$ 68,182,713	-1.0%
2023/2024	\$ 4,783,752,607	52.1%	\$ 71,064,130	43.9%
2022/2023	\$ 4,632,364,851	81.0%	\$ 68,878,557	65.2%
2021/2022	\$ 3,144,684,761	22.9%	\$ 49,391,745	18.5%
2020/2021	\$ 2,559,623,702	1.6%	\$ 41,686,123	4.8%

Park High School District - Total of All Levies By Fiscal Year

Fiscal Year	Total Tax Levy	First Year Total Tax Collections	Total Collections as Percent of Levy
2024/2025	\$ 3,225,085	\$ 3,140,734	97.4%
2023/2024	\$ 3,212,272	\$ 3,206,544	99.8%
2022/2023	\$ 3,175,909	\$ 3,142,736	99.0%
2021/2022	\$ 3,040,312	\$ 2,999,625	98.7%
2020/2021	\$ 3,093,329	\$ 2,894,570	93.6%

Livingston Public Schools Tax Levies

Taxing Entity	2020	2021	2022	2023	2024	2025
University Mileage	6.00	6.00	6.00	6.00	6.00	6.00
Statewide School Equalization	95.00	95.00	95.00	95.00	95.00	95.00
County-wide School Levy	37.26	43.86	34.78	45.00	40.00	40.00
Park County - General	23.78	23.71	21.16	15.39	15.73	17.59
Livingston Elementary School	113.64	108.46	95.32	95.27	79.03	80.25
Livingston High School	75.62	75.70	63.90	64.30	46.64	45.38
Rural Fire	34.30	33.84	30.51	23.08	23.24	23.18
County Road	13.31	13.53	11.88	9.78	9.45	10.56
Ambulance	14.63	14.29	13.74	10.83	10.89	11.98
County Planning	1.21	1.23	1.08	0.89	0.86	0.96
Total	414.75	415.62	373.37	365.54	326.84	330.90
City of Livingston	205.93	211.48	187.89	154.56	146.09	143.83

Livingston Public School, Park County, Montana
 Other Supplementary Information
 Fiscal Year Ending June 30, 2025

Debt Capacity Calculations - Livingston Public Schools

	(A)	(B)	(C)	(D) (B x C)	<u>Gross Debt</u>	<u>Outstanding</u>	<u>Net Debt</u>
	<u>Taxable Value</u>	<u>ANB</u>	<u>State \$'s</u>	<u>State Formula</u>	<u>Capacity</u>	<u>Debt</u>	<u>Capacity</u>
Elementary	47,856,721	774	57,780	44,721,720	47,856,721	-	47,856,721
High School	71,064,130	405	134,880	54,626,400	71,064,130	11,505,000	59,559,130

Notes:

- 1) Gross debt capacity is the greater of Taxable Value or State Formula
- 2) Taxable value is taken from the Dept of Revenue Certified Taxable Value report, also listed on the Budget report
- 3) State \$'s is posted on OPI website (reach out to Crystal Vogl with DA Davidson as she has the number)
- 4) ANB is taken from the Spring count figures
- 5) Update debt outstanding numbers from our accounting records

Future Financing

Other than the high school \$10,000,000 General Obligation Bonds, Series 2010A (2010A QSCBs) and the high school \$5,000,000 General Obligation Bonds Series 2010B (2010B RZEDBs), the District currently has no formal plans to issue more bonds but reserves the right to see further funding as necessary.

SINGLE AUDIT SECTION

**Livingston Public Schools
Park County, Montana
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2025**

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Grant ID No.</i>	<i>Federal Expenditures (\$)</i>
<i>Child Nutrition Cluster-Cluster</i>				
United States Department of Agriculture School Breakfast Program				
School Breakfast Program	10.553	Montana Office of Public Instruction		\$ <u>54,067</u>
Total School Breakfast Program				\$ <u>54,067</u>
National School Lunch Program				
National School Lunch Program	10.555	Montana Office of Public Instruction		\$ 180,269
National School Lunch Program	10.555	Montana Office of Public Instruction		\$ <u>49,101</u>
Total National School Lunch Program				\$ <u>229,370</u>
Summer Food Service Program for Children				
Summer Food Service Program for Children	10.559	Montana Office of Public Instruction		\$ <u>40,944</u>
Total Summer Food Service Program for Children				\$ <u>40,944</u>
Fresh Fruit and Vegetable Program				
Fresh Fruit and Vegetable Program	10.582	Montana Office of Public Instruction		\$ <u>39,930</u>
Total Fresh Fruit and Vegetable Program				\$ <u>39,930</u>
<i>Total United States Department of Agriculture</i>				\$ <u>364,311</u>
<i>Total Child Nutrition Cluster-Cluster</i>				\$ <u>364,311</u>
<i>Special Education Cluster (IDEA)-Cluster</i>				
Department of Education Special Education Grants to States				
Special Education Grants to States	84.027	Montana Office of Public Instruction	034-0612-77-2024	\$ 80,808
Special Education Grants to States	84.027	Montana Office of Public Instruction	034-0612-77-2025	\$ <u>298,167</u>
Total Special Education Grants to States				\$ <u>378,975</u>
Special Education Preschool Grants				
Special Education Preschool Grants	84.173	Montana Office of Public Instruction	034-0612-79-2024	\$ 9,054
Special Education Preschool Grants	84.173	Montana Office of Public Instruction	034-0612-79-2025	\$ <u>16,825</u>
Total Special Education Preschool Grants				\$ <u>25,879</u>
<i>Total Department of Education</i>				\$ <u>404,854</u>
<i>Total Special Education Cluster (IDEA)-Cluster</i>				\$ <u>404,854</u>
<i>Other Programs (Treated individually for major program determination)</i>				
United States Department of Agriculture Child and Adult Care Food Program				
Child and Adult Care Food Program	10.558	Montana Office of Public Instruction		\$ <u>3,624</u>
Total Child and Adult Care Food Program				\$ <u>3,624</u>
Child Nutrition Discretionary Grants Limited Availability				
Child Nutrition Discretionary Grants Limited Availability	10.579	Montana Office of Public Instruction		\$ <u>78,221</u>
Total Child Nutrition Discretionary Grants Limited Availability				\$ <u>78,221</u>
<i>Total United States Department of Agriculture</i>				\$ <u>81,845</u>

Livingston Public Schools
Park County, Montana
Schedule of Expenditures of Federal Awards By Grant - continued
For the Year Ended June 30, 2025

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Grant ID No.</i>	<i>Federal Expenditures (\$)</i>
Department of Education				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	Montana Office of Public Instruction	034-0612-31-2025	\$ 4,543
Title I Grants to Local Educational Agencies	84.010	Montana Office of Public Instruction	034-0612-31-2024	5,641
Title I Grants to Local Educational Agencies	84.010	Montana Office of Public Instruction	034-0612-31-2025	428,525
Title I Grants to Local Educational Agencies	84.010	Montana Office of Public Instruction	034-0612-31-2024	<u>72,442</u>
Total Title I Grants to Local Educational Agencies				\$ <u>511,151</u>
Career and Technical Education -- Basic Grants to States				
Career and Technical Education -- Basic Grants to States	84.048	Montana Office of Public Instruction	034-0613-81-2025	\$ <u>31,364</u>
Total Career and Technical Education -- Basic Grants to States				\$ <u>31,364</u>
Education for Homeless Children and Youth				
Education for Homeless Children and Youth	84.196	Montana Office of Public Instruction		\$ <u>4,863</u>
Total Education for Homeless Children and Youth				\$ <u>4,863</u>
Twenty-First Century Community Learning Centers				
Twenty-First Century Community Learning Centers	84.287	Montana Office of Public Instruction		\$ <u>328,179</u>
Total Twenty-First Century Community Learning Centers				\$ <u>328,179</u>
Comprehensive Literacy Development				
Comprehensive Literacy Development	84.371	Montana Office of Public Instruction	034-0612-39-2024	\$ <u>511,510</u>
Total Comprehensive Literacy Development				\$ <u>511,510</u>
Education Stabilization Fund				
Education Stabilization Fund	84.425	Montana Office of Public Instruction	034-0612-93-2021	\$ 99,738
Education Stabilization Fund	84.425	Montana Office of Public Instruction	034-0612-93-2021	113,037
Education Stabilization Fund	84.425	Montana Office of Public Instruction	034-0612-93-2021	<u>290</u>
Total Education Stabilization Fund				\$ <u>213,065</u>
<i>Total Department of Education</i>				
<i>Total Other Programs (Treated individually for major program determination)</i>				
<i>Total Expenditures of Federal Awards</i>				
				\$ <u>1,681,977</u>
				\$ <u>\$ 2,451,142</u>

The accompanying notes are an integral part of this schedule

LIVINGSTON PUBLIC SCHOOLS

PARK COUNTY, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2025

Basis of Presentation and Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Livingston Public Schools, Park County, Montana. The information in this schedule is presented in accordance with the requirements Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the Livingston Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Livingston Public Schools. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Livingston Public Schools has elected not to use the 10 percent de Minimis indirect cost rate as provided in Sec. 200.414 Indirect Costs under Uniform Guidance.

Value of Federal Awards Expended in the form of Noncash Assistance

- *Food Commodities, value equals the fair value at the time of the receipt, \$49,101.*



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

To the Board of Trustees
Livingston Public Schools
Park County
Livingston, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Livingston Public Schools, Park County, Montana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Livingston Public School's basic financial statements and have issued our report thereon dated April 9, 2026.

Internal Control Over Financial Reporting

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as identified as item(s) 2025-001.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies as identified as item(s) 2025-002 and 2025-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item(s) 2025-004.

Livingston Public School's Response to Findings

Livingston Public School's response to the findings identified in our audit is described in the Auditee's Corrective Action Plan. Livingston Public School's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Nexus CPA Group

April 9, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Livingston Public Schools
Park County
Livingston, Montana

Report on Compliance for each Major Federal Program

Qualified and Unmodified Opinions

We have audited Livingston Public School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Livingston Public School's Major federal programs for the year ended June 30, 2025. Livingston Public School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Twenty-First Community Learning Centers

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Livingston Public School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Twenty-First Community Learning Centers for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Programs

In our opinion, Livingston Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Livingston Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Livingston Public School's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Twenty-First Community Learning Centers

As described in the accompanying schedule of findings and questioned costs, Livingston Public School did not comply with the requirements regarding, Twenty-First Community Learning Centers No. 84.287 as described in finding number(s) 2025-006 for Program Income. Compliance with such requirements is necessary, in our opinion, for Livingston Public School to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Livingston Public School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Livingston Public School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Livingston Public School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Livingston Public School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Livingston Public School’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Livingston Public School’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a types of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-005 and 2025-006 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Nexus CPA Group

April 9, 2026

LIVINGSTON PUBLIC SCHOOLS

PARK COUNTY, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	<i>Unmodified</i>
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified	None Reported
Type of auditor’s report issued on compliance for major programs:	<i>Qualified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section II – Financial Statement Findings

2025-001 Student Activities Internal Controls

Condition:

We identified weaknesses in internal controls over the District’s Student Activities receipting processes. Specifically, collections for fundraising, coffee cart sales, and events (e.g., dances and concerts) lacked independent supporting documentation. Only gate fee collections for sporting events were supported by a ticketing system.

Context:

Through inquiry, observation, and testing, we reviewed the Student Activities internal control procedures.

Criteria:

Internal control procedures should require adequate, independent supporting documentation for all revenues received (e.g., pre-numbered tickets, order forms, inventory counts, or participation lists) to ensure completeness, accuracy, and accountability of funds collected.

Effect:

The internal control procedures are weakened increasing the risk of error or misappropriation of assets.

Cause:

The District relies solely on collection forms completed by advisors when remitting funds and has not established requirements for independent supporting documentation (e.g., pre-numbered receipts, sales logs, or order forms) to substantiate collections.

Recommendation:

We recommend the District require independent supporting documentation for all deposits. This documentation should be sufficient to verify that all funds collected were properly recorded and deposited in their entirety.

2025-002 Cash Balancing

Condition:

There was a lack of internal controls surrounding balancing total cash per the accounting system to total cash per the bank and investments statements.

Context:

As part of the audit, we scheduled out all cash per the bank and investment statements taking into account any reconciling items and then compared that to total cash per the accounting system to determine if they reconciled.

Criteria:

A proper system of internal control would ensure that total cash and investments per the bank and investment statements reconciles to total cash and investments per the accounting system.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Effect:

There was a lack of internal controls as cash and revenues were overstated by \$97,052. This has been corrected for financial reporting purposes.

Cause:

When the District closed 2 bank accounts and received the check from the bank, they deposited that money into another one of their bank accounts. When they did this, the District then completed a journal voucher which recorded cash and revenues which was incorrect as the cash was already on their books.

Recommendation:

We recommend the District review non-routine transactions such as closing accounts to ensure that they are not posting adjustments that increase cash when the cash is already on their books.

2025-003 Enrollment Differences

Condition:

The District enrollment records did not agree to the enrollment counts reported to the Office of Public Instruction (OPI) in the Spring Count during fiscal year 2025.

Context:

As part of compliance and internal control testing, we compared the detailed District enrollment records to the enrollment counts reported to OPI. As a result of testing, we identified that 1 student had been correctly counted under the third grade on the school enrollment report, however, he/she was not on the OPI report.

Criteria:

Adequate internal controls should be in place to accurately report enrollment counts and ensure the underlying attendance records agree to the reported counts.

Effect:

The Spring Count was understated in the third grade by 1 student.

Cause:

The District does not have an adequate internal control system to ensure students are being reported properly and to ensure that the OPI reports accurately reflect the enrollment counts per the District.

Recommendation:

We recommend the District implement controls to ensure the enrollment counts are accurate and the underlying attendance records agree to the amount reported.

2025-004 Budget Overdraft (Repeated 2024-001)

Condition:

The District exceeded its legally adopted budget in the High School Debt Service Fund in fiscal ending June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Context:

As part of the audit, we compared the actual expenditures in each budgeted fund to the budget taking into account any budget amendment to determine if the District stayed within their budget authority.

Criteria:

20-3-133, MCA limits the District in making expenditures or incurring liabilities to the total amount of each fund's budget.

Effect:

The District's expenditures exceeded its legally adopted budget in the Elementary Retirement Fund by \$26,147 and the High School Debt Service Fund by \$504,204 and is not in compliance with MCA 20-3-133.

Cause:

The District did not budget for the other revenue to be received to support the sinking fund debt, and did not budget for the interest payments owed on the sinking fund for fiscal year 2025. The District received a finding for this in fiscal year 2024 and attempted to correct the budget for fiscal year 2025, however, it was too late to get this corrected at the time.

Recommendation:

The District should review its budget procedures of the High School Debt Service Fund to ensure that all expenditures and revenues are budgeted for, and monitor its expenditures on an ongoing basis and use the budget amendment process when necessary.

Section III – Federal Award Findings and Questioned Costs

2025-005 Private/Home School Communications

CFDA Title: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number/Year: 2025

Federal Agency: U.S. Department of Education

Pass-through Entity: Montana Office of Public Instruction

Condition:

The District did not communicate with the private/home school students.

Context:

The District did not send communications to the private/home schools in the Spring of 2024 for the FY24-25 school year to determine if any of those wanted to participate in the federal programs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Criteria:

In the 2025 Compliance Supplement, Part 4 - Department of Education, page 22, it states “for programs funded under Title I, Part A (Assistance Listing 84.010), Local Education Agencies (LEA), after timely and meaningful consultation with private school officials, must provide equitable services to eligible private school children, their teachers, and their families. Eligible private school children are those who reside in a participating public school attendance area and have educational needs under Section 1115(c) of the ESEA (20 USC 6315(c)). The amount of funds an LEA makes available for equitable services under Title I, Part A must be equal to the proportion of funds generated by private school children from low-income families who reside in participating public school attendance areas.”

Effect:

The District is not in compliance with special tests and provisions of the Title I Grant. In addition, there could have been private/home school children that would have participated but were not made aware of the program.

Cause:

There was a change in staff during the time period that the communication would have occurred and this was an oversight by the new staff member.

Recommendation:

We recommend that the District, and all responsible employees, review compliance requirements for federal grants to ensure that they understand what they need to do. Also, policies and procedures should be in place to ensure that all requirements of federal grants are met.

2025-006 Program Income (Repeated 2024-004)

CFDA Title: Title IV-B Twenty-First Community Learning Centers

CFDA Number: 84.287

Federal Award Number/Year: S287C230026 / 2025

Federal Agency: U.S. Department of Education

Pass-through Entity: Montana Office of Public Instruction

Condition:

The District did not comply with the program income compliance requirement for the Twenty-First Century Community Learning Center Grant.

Context:

As part of the federal compliance testing for the Twenty-First Century Community Learning Centers Grant, we tested to determine if the District charged fees associated with the program. We observed that fees were charged through October 2024 and then stopped.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Criteria:

In the 2025 Compliance Supplement, under Part 4 Department of Education, page 187 for Program Income related to the Twenty-First Century Community Learning Center grant, it states that a recipient or subrecipient that earns program income must deduct the amount of program income from the amount of the Federal award unless it has received prior written approval from ED to add the amount of program income to the amount of the Federal award. If the recipient or subrecipient receives prior written approval to add the amount of program income to the Federal award, the program income must be used for the purposes and under the conditions of the Federal award.

Effect:

The District was not in compliance with the program income requirement as they charged \$38,205 in fees under the after-school program without approval and did not deduct that amount from the amount requested for reimbursement under the grant. We did also find that OPI has also identified these issues and had thus made a plan to lower the grant amounts for FY26, FY27, and FY28 to rectify the issue.

Cause:

The District was operating one after school program. There are kids that are free under the program and others that are charged. They kept two separate project reporter codes (PRCs) within their system. One PRC is for the Twenty-First Century Community Learning Centers Grant which is the free kids and the other is for the kids that are charged. They only had one set of coordinators/aides/program directors that runs the overall program through October 2024. They allocate costs for both payroll and other expenses between the two PRCs. The District thought if they kept two separate PRCs that they could charge. In November 2024, they split the program into two; the 21st Century program was held 3 days per week and free and the other after school program in which fees were charged was held the other two days.

Recommendation:

We recommend that the District ensure that either it gets preapproval from the granting agency prior to charging fees, or they deduct the amount charged for the federal grant and request reimbursement for that much less.



REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

To the Board of Trustees
Livingston Public Schools
Park County
Livingston, Montana

The prior audit report contained four recommendations. The action taken on each recommendation is as follows:

<u>Recommendation</u>	<u>Action Taken</u>
2024-001 Budget Overdraft	Repeated
2024-002 Tuition Fund Budget	Implemented
2024-003 Unallowable Transfer	Implemented
2024-004 Program Income	Repeated

Nexus CPA Group
April 9, 2026

Contact Person:

Pete Grady, Business Director, peter.grady@livingston.k12.mt.us

Expected Completion Date of Corrective Action Plan:

June 30, 2026/July 1, 2026

CORRECTIVE ACTION PLAN**FINDING 2025-001: Student Activities Internal Controls**

Response: The Livingston School District will implement a numbered ticketing system for all Student Activity events requiring admissions. The district will also require order forms, sales log, and duplicate copy receipts for all sales outside of admissions. The new receipt information will be turned into the business office with the signed deposits. The new procedure for Student Activities will be implemented in FY27.

FINDING 2025-002: Cash Balancing

Response: This is a unique issue due to the District's financing of its Solar Project through a different bank than is utilized for normal operations. Once the project was completed, there was excess cash available, which was transferred into the normal operating bank account. The journal entry to record this activity was not correct and future non-routine transactions will be monitored more closely to prevent similar issues in the future.

FINDING 2025-003: Enrollment Differences

Response: The process the District follows when counting students involves entering student counts into the Infinite Campus (IC) system, which is then certified and uploaded into the Office of Public Instruction (OPI) system. The IC report ran immediately after the spring 2025 count matches the report from the OPI system. A subsequent report run from IC reflected a higher spring 2025 student count for one student in third grade. There should not be any differences between the two systems, and we are researching what has caused this issue.

FINDING 2025-004: Budget Overdraft

Response: The budget for bonds in the high school district was attempted to be amended for FY25 to correct this issue and prevent a repeat of the FY24 discrepancies, however the Office of Public Instruction (OPI) denied the request. OPI had initially indicated we could amend the budget, so we held a special board meeting to approve the amendment, and then submitted all required paperwork to OPI, who then decided we could not do the amendment due to the zero-dollar impact. This issue has been corrected in the FY26 budget.

FINDING 2025-005: Private/Home School Communications

Response: This issue was an oversight as we transitioned Curriculum Directors. Communications to private/home school students have been completed in FY26 and we will monitor compliance requirements for federal grants in the future to prevent this from occurring again.

FINDING 2025-006: Program Income

Response: This repeat finding is related to the Districts LINKS afterschool program supported by 21st Century funding. The Office of Public Instruction (OPI) performed monitoring of Livingston schools 21st Century program in August of 2024 and determined the District was not in compliance with changes to federal regulations made in 2018. The District has made all recommended changes from OPI and is now in compliance with federal regulations.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2024-001: Budget Overdraft

Response: See Response to Finding 2025-004

FINDING 2024-002: Tuition Fund Budget

Response: Implemented

FINDING 2024-003: Unallowable Transfer

Response: Implemented

FINDING 2024-004: Program Income

Response: See Response to Finding 2025-006