

*Frenchtown School District #40*

# *Financial Information*

*2022—2023 School Year*



*Frenchtown School District #40*

*P.O. Box 117*

*Frenchtown, MT 59834*

*Phone: 406-626-2600*

*Fax: 406-626-2605*

*Email: [shaunaanderson@ftbroncs.org](mailto:shaunaanderson@ftbroncs.org)*



# Table of Contents





# BOARD OF TRUSTEES

2022—2023 SCHOOL YEAR



**JAMI ROMNEY FITZGERALD**  
**BOARD CHAIR**

Served on Board of Trustees since 2012  
Committees: Negotiations, School Improvement, IT, Facilities, Wellness



**SHILOH LUCIER**  
**BOARD VICE CHAIR**

Served on Board of Trustees since 2020  
Committees: Policy, Academic Achievement, Wellness



**BRYCE SIMPSON**  
**TRUSTEE**

Served on Board of Trustees since 2017  
Committees: Insurance, Negotiations, Transportation, Safety, School Improvement, Facilities



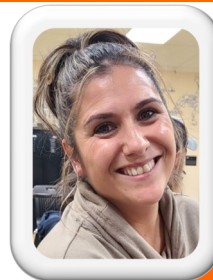
**JAMI WRIGHT**  
**TRUSTEE**

Served on Board of Trustees since 2021  
Committees: Policy, Insurance, Negotiations, Academic Achievement



**NOAH PETERS**  
**TRUSTEE**

Served on Board of Trustees since 2021  
Committees: Policy, School Improvement, Curriculum/Professional Development, Academic Achievement



**AMANDA HANSEN**  
**TRUSTEE**

Served on Board of Trustees since 2022  
Committees: Insurance, IT, Curriculum/Professional Development



**RAINIER BATT**  
**TRUSTEE**

Served on Board of Trustees since 2022  
Committees: Transportation, Safety, Facilities



---

# MESSAGE FROM THE SUPERINTENDENT

---

To the Community of Frenchtown!

I am honored and privileged to serve as Superintendent of the Frenchtown School District. I am in my third of serving you and the school district; each year I am more grateful. For the last two years we have navigated, together, challenges and firsts for all of us. However, we have emerged with knowledge, inspiration, and more strength than when we started. The Frenchtown School District, coupled with the community and parents, worked together for the betterment of students. Thank you for the comments, the challenges, the grace, and resiliency as we proceed into our next set of challenges.



The Frenchtown School District is in year three of a three year strategic plan.

The goals of the strategic plan highlight the following areas:

1. Educational Fidelity and Purpose
2. Technology
3. Safety and Security
4. Facilities
5. Wellness
6. Community Engagement

The future of Frenchtown and the Frenchtown School District is bright. We have challenges to overcome, but with community engagement, hard work, and diligence we can grow and rise to meet those challenges as we work to ... "empower and educate students in a nurturing and safe environment, so they discover their strengths, develop a love and appreciation for learning, reach their full potential, and prepare for an ever-changing world." (FTSD Mission)

On a personal note, My wife of 28 years, Jolyn, and I have two children. Tucker is 27 years old and living his dream in Charlotte, North Carolina and Ryder, 22 years old and getting his business degree at the University of Montana. I was born and raised in the Swan Valley and Jolyn is a Billings West graduate. We enjoy Frenchtown and what it has to offer from a quality of life perspective and opportunities to meet people from the myriad of activities that are held at Frenchtown Schools.

A stylized, handwritten signature in black ink, likely belonging to the Superintendent.





---

# MISSION STATEMENT AND STRATEGIC PLAN

---

*Our mission is to foster effective learning in a safe environment where students, parents, staff, and the community share in a commitment to life-long learning and responsible citizenship.*

## DISTRICT MISSION

The core purpose of the Frenchtown Public Schools is to empower and educate students in a nurturing and safe environment, so they discover their strengths, develop a love and appreciation for learning, reach their full potential, and prepare for an ever-changing world.

## CORE VALUES (guiding principles)

### Community

Frenchtown School District is the heart of the community. We value our strong sense of pride in our school community and our families. We value the relationships we have with one another and the broader role education plays in the community.

### Excellence in Education

We value providing our students with an excellent education that focuses on their individual needs. We have dedicated staff that take pride in their work and strive to provide students with exceptional and vast experiences. Our offerings give our students access to a broad range of opportunities and activities inside and outside of the classroom.

### Safe and Nurturing Environment

Students and staff have a right to a safe, nurturing environment where students and staff thrive. We celebrate diversity and are responsive to the needs of students, staff and community.

### Personal Responsibility

We believe that self-responsibility and good citizenship are vital to our success. We value showing and having respect for others, being respected and, maintaining our integrity during times of success and times of challenge.

## VISION (envisioned future)

We promote excellence in everything we do, instill a love of learning in all students, and challenge our students to be greater than they thought they could ever be. We continue to strengthen our community values. As a result of our efforts, our students reach their highest potential, are prepared for their futures, and our community is strong, vibrant, fully engaged and integrated with us.



---

# MISSION STATEMENT AND STRATEGIC PLAN

---

## DESCRIPTION OF THE DESIRED FUTURE

We have an individualized education plan in place for every student that addresses the student's needs, provides them with opportunities in areas of interest and talents, and supports them in their desired direction in life.

Our educational programs and services are all based on standards but extend to each student's potential.

We believe that every staff member has a responsibility to be a role model for kids.

We advocate for funding from federal and state levels to provide our students with the best programs and services available.

Our students and families clearly understand the value of education and the need for support both at home and at school as partners in order for each student to be successful.

We have developed partnerships with our parents/families so that when children enter our school system, they are well prepared with the tools to succeed.

We have developed community partnerships that provide our youth with the skills needed to be successful when they exit our system.

In reference to our energy use, we have systems in place that optimize our ability to be self-sufficient.

We use technology in a meaningful and responsible manner where every student has his/her own personal device that is used to maximize the opportunities for our students to learn.

We have set high standards and expectations for our students and our staff. As a result, our students and staff excel.

Our facilities and infrastructure fully support our educational programming.

Our class sizes support our individualized approach to education.

Our curriculum supports a diversified, inspired learning environment where project-based, critical thinking and analysis is used to solve real-life issues.

Our school environment is one in which students are nurtured, safety, health and wellness are of paramount importance, a climate of change is embraced, and where we provide a path to success for every student.

We fully support early education initiatives and programs that prepare students for success. Through our individualized approach to education and we have closed the achievement gap. All of our students are performing at appropriate levels and in many instances, exceeding those levels.

We have implemented a volunteer program that has successfully engaged the parents/families of our students.

In the upper grades, we emphasize career, college/post-secondary, and student interest-drive curriculum.

Our environment and programs support the emotional and physical well-being of our students and staff.

We have expanded our adult education opportunities for parents/families and others with courses that provide the tools and information that focus on the importance of education and their involvement in their child's education.

*Please see the District website for the complete Strategic Plan*



# DISTRICT INFORMATION

## OUR SCHOOLS

- Established in 1868
- 2022 Niche Ranking—11th Best School in Montana
- 2022 US News and World Report—  
#1 High School among area schools,  
#5 in Montana



## FACILITY FACTS

- Average School Age: 43
- Oldest Building: 1959
- Newest Building: 2009
- 290,018 square feet of building space
- 102 acres of land

## OUR STAFF

Teachers	114
Paraprofessionals	14
Instructional Aides	11
Clerical	6
Administrators	7
Support Personnel	10
Nurses	2
Psychologists	2
Maintenance	2
Custodial	15
Food Service	11
Bus Drivers	15
<b>TOTAL</b>	<b>209</b>



## ENROLLMENT OCTOBER 2022

Kindergarten	149	8th Grade	112
1st Grade	113	9th Grade	128
2nd Grade	94	10th Grade	121
3rd Grade	86	11th Grade	115
4th Grade	95	12th Grade	112
5th Grade	101		
6th Grade	110	<b>TOTAL</b>	<b>1,444</b>
7th Grade	108		

## TRANSPORTATION

- Number of Bus Routes: 16
- Number of Bus Drivers: 15
- Number of Student Riders: 819
- Number of Miles Traveled: 109,025





---

## FRENCHTOWN SCHOOL DISTRICT FACILITIES

---



Campus	Approximate School Building Square Footage	Approximate Student Capacity	Grades Served	Year Constructed/ Major
South Campus	68,630	800	PK—5	1959/1969
North Campus	123,454	900	6-12	1979/2009

### Frenchtown School District Critical Issues:

- ♦ The South Campus (Elementary and Intermediate School) HVAC system is aged and difficult to keep operational in the winter.
- ♦ New DEQ requirements will necessitate lead remediation at the South Campus .
- ♦ The High School is nearing capacity for classroom space.
- ♦ The South Campus is at septic capacity.
- ♦ North Campus entry doors and access controls, including intercoms, need replacing and updating to meet safety and security standards.
- ♦ Parking lot asphalt repairs are needed on both campuses.
- ♦ The South Campus exterior needs significant repair and cosmetic updates.
- ♦ Roof repair is needed to sections of all buildings.



---

# FRENCHTOWN SCHOOL DISTRICT FACILITIES

---

## Planning for Growth

District Considerations for the future:

- ♦ How much will Frenchtown grow?
- ♦ What will the population look like 5, 10, 15 years from now?
- ♦ Will our existing school buildings be enough?
- ♦ Do our existing school facilities support contemporary and inclusive education models?
- ♦ Is the age and condition of our buildings an urgent concern?

All of these issues and more are being addressed by the FTSD Facilities Committee



---

# FRENCHTOWN SCHOOL DISTRICT TECHNOLOGY

---

## Enhancements and Planning for Growth

Over the past three years, to address the increasing need for technology in the classroom, the FTSD technology inventory has grown to:

- ♦ 1600 Chromebooks
- ♦ 575 Laptops/PC's
- ♦ 42 Promethean Active Panel Boards
- ♦ 12 Servers

To continue to stay up-to-date and provide our students and staff with current, supported



and secure devices, the cost to the District for replacement hardware alone is estimated to be \$225,000 per year.

Continued growth will impact this significantly as the District adds to inventory to meet the needs of additional students and staff.



---

# SCHOOL DISTRICT FINANCE Q & A

---

## Facts and Definitions

**Source: “Understanding Montana School Finance And School District Budgets”, Montana Office of Public Instruction**

### **Fund Accounting**

School district accounting systems are organized and established on a fund basis. A fund is a self-balancing set of accounts used to track the fiscal activity for a specific purpose or activity. Each fund must be accounted for separately so that its resources, obligations, revenue, and expenditures are kept apart from other funds. Legal reference to fund accounting for schools may be found at [20-9-201](#), MCA. The Governmental Accounting Standards Board, (GASB) establishes accounting and financial reporting standards for U.S., state, and local governments that follow Generally Accepted Accounting Principles (GAAP).

The School Accounting Manual is a great resource to find additional information. Visit the [School Finance – Accounting Webpage](#) for more information.

### **Q: What *types of funds* are used by school districts?**

**Governmental Funds**—Most school district functions are financed through four types of governmental funds: General, Special Revenue, Capital Projects, and Debt Service. These funds are classified as either budgeted or non-budgeted funds.

**Proprietary Funds**—The two types of proprietary funds, Enterprise and Internal Service, are used to account for a school district’s ongoing organizations and business-type activities that are similar those found in the private sector. Proprietary funds are non-budgeted funds.

**Fiduciary Funds**—The two types of fiduciary funds, Trust and Custodial, are used to account for assets held by a school district in a trustee capacity or as a custodian for another entity or fund. Fiduciary funds are non-budgeted funds.

### **Q: What are district budgeted funds?**

A: A budgeted fund means any fund for which a budget must be officially adopted by the board of trustees to expend money from the fund. [20-9-201](#)(2)(a), MCA. Budgeted funds include: General Fund, Transportation, Bus Depreciation, Tuition, Retirement, Adult Education, Technology, Flexibility, Debt Service, and Building Reserve Fund.

### **Q: What are district *non-budgeted funds*?**

A: A non-budgeted fund is any fund for which an official budget is not required to be adopted in order to expend money on deposit in the fund, [20-9-201](#)(2)(b), MCA. Expenditures from these funds are limited to the amount of cash balance in the fund. Non-budgeted funds include: Food Services Fund, Miscellaneous Fund, Compensated Absence Fund, Building Fund, Self Insurance Fund, Endowment Fund, Student Activities Fund, Enterprise Fund.

### **Q: What are district accounting codes?**

A: By law, each district must use the accounting codes designated by the OPI. This ensures continuity and uniformity across the state. The OPI uses accounting codes suggested by the U.S. Department of Education.

### **Q: What are the different components of an expenditure accounting code?**

A: District clerks issue payments for expenditures using codes that identify the purpose, program, function and other details of the transaction.

The accounting structure is designed to give the desired informational breakdown of expenditures and other financing sources.



# BUDGET REPORT SUMMARY

2022—2023 SCHOOL YEAR



## Budget Report

FY 2023

32 Missoula

Submit ID: 0599-53049964

0599 Frenchtown K-12 Schools

## Summary

Fund [A]	Adopted Budget [B]	Total Reserves (961-966) [C]	Reserve Limit [D]	% of Adopted Budget Reserved (C/B) x 100 [E]	Unreserved Fund Balance Reappropriated (970) [F]	Other Revenue [G]	District Property Tax Requirements (B - F - G = H) If < 0, enter 0 [H]	District Mill Levies H / (TV x .001) [I]
01 General	10,914,455.23	1,058,482.38	10%	9.70%	0.00	8,962,845.15	1,951,610.08	130.86
10 Transportation	795,455.00	159,091.00	20%	20.00%	87,699.65	196,044.31	511,711.04	34.32
11 Bus Depreciation Reserve	431,154.75	0.00	N/A	0.00%	197,483.45	0.00	233,671.30	15.67
13 Tuition	344,372.86		N/A		29,913.19	0.00	314,459.67	21.09
14 Retirement	1,546,050.00	309,210.00	20%	20.00%	125,858.48	1,420,191.52		
17 Adult Education	49,843.65	0.00	35%	0.00%	34,934.31	0.00	14,909.34	1.00
19 Non-Operating	0.00	0.00	N/A	0.00%	0.00	0.00	0.00	0.00
28 Technology	112,507.63	0.00	N/A	0.00%	68,044.91	9,462.72	35,000.00	2.35
29 Flexibility	307,809.28	0.00	N/A	0.00%	276,044.44	31,764.84	0.00	0.00
61 Building Reserve	593,288.06	0.00	N/A	0.00%	405,878.06	121,378.35	66,031.65	4.43
Total of All Funds	15,094,936.46	1,526,783.38			1,225,856.49	10,741,686.89	3,127,393.08	209.72

District property tax requirements represent 27% of District funding sources for budgeted funds.

50 Debt Service								
Tax Jurisdiction								
32-0599	1,392,000.00	0.00	20-9-438	0.00%	14,780.90	0.00	1,377,219.10	92.37

Budgeted funds require the Board of Trustees to adopt an official budget establishing expenditure limits by fund. These funds have a local tax levy as some or all of their funding source.

How much of Montana's school funding comes from local property taxes, federal, state, county and local sources?

Funding Source	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
State	43.53%	43.34%	42.99%	43.43%	40.63%
Local Property Taxes	27.00%	30.46%	30.57%	30.81%	28.99%
County	9.21%	8.97%	8.75%	8.88%	8.35%
Local Non-Tax	8.40%	4.86%	4.86%	4.52%	2.98%
Federal	11.86%	12.38%	12.83%	12.36%	19.05%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: OPI



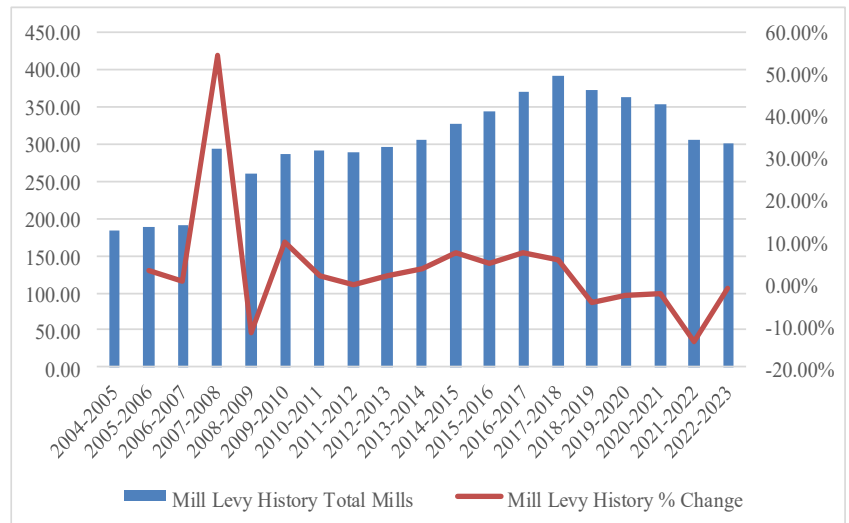
# BUDGETED FUNDS PREVIOUS YEAR COMPARISON

## Taxpayer Impact by Budgeted Fund

	<u>Dollar Impact on Residence</u>				
	<u>2021-2022</u> <u>Mills</u>	<u>2022-2023</u> <u>Mills</u>	<u>Mills</u> <u>Difference</u>	<u>\$100,000</u> <u>House</u>	<u>\$200,000</u> <u>House</u>
General Fund	134.74	130.86	-3.88	\$ (5.24)	\$ (10.48)
Transportation Fund	29.38	34.32	4.94	\$ 6.67	\$ 13.34
Bus Depreciation Fund	23.55	15.67	-7.88	\$ (10.63)	\$ (21.27)
Tuition Fund	20.20	21.09	0.89	\$ 1.20	\$ 2.41
Adult Education Fund	1.00	1.00	0.00	\$ -	\$ -
Technology Fund	2.40	2.35	-0.05	\$ (0.07)	\$ (0.14)
Debt Service Fund	90.46	92.37	1.91	\$ 2.58	\$ 5.16
Building Reserve Fund	4.39	4.43	0.04	\$ 0.05	\$ 0.10
All Budgeted Funds	306.12	302.09	-4.03	\$ (5.44)	\$ (10.87)

*From 2019 - 2023, Frenchtown voters received a reduction in the number of mills levied by the local school district.*

<b>Mill Levy History</b>		
	Total Mills	% Change
2004-2005	183.79	
2005-2006	189.34	3.02%
2006-2007	190.66	0.70%
2007-2008	294.63	54.53%
2008-2009	259.77	-11.83%
2009-2010	285.78	10.01%
2010-2011	290.47	1.64%
2011-2012	289.74	-0.25%
2012-2013	295.65	2.04%
2013-2014	305.75	3.42%
2014-2015	328.28	7.37%
2015-2016	344.73	5.01%
2016-2017	370.34	7.43%
2017-2018	390.72	5.50%
2018-2019	373.53	-4.40%
2019-2020	363.03	-2.81%
2020-2021	354.69	-2.30%
2021-2022	306.12	-13.69%
2022-2023	302.09	-1.32%



*For 2022-2023, Frenchtown School District levied fewer mills than the number of mills levied in 2013-2014.*



# PROPERTY TAX INFORMATION

## Where do Property Tax Dollars Go?

Property taxes are used to fund all levels of government. Generally, property taxes are paid to the county treasurer in November and May. The county treasurer then distributes the money to each entity based on the approved mill levy.

School tax collections, which account for 58% of all property taxes, are controlled by a funding formula contained in law. Operating budgets are determined mainly by student and staff numbers. Schools are required to budget a minimum amount and are limited to a maximum amount. The legislature is responsible for setting an inflation factor for the general fund budgets. Schools also budget for retirement costs, transportation, and facilities.

County, city and Special District mills, which account for 41% of all property taxes, are controlled by law. They may levy enough mills to raise the dollars they budgeted the previous year and increase that amount by one half the rate of inflation. Mills can be increased to fund some of their health insurance costs. All other mill increases must be approved by the voters. Special district levies are usually limited by the resolution that created the district.

From the Office of Public Instruction  
Every Student Succeeds Act 2020-2021  
Frenchtown School District  
Per Pupil Expenditures = **\$10,686.71**

*What is a mill, and how does it impact our taxpayers?*

*A mill is one-thousandth of a dollar.*

*Property taxes are based on the market value of a property and the taxable rate, which is the percentage of market value considered taxable.*

*Market value times the taxable rate determines taxable value of the property, which then determines the mill value. Mill value times mills levied determines property tax liability.*

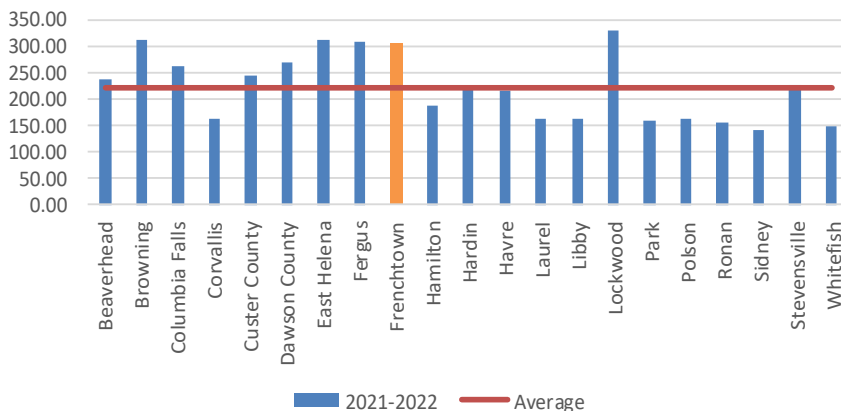
The mills collected by the State and university are set by law and account for 1% of the total property taxes.

Market Value x 1.35% = Taxable Value

Taxable Value x .001 = Mill Value

(Mill Value x Mills Levied) + Special Assessments  
= Property Tax Liability

Class A Public Schools Property Tax Mill Levies Comparison



*All of these values can be found on an individual's property tax bill*

**How did Frenchtown compare with other Montana Class A Districts in 2021-2022?**

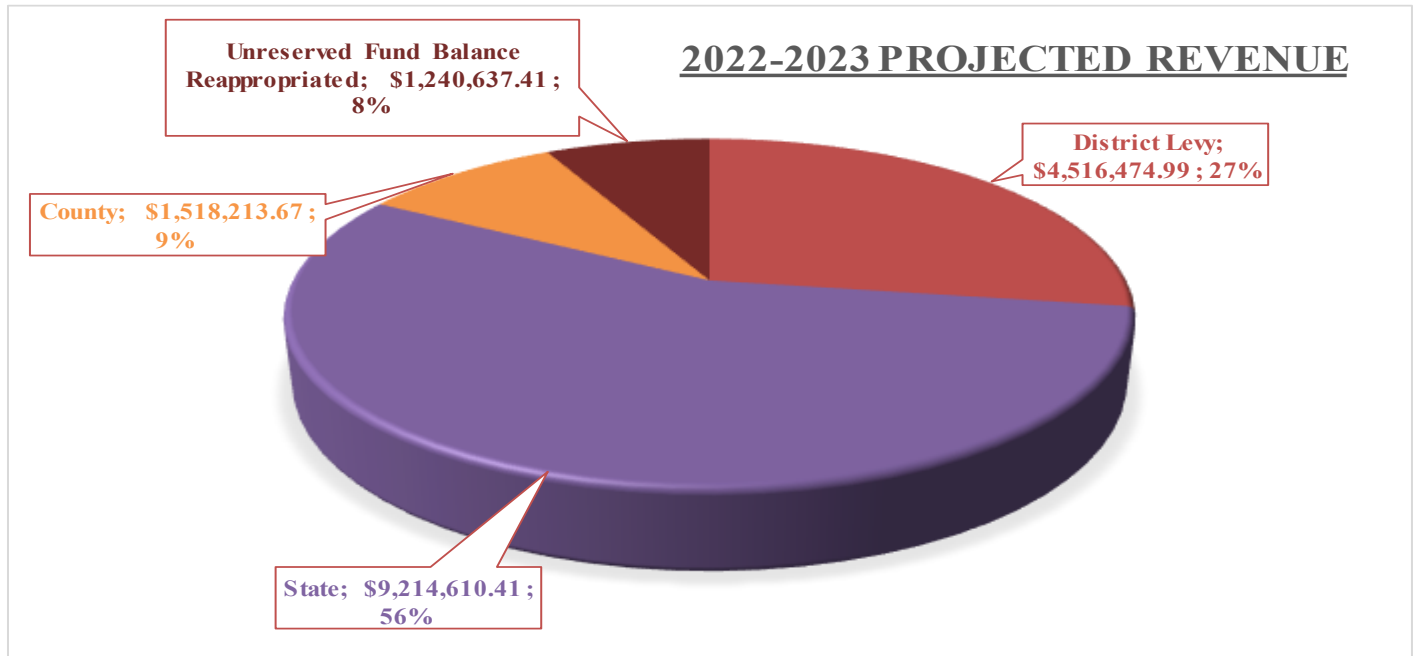


---

# REVENUE—ALL BUDGETED FUNDS

---

2022—2023 SCHOOL YEAR

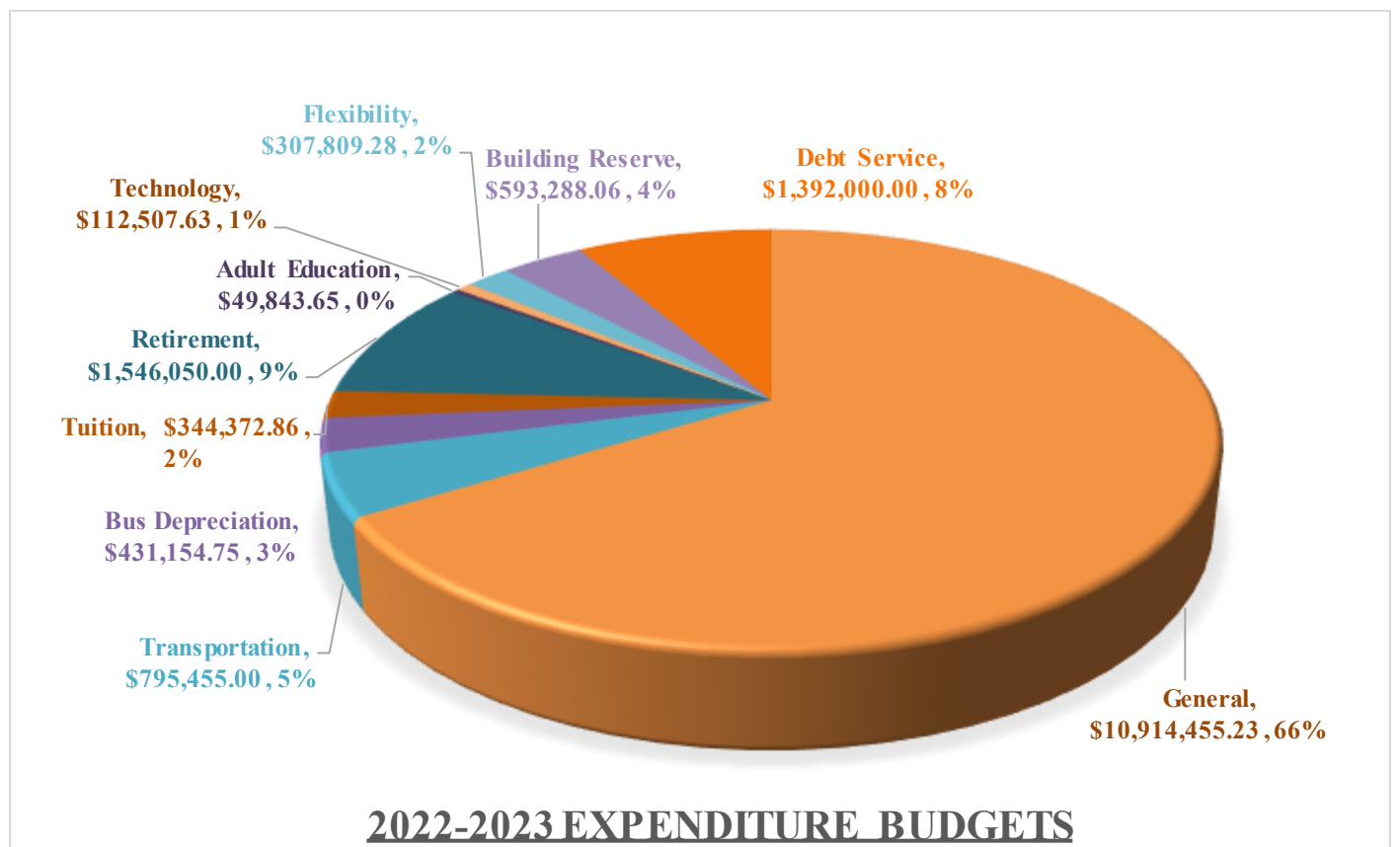


---

# EXPENDITURE BUDGETS

---

All Budgeted Funds 2022-2023 School Year





# GENERAL FUND BUDGET

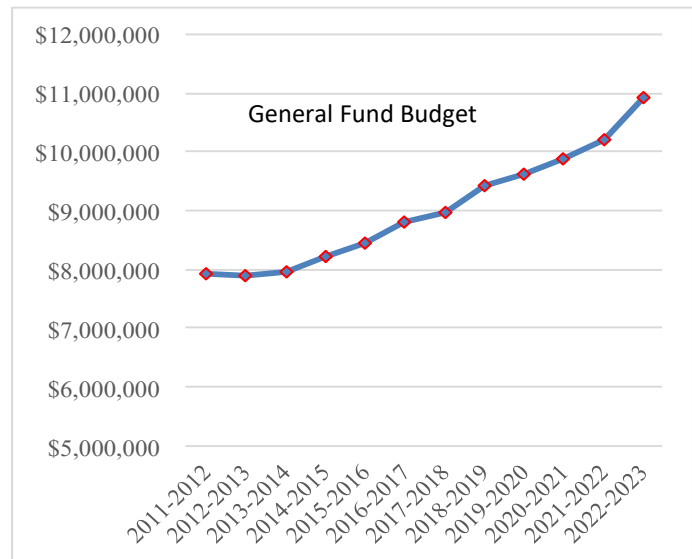
## The General Fund is the main operating fund for the District

The General Fund Budget finances the general maintenance, operational and instruction costs of the district. It is a budgeted fund that requires a voted levy to increase the budget up to the maximum budget allowed. Budget limits are determined primarily by student enrollment.

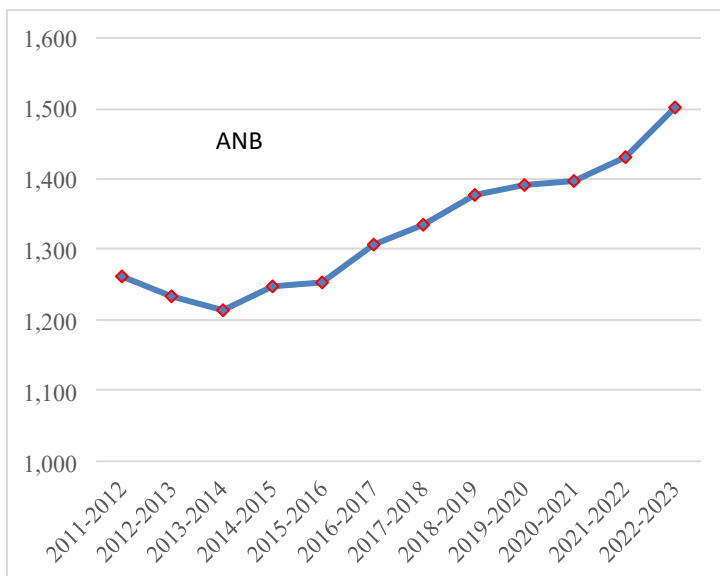
**PURPOSE**—This fund is used for the instructional programs and general operations of the school district. Budget limits are established per MCA 20-9-308.

**VOTING REQUIREMENTS**—Voter approval is necessary for a district to increase over-BASE taxes from the prior year.

	Adopted Budget	% Change
2011-2012	\$ 7,924,583	
2012-2013	\$ 7,891,071	-0.42%
2013-2014	\$ 7,969,430	0.99%
2014-2015	\$ 8,223,805	3.19%
2015-2016	\$ 8,433,692	2.55%
2016-2017	\$ 8,809,746	4.46%
2017-2018	\$ 8,974,200	1.87%
2018-2019	\$ 9,418,276	4.95%
2019-2020	\$ 9,605,468	1.99%
2020-2021	\$ 9,866,894	2.72%
2021-2022	\$ 10,200,216	3.38%
2022-2023	\$ 10,914,455	7.00%



ANB (Average Number Belonging) is based on the average of enrollment counts occurring in October and February of each school year. You can see from these charts how the General Fund Budget is impacted by changes in enrollment.



	ANB	% Change
2011-2012	1,263	-1.71%
2012-2013	1,234	-2.30%
2013-2014	1,214	-1.62%
2014-2015	1,247	2.72%
2015-2016	1,254	0.56%
2016-2017	1,307	4.23%
2017-2018	1,335	2.14%
2018-2019	1,377	3.15%
2019-2020	1,391	1.02%
2020-2021	1,398	0.50%
2021-2022	1,431	2.36%
2022-2023	1,503	5.03%



# GENERAL FUND BUDGET

## Funding Component Breakdown

State law establishes General Fund budget limits based on enrollment. Districts must adopt a budget up to the maximum allowable, and no lower than the state mandated minimum (Base), 80% of max.

100% Maximum Allowable Budget—\$12,072,430.71

**2022-2023 Budget: \$10,914,455.23**

90.41% of Maximum

Over-Base Property Tax \$1,221,291.62
Guaranteed Tax Base \$3,181,623.12
Local Base Property Tax \$730,318.46
Non-Levy Revenue \$4,411.33
Direct State Aid \$4,756,839.00
Quality Educator \$468,720.00
Special Education \$418,212.49
At Risk Student \$36,486.02
Indian Education for All \$34,989.84
Data for Achievement \$33,501.87
American Indian Achievement Gap \$20,610.00

The difference between the maximum allowable budget and the adopted 2022-2023 budget is the voted levy potential amount needed to reach the maximum budget. This amount equals \$1,157,975.48.

Amount approved by local taxpayers.

80% Base (minimum) Budget—\$9,693,163.61

State and local funding required to obtain the mandatory Base Budget level.

State revenue, broken down into separate categories outlined by law. A majority of the sections are based on a designated dollar amount per student times the number of students in the district.

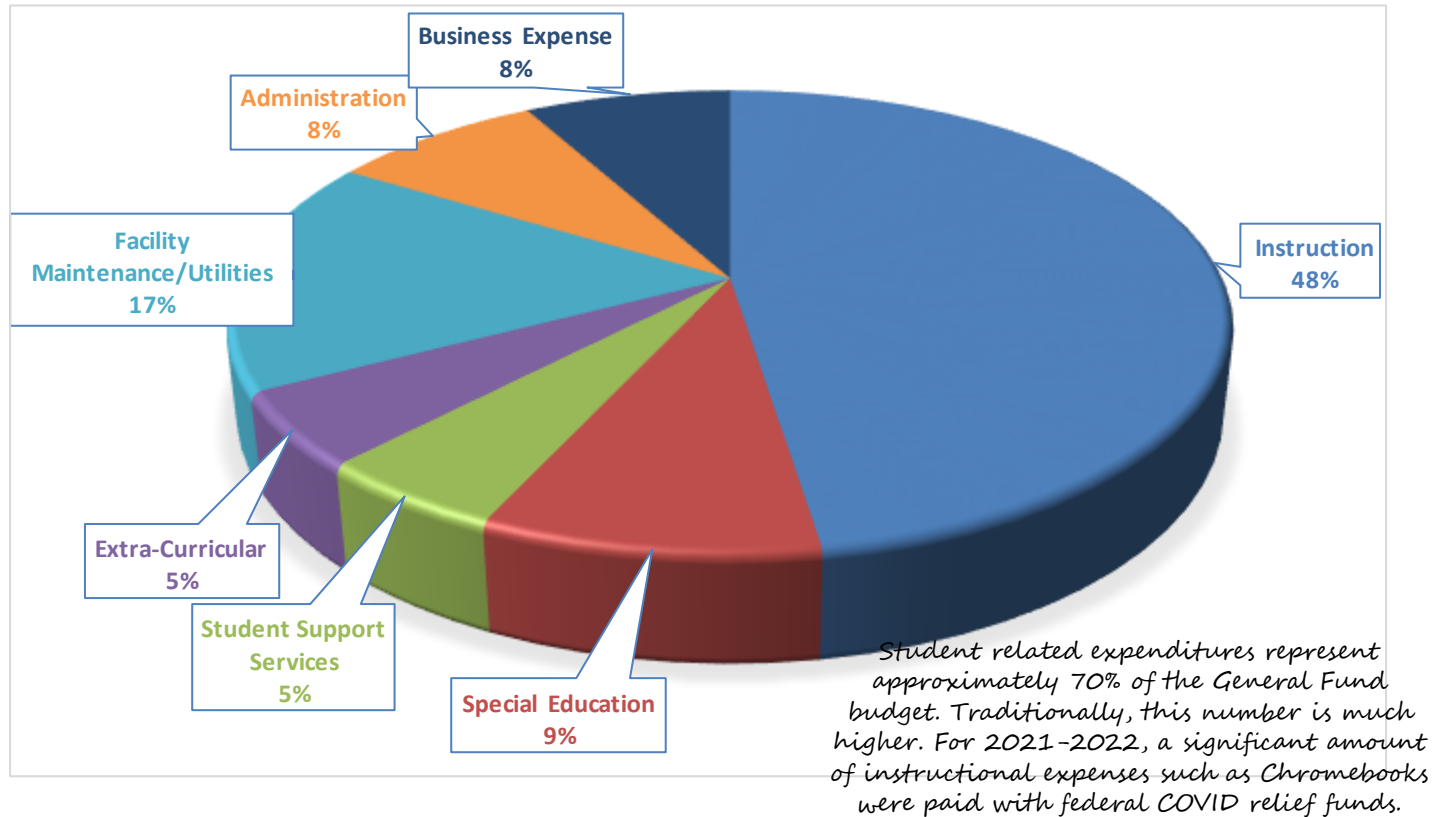
The total local levy for 2022-2023 equals the over-base property tax plus the local base property tax, \$1,951,610.08. This local levy amount represents only 17.88% of the District's General Fund budget.



# GENERAL FUND BUDGET CATEGORY SPENDING

2021-2022 School Year

The chart below represents the actual expenditures by budget category from the General Fund budget for the 2021-2022 school year. Category descriptions are below.



Direct Student Expenses	Category	Amount	%	Description
	Student Instruction	\$4,849,871.09	47.55%	Costs associated with classroom teacher salaries and supplies.
	Special Education	\$947,032.27	9.28%	These are the costs related to the Special Education program including teachers and aides.
	Student Support Services	\$538,212.45	5.28%	Costs associated with Counselors, Librarians, Nurses and other staff who support students.
	Student Extra-Curricular	\$526,324.69	5.16%	These cover the costs associated with providing extra-curricular activities, including coach stipends, uniforms and supplies.
	Facility Maintenance/Utilities	\$1,683,381.41	16.50%	Costs associated with staff who maintain all buildings including snow removal and mowing. The costs for utilities including electricity and heating are included in this part of the budget.
	Administration	\$841,609.79	8.25%	District and Building Administration salaries, administrative supplies, Board of Trustees expenses and labor consultants.
	Business Expenses	\$813,784.46	7.98%	Category includes all the business functions of the District including Payroll, Purchasing, Accounts Payable, District Property Insurance, Audit expense, postage, dues & fees.
	<b>TOTAL</b>	<b>\$10,200,216.16</b>	<b>100.00%</b>	



# TRANSPORTATION FUND BUDGET

## 2022-2023 School Year

The Transportation Fund is used to pay for the costs of transporting students from home to school and back. This can include the purchase of buses, building a bus barn, bus maintenance, bus driver salaries and benefits, hiring a private contractor to run the transportation program, and transportation reimbursement contracts. The State and County share in funding “on-schedule costs” are based on bus routes and mileage contracts with parents. Additional funding is provided through fund balance re-appropriated, non-levy revenues and a district transportation fund levy.

**PURPOSE**—The transportation fund can be used to support the costs of transporting students between home and school, including:

- costs of yellow school bus purchase, repair, maintenance and operations;
- safety activities related to bus driver training, crosswalk attendants, etc.;
- bus storage facilities and maintenance; and
- payments to parents for individual transportation contracts.

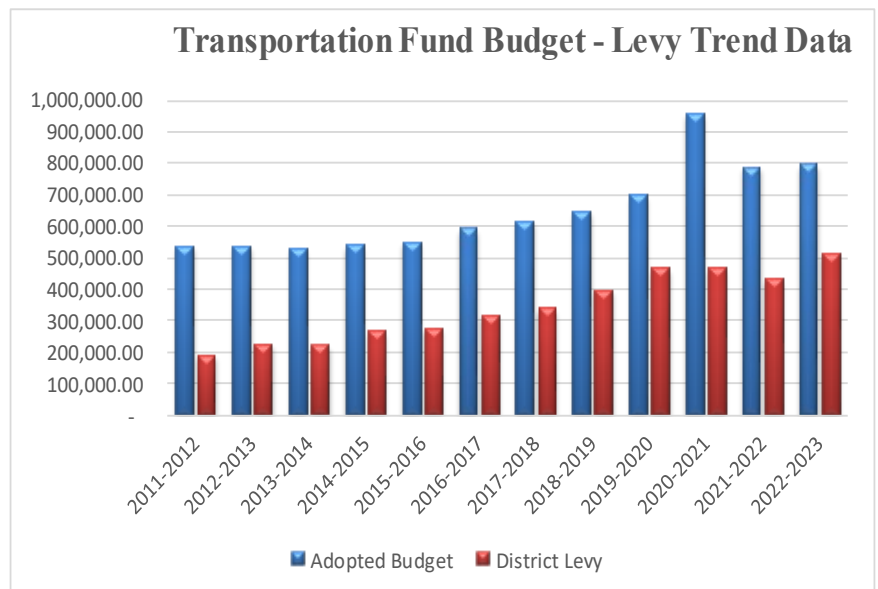
Costs of field trips, travel costs related to extracurricular activities and athletics, and staff travel costs are NOT ALLOWABLE costs of the fund.

Reimbursements are based on eligible riders (a student who resides at least 3 miles from the nearest school), bus route miles and rated capacity of the bus, and individual transportation contracts. The County pays a County reimbursement after receiving State payment report. State funding is paid based on semi-annual claims to OPI in February for the first semester and in May for the second semester. The State will pay up to the lesser of the State funding calculated on the budget or one-half (1/2) of the total fund budget. The State pays the District for first semester in March and for second semester in June. At the same time, the County directs the County Treasurer to pay the District the County’s portion of the funding (MCA 20-10-146).

**VOTING REQUIREMENTS**—The transportation fund tax levy is permissive. Consequently, it is not subject to voter approval. Reserve Limit: 20% of ensuing year’s budget. Re-appropriated amounts are applied first to reduce the local tax levy, then County reimbursement, then State reimbursement.

*The adopted budget includes the State reimbursement plus the County reimbursement plus the District tax levy. The District only levies the amount needed in the fund for expenditures in excess of the State and County reimbursement. The reimbursement rate set by the State has not increased in many years, requiring an increase to the District levy.*

	<b>Adopted Budget</b>	<b>District Levy</b>
2011-2012	\$ 535,000.00	\$ 189,400.22
2012-2013	\$ 535,000.00	\$ 226,065.43
2013-2014	\$ 530,000.00	\$ 221,468.29
2014-2015	\$ 540,000.00	\$ 265,747.86
2015-2016	\$ 548,000.00	\$ 272,480.84
2016-2017	\$ 595,000.00	\$ 316,008.63
2017-2018	\$ 614,500.00	\$ 339,091.08
2018-2019	\$ 645,850.00	\$ 397,072.37
2019-2020	\$ 698,577.00	\$ 464,881.12
2020-2021	\$ 955,355.00	\$ 464,367.34
2021-2022	\$ 785,330.00	\$ 428,098.36
2022-2023	\$ 795,455.00	\$ 511,711.04





# BUS DEPRECIATION FUND BUDGET

## 2022-2023 School Year

The Bus Depreciation Reserve Fund is designed as a method for school districts to replace buses or provide communication systems and safety devices on existing buses.

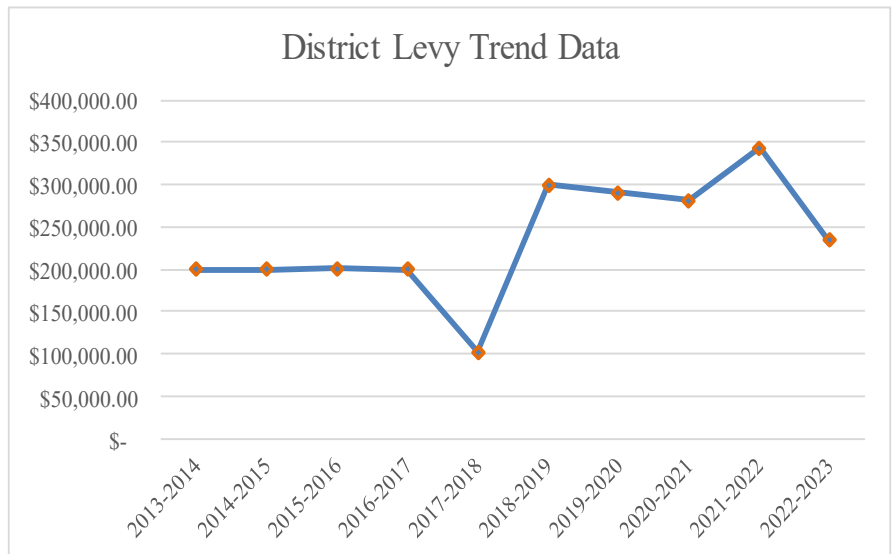
**PURPOSE** – A district that owns buses, including Type E buses, used for transportation of students to and from school may establish a Bus Depreciation Reserve Fund. This fund is to be used for the conversion, remodeling, or rebuilding of a bus or for the re-placement of a bus or communication systems and safety devices installed on the bus, including but not limited to global positioning systems, cameras, and two-way radios. The trustees of a district may also use the Bus Depreciation Reserve Fund to purchase an additional bus for purposes of transportation, as defined in 20-10-101 MCA.

The Bus Depreciation Reserve fund allows the trustees to include an amount each year that does not exceed 20% of the original cost of a bus, including at Type E vehicle, or communication systems and safety devices installed on the bus. The amount budgeted may not, over time, exceed 150% of the original cost of a bus or communication systems and safety devices installed on the bus.

Any expenditure of Bus Depreciation Reserve Fund money must be within the limitations of the district's final Bus Depreciation Reserve Fund budget.

**VOTING REQUIREMENTS** - Tax levies are permissive. No voter approval is required for this fund.

	<b>District Levy</b>
2013-2014	\$ 200,000.00
2014-2015	\$ 200,000.00
2015-2016	\$ 200,323.40
2016-2017	\$ 200,190.83
2017-2018	\$ 102,328.20
2018-2019	\$ 299,282.53
2019-2020	\$ 290,536.73
2020-2021	\$ 281,280.33
2021-2022	\$ 343,257.53
2022-2023	\$ 233,671.30



The Bus Depreciation budget depends on the Transportation Department bus replacement schedule. The District fleet requires approximately two route bus replacements each year. The levy is associated with the cost of the replacement buses.





# TUITION FUND BUDGET

## 2022-2023 School Year

The Tuition Fund is used in limited cases to pay tuition for a student who attends school outside their district of residence.

Usually, the District pays tuition only for students the trustees have placed in another district or where geographic conditions make it impractical for the student to attend in student's own district. Rates are set under MCA 20-5-323 based on 20% of the per-ANB entitlement for the year of attendance. Special education add-on rates are calculated under ARM 10.16.3818. Funding sources are fund balance re-appropriated, direct aid (for out-of-state tuition), non-levy revenue and a non-voted district tax levy.

Effective July 1, 2013 a district may include in its tuition levy an amount necessary to pay for the full costs of providing FAPE (Free Appropriate Public Education) to any child with a disability who lives in the district, and the amount of the levy imposed is limited to the actual cost of service under each child's IEP, less applicable state and federal special education funding.

LEVY CALCULATION - Actual cost of service(s) under the child's IEP minus:

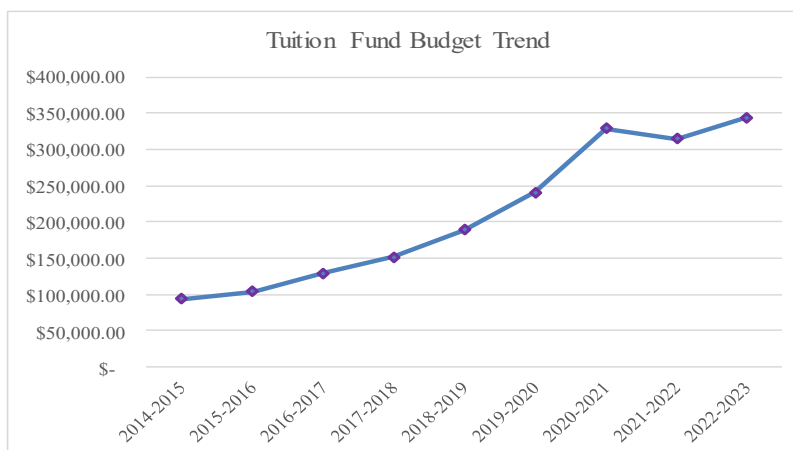
- The student's state special education payment
- The student's federal special education payment
- The student's per ANB amount
- The prorated portion of the district's basic entitlement for each qualifying student
- The prorated portion of the district's general fund payments (Quality Educator, At-Risk, Indian Education for All, and American Indian Achievement Gap)

The Montana Office of Public Instruction site has an In-District Special Education Permissive Levy Tuition Calculator Spreadsheet for school districts to use to help determine the potential tuition amount which may be levied.

Under 41-5-1807 MCA, Tuition is for students detained in youth detention centers for more than nine consecutive days, the county where the detention center is located may charge the student's district of residence \$20/day.

Reserve Limit: None. Fund balance is re-appropriated to support the ensuing year's budget.

	Adopted Budget
2014-2015	\$ 94,000.00
2015-2016	\$ 104,000.00
2016-2017	\$ 129,790.00
2017-2018	\$ 152,098.00
2018-2019	\$ 189,350.64
2019-2020	\$ 240,883.89
2020-2021	\$ 328,641.64
2021-2022	\$ 314,697.27
2022-2023	\$ 344,372.86



*In Frenchtown, the increase to the Tuition Fund Budget is due to the rising costs of special education.*

**LEGISLATIVE CHANGE** - House Bill 206 (2021) made significant changes to tuition for students placed in foster and group homes outside their district of residence. The district of residence will now be responsible for paying a portion of the tuition due to school districts. The district is able to levy the Tuition fund.



# RETIREMENT FUND BUDGET

## 2022-2023 School Year

The Retirement Fund is used to pay the school district's share of specific employer contributions, including social security and Medicare taxes, Teacher's Retirement System (TRS) and Public Employees Retirement System (PERS) contributions, and state unemployment insurance. It is funded by a countywide retirement levy.

Senate Bill 424, enacted by the 2003 Montana Legislature and signed into law by the Governor, requires school districts to use federal funds for employer contributions to the retirement, federal social security and unemployment insurance systems for all employees whose salaries are paid from a federal funding source, excluding Impact Aid and school foods.

**PURPOSE**—This fund is used to pay the employer contributions to the Teachers' Retirement System, Public Employees' Retirement System, unemployment insurance, social security and Medicare for district employee whose salary and health-related benefits, if any, are paid from state or local funding sources;

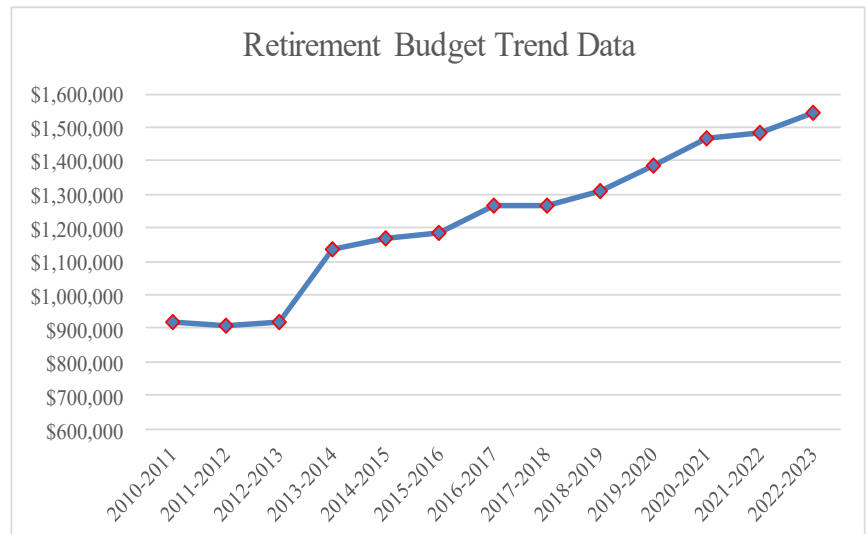
The fund CANNOT be used to pay: 1) retirement incentives; 2) any portion of a retirement fund contribution on behalf of an employee (i.e., only the employer's contributions can be paid from the fund); or 3) any amount paid to an employee directly. (MCA 20-9-501)

**BUDGET**—In order for the county to accurately determine the levy, districts must submit a list of all employment positions and their salaries to the County Superintendent when submitting the adopted budget. (MCA 20-9-132)

**FUNDING**—District non-levy revenue and fund balance re-appropriated reduces the county retirement distribution requirement. The county retirement distribution is funded by countywide levy, county oil and gas taxes, county coal gross proceeds taxes, county school retirement fund block grant (20-0-631, MCA), and Guaranteed Tax Base Aid if the county retirement mill value per ANB is less than the statewide mill value per ANB.

**RESERVES**—An operating reserve of up to 20% of the ensuing year's budget is permitted. This percentage was reduced from 35% during the 2013 legislation session. Shortfalls in the retirement fund can present significant problems to both the District and County.

	Adopted Budget
2010-2011	\$ 920,000
2011-2012	\$ 907,500
2012-2013	\$ 920,000
2013-2014	\$ 1,136,122
2014-2015	\$ 1,170,000
2015-2016	\$ 1,185,000
2016-2017	\$ 1,265,000
2017-2018	\$ 1,267,500
2018-2019	\$ 1,311,000
2019-2020	\$ 1,386,700
2020-2021	\$ 1,467,600
2021-2022	\$ 1,483,320
2022-2023	\$ 1,546,050



*Impacts to the county-wide retirement levy include increases in staff and increases in the required employer contributions to the Teacher's Retirement System and Public Employee's Retirement System.*



# ADULT EDUCATION FUND

## 2022-2023 School Year

State law authorizes districts to establish an adult education program (MCA 20-7-702). The program may provide any area of instruction approved by the trustees, including basic and secondary general education and vocational/technical education. Revenue sources for this fund are fund balance re-appropriated, non-levy revenue (including student fees) and a non-voted district tax levy.

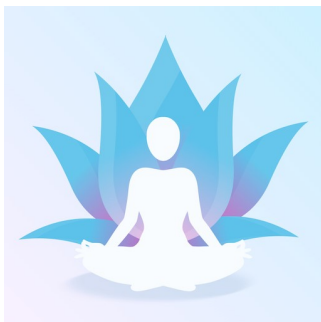
**PURPOSE**—A district that operates an adult education program must use this fund. Taxes levied for support of the adult education program and student fees for adult education are deposited in this fund pursuant to MCA 20-7-705.

**VOTING REQUIREMENTS**—Tax levies are permissive. No voter approval is required for this fund.

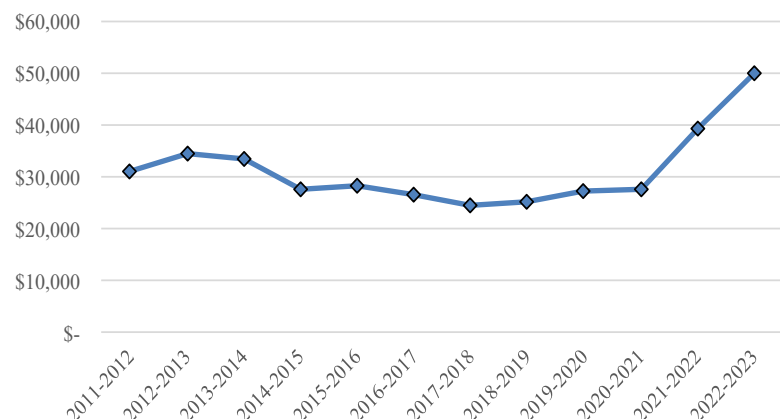
	Adopted Budget
2011-2012	\$ 31,000
2012-2013	\$ 34,343
2013-2014	\$ 33,295
2014-2015	\$ 27,607
2015-2016	\$ 28,150
2016-2017	\$ 26,331
2017-2018	\$ 24,302
2018-2019	\$ 24,967
2019-2020	\$ 26,947
2020-2021	\$ 27,329
2021-2022	\$ 39,272
2022-2023	\$ 49,844



*Frenchtown School District partners with the Lifelong Learning Center to provide adult education courses in our school buildings. The District has committed at least one mill per year to fund this program. Courses offered recently include Beginning Spanish, Yoga and Oula. For a full schedule of courses offered, please go to: <https://missoulaclass.com/>*



Adult Education Budget Trend Data





# TECHNOLOGY FUND BUDGET

## 2022-2023 School Year

The Technology Fund is used for the purchase, rental, repair and maintenance of technology equipment and computer network access, associated technical training for school district personnel, cloud computing services, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district's information technology and other needs. It is funded by state technology grant, fund balance re-appropriated, non-levy revenues, state, federal and private grants or donations that will be spent in the budget year, and a district tax levy. The district tax levy is limited to 20% of the cost of the computer equipment and computer network access, not to exceed 150% of the cost over time.

**PURPOSE**—This fund is used for: 1) Purchasing, renting, repairing or maintaining technology equipment and computer network access using the State Technology Grant ("Timber Money") under MCA 20-9-534 and associated tax levies under MCA 20-9-533; and 2) State, Federal and private grants and donations received for the purpose of funding technology or technology-associated training.

Employer contributions for Social Security, Medicare, TRS, PERS, and unemployment insurance may not be paid from this fund.

Reserves limit = none. Re-appropriate all fund balance to support the ensuing year's budget.

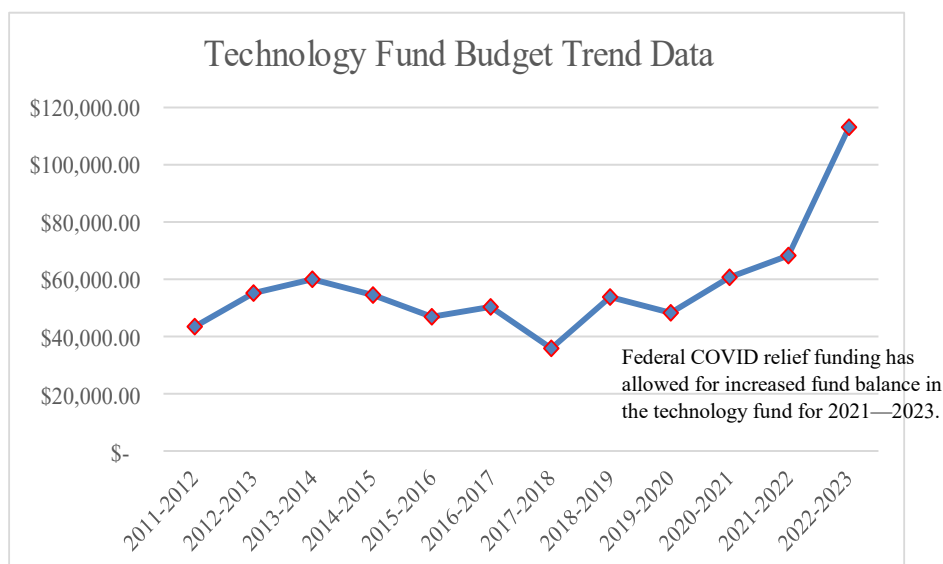
### Levies approved *prior to July 1, 2013*

- Can be permanent or durational
- Annual levy cannot exceed 20% of the original cost of equipment owned by the district
- Amount levied over time cannot exceed 150% of the original cost of the equipment
- \$\$ can be used for equipment, network access and training of school personnel

### Levies approved *after July 1, 2013*

- May not exceed 10 years
- Can be based on all allowable costs listed in the statute (equipment, cloud storage, training, etc.)
- Districts with an existing perpetual levy can ask for an increase in the amount of the levy to cover cloud computing and training, **and/or** seek relief from tracking depreciation under existing levy and an propose a duration for each, not to exceed 10 years .

*Frenchtown voted for and passed a \$35,000 permanent levy in 2006.*



### Adopted Budget

2011-2012	\$	43,448.34
2012-2013	\$	54,704.49
2013-2014	\$	59,593.53
2014-2015	\$	54,153.98
2015-2016	\$	46,801.58
2016-2017	\$	50,383.05
2017-2018	\$	35,271.18
2018-2019	\$	53,776.37
2019-2020	\$	48,136.58
2020-2021	\$	60,617.19
2021-2022	\$	67,667.24
2022-2023	\$	112,507.63



# FLEXIBILITY FUND BUDGET

## 2022-2023 School Year

This fund was created by legislative action in 2001 (20-9-543 MCA). Its intent was to provide schools one-time only source of funding which could be used for its own unique circumstances. This fund is used for technology, facility expansion, student assessment and evaluation, curriculum development and other types of expenditures as described in MCA 20-9- 543.

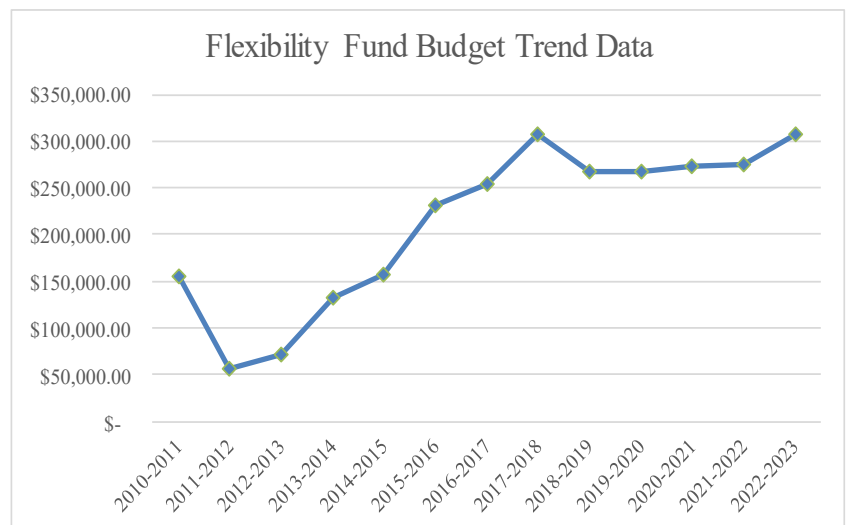
**PURPOSE**—This fund is used for: Technology, Facility/equipment expansion, Student assessment and evaluation, Curriculum development, Training for classroom staff to support delivery of education programs, Classroom teacher housing, Retention of certified staff, Increased energy costs caused by increases since 2001

Reserve limit = none The fund balance is re-appropriated to support the ensuing year's budget. Beginning July 1, 2020 fund balance limit is 150% of the Maximum General Fund budget. Excess must be remitted to the state.

The Montana Advanced Opportunity Act, passed by the legislature in 2019, provided State funding in the form of a Advanced Opportunities Grant. The funding, \$31,764.84 for Fiscal Year 2023, is to be used to reduce out-of-pocket costs for students to participate in Career and Technical education programs that offer personalized learning opportunities intended to accelerate their career and college readiness.

The Transformational Learning Grant, if received, allows for Districts to have expanded flexibility to support each pupil's postsecondary success path by aligning each pupil's individual interests, passions, strengths, needs and culture through individualized pathways. Financial guidance from the Office of Public Instruction designates this funding is to be tracked through the Flexibility Fund.

	Adopted Budget
2010-2011	\$ 154,250.00
2011-2012	\$ 56,962.28
2012-2013	\$ 72,000.00
2013-2014	\$ 133,131.99
2014-2015	\$ 157,456.30
2015-2016	\$ 232,145.56
2016-2017	\$ 253,823.45
2017-2018	\$ 306,879.17
2018-2019	\$ 267,338.87
2019-2020	\$ 268,122.69
2020-2021	\$ 273,555.66
2021-2022	\$ 274,614.00
2022-2023	\$ 307,809.28



*The reason for the 2022-2023 increase in this Fund is due to the Montana Advanced Opportunity Act funding. There is no local tax levy for this fund. The Fund Balance at the end of the Fiscal Year is the beginning balance to start the new year. Since this fund's inception, there have been no local levies to support this fund. All funds have been received from the State.*



# DEBT SERVICE FUND BUDGET

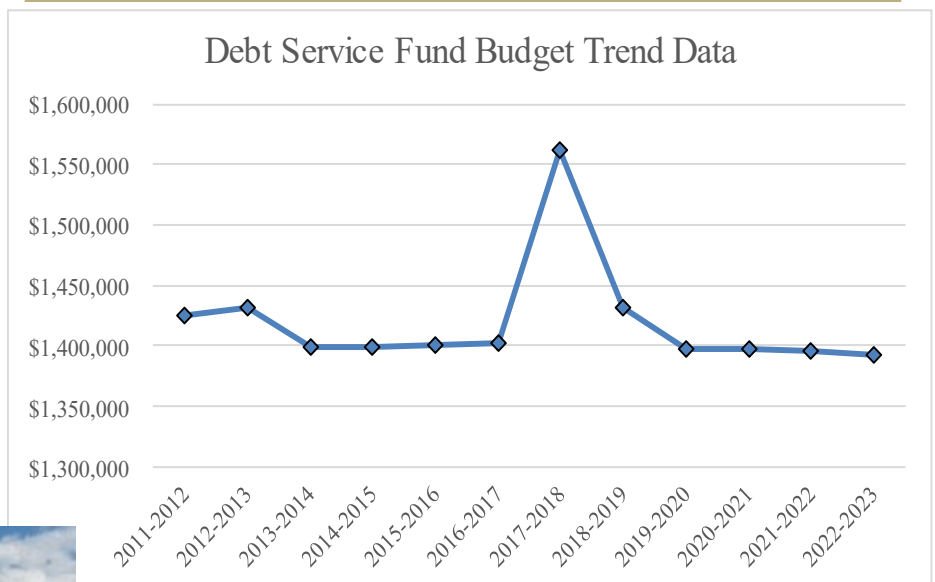
## 2022-2023 School Year

The Debt Service Fund (20-9-438 MCA) is used to budget and pay for a school district's bond debt, including principal and interest payments and agent fees, and/or special improvement district payments (SIDs). State equalization aid (known as state reimbursement for school facilities) may be available to school districts that have a district mill value per ANB that is less than the corresponding statewide mill value per ANB. Debt Service Fund revenues also include fund balance re-appropriated, and non-levy revenue.

**PURPOSE**—This fund is used to pay debt service payments for principal and interest on bonds or Special Improvement Districts (SIDs). The expenditure budget of the fund should include both principal and interest payments due on bonds for each fiscal year of the bond term. OPI recommends a district budget and pay the obligations due 1/1 and 7/1 in each budget year.

	Adopted Budget
2011-2012	\$ 1,424,900
2012-2013	\$ 1,431,638
2013-2014	\$ 1,398,388
2014-2015	\$ 1,399,388
2015-2016	\$ 1,400,563
2016-2017	\$ 1,401,888
2017-2018	\$ 1,561,844
2018-2019	\$ 1,431,291
2019-2020	\$ 1,397,125
2020-2021	\$ 1,397,513
2021-2022	\$ 1,395,812
2022-2023	\$ 1,392,000

*The sharp increase in the budget for 2017-2018 was in part due to the M2Green (Smurfit-Stone) payment of delinquent taxes owed prior to 2017.*



### Bond principal and interest payments remaining:

	FY23	FY24	FY25	FY26	FY27	Total
Interest	170,400	146,000	114,875	79,950	40,650	\$ 551,875.00
Principal	1,220,000	1,245,000	1,270,000	1,310,000	1,355,000	\$ 6,400,000.00
Total	1,390,400	1,391,000	1,384,875	1,389,950	1,395,650	\$ 6,951,875.00



# BUILDING RESERVE FUND

## 2022-2023 School Year

**PURPOSE**—A voted Building Reserve Fund accumulates funding for the future construction, equipping or enlarging of school buildings and purchasing land needed for school purposes. The funds can also be used for transition costs related to opening or closing a school, replacing a school building or to repay an InterCap loan (MCA 20-9-502).

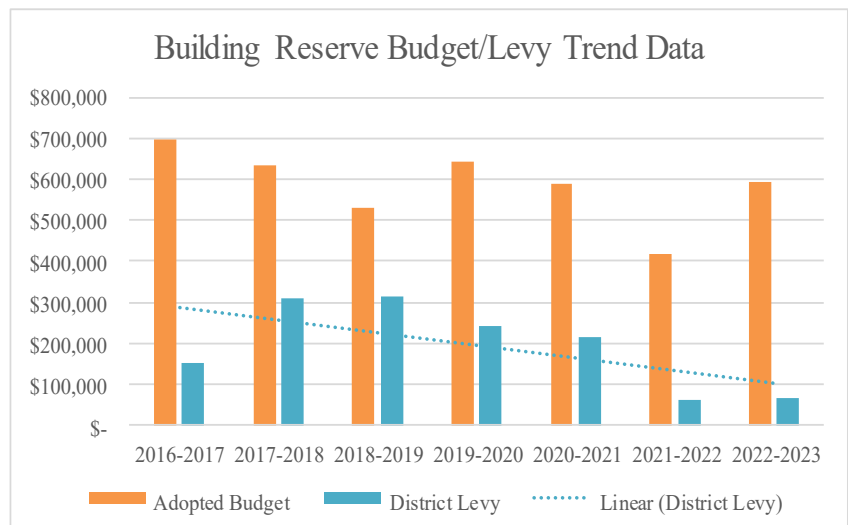
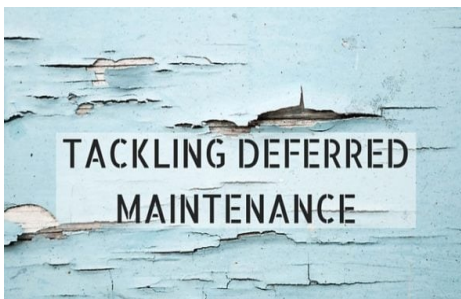
The 2017 legislature created a permissive levy sub-fund. The revenues are to be used to address repairs categorized as "safety", "damage/wear out", or "codes and standards" identified in the Facilities Condition Inventory (FCI). After addressing the identified FCI repairs, the District may use the funds for projects designed to produce operational efficiencies. Examples include projects that provide utility savings, reduced future maintenance costs, and improved utilization of staff. Items to be addressed include roofs, heating, air conditioning, ventilation, energy-efficient windows, doors, insulation, plumbing, electrical and lighting systems, information technology infrastructure and other critical re-pairs to an existing school facility.

**LEVY LIMITS AND VOTING REQUIREMENTS**—Tax levies are limited by the building reserve election(s): For a "regular" building reserve project, the annual tax levy is limited to the total authorized by the vote, divided by the number of years authorized. School Safety transfers may be made from any budgeted or non-budgeted fund (except Retirement and Debt Service) to Building Reserve. In 2017, legislative action allows the board to permissively levy up to 10 mills for School Facilities Maintenance. The permissive levy is limited to a total of \$110 per student plus \$15,000 per district. If the full amount possible is levied, the district receives Guaranteed Tax Base (GTB) aid to offset the local costs.

Reserve limit – None. Fund balance is re-appropriated to fund the ensuing year's budget.

	Adopted Budget	District Levy
2016-2017	\$ 697,610	\$ 150,000.00
2017-2018	\$ 636,066	\$ 310,700.00
2018-2019	\$ 529,578	\$ 313,500.00
2019-2020	\$ 644,324	\$ 244,245.15
2020-2021	\$ 588,870	\$ 213,281.67
2021-2022	\$ 415,710	\$ 63,968.86
2022-2023	\$ 593,288	\$ 66,031.65

*The Building Reserve Voted Levy of \$750,000 sunset (ended) in FY2021. This voted levy funded many facility projects such as elementary window replacement, north campus boiler installation, parking lot resurfacing and the soccer/softball concessions building.*





---

# NON-BUDGETED FUNDS

---

*A Non Budgeted Fund does not require Board approval so no formal adoption of a budget is needed in order to spend the existing fund balance. Expenditures are limited to cash available in the fund (20-9-210 MCA).*

Individual Fund Descriptions and Cash Balance as of June 30, 2022

**School Food Services Fund 212:** Authorized by Section 20-10-201, MCA, for the purpose of accounting for school food service operations, including state and federal reimbursements. End of year fund balance is limited to the equivalent of 3 months of expenditures. June 30, 2022 balance: \$125,108.17

**Miscellaneous Fund 215:** Authorized by Section 20-9-507, MCA, for the purpose of accounting for local, state or federal grants and reimbursements. Donations that allow the expenditure of both principal and interest for support of district programs are deposited in this fund. Allowable expenditures are determined by the grant award or agreement. Indirect costs may be recovered at the approved Indirect Cost Rate. Federal COVID relief funds are deposited here. June 30, 2022 balance: \$1,012,359.48

**Traffic Education Fund 218:** Authorized by Section 20-7-507 and 30-9-510, MCA, for the purpose of accounting for traffic education activities. Revenue is generated from student fees and a State Traffic Education Reimbursement. June 30, 2022 balance: \$32,452.17

**Compensated Absence Fund 228:** Authorized by Section 20-9-512, MCA, for the purpose of financing the accumulated sick leave and vacation pay that a non-teaching or administrative school district employee is entitled to upon termination of employment. It is funding using budgeted General Fund transfers. This fund is limited to 30% of the sick and vacation leave payout for non-teaching and administrative employees. Funds in excess of limit must be returned to the General Fund. There must be budget authority in the General Fund to transfer. June 30, 2022 balance: \$41,635.58

**Building Fund 260:** Authorized by Section 20-9-508, MCA, primarily to account for the proceeds of bonds sold for the purposes provided in Section 20-9-403, MCA. The fund is also used to account for insurance proceeds for damaged property as provided in 20-6-608, MCA, or the sale or rental of property as provided by 20-6-604 and 607, MCA. June 30, 2022 balance: \$5,602.03

**Miscellaneous Enterprise Fund 272:** Authorized by Section 10-10-314, MCA, for the purpose of accounting for programs operated on a commercial basis with little or no financial support from federal or state sources. This fund was approved by the Office of Public Instruction. June 30, 2022 balance: \$4,204.36

**Self Insurance—Health Fund 278:** Authorized by Section 20-3-331, MCA, for the purpose of accounting for financial activities for health plans on a self-insurance basis. June 30, 2022 balance: \$455,202.61

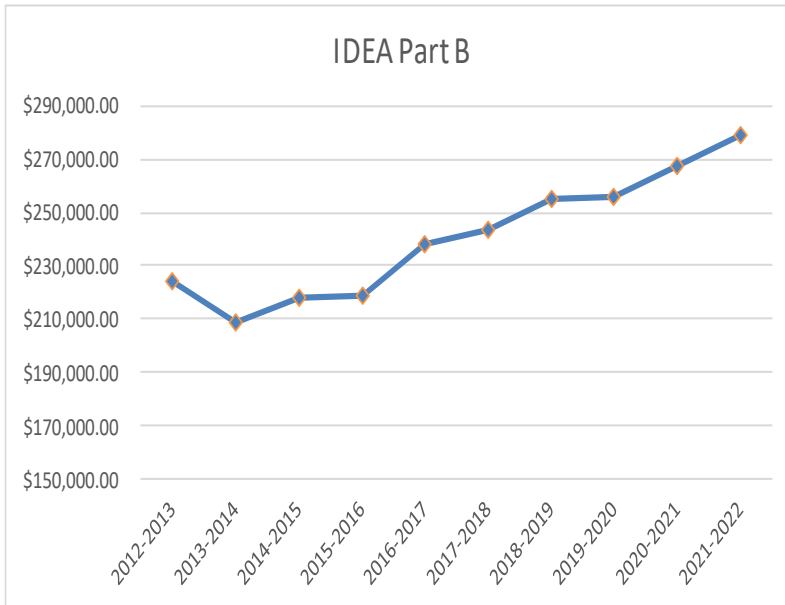
**Endowment Fund 281:** Authorized by Section 20-9-604, MCA, to account for gifts, legacies and devises received by the district for non-district operating purposes such as student scholarships. June 30, 2022 balance: \$34,021.94

**Student Extracurricular Activities Fund 284:** Authorized by Section 20-9-504, MCA, for the purpose of receiving and expending money collected for pupil extracurricular functions. Examples include athletics, clubs, classes, student government organizations and student publications. Funds may be maintained in a separate bank account outside control of the county treasurer. June 30, 2022 balance: \$261,731.95

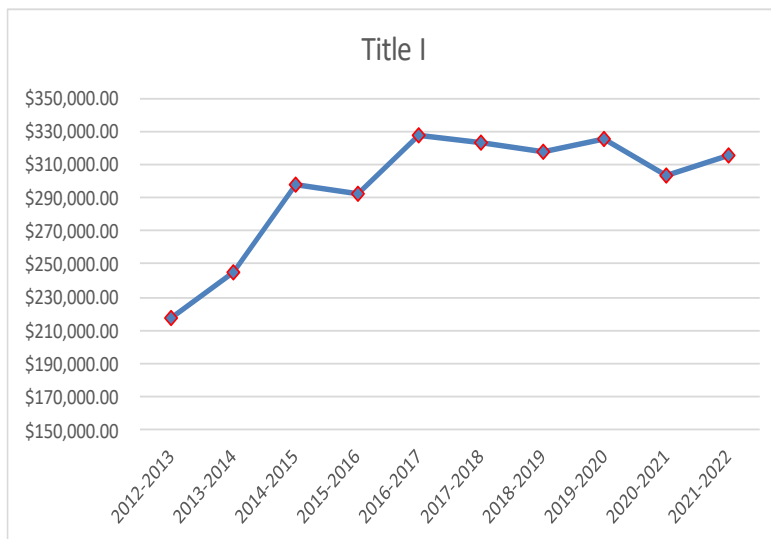


# FEDERAL PROGRAMS

## Major Grants—IDEA and Title I



The Individuals with Disabilities Education Act (IDEA) is a federal law that makes available a free appropriate public education to eligible children with disabilities throughout the nation and ensures special education and related services to those children. The IDEA governs how schools provide early intervention, special education, and related services to more than 7.5 million eligible children, and youth with disabilities. Funding comes in the form of formula grants to support special education related services and discretionary grants. The goal for the funding is to ensure equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities. This grant's main factor is based on the poverty level by the school. Enrollment trends at both the secondary and elementary levels are also the main factors. As enrollment fluctuates, so does the base funding in these areas.



Title I programs provide additional academic support and learning opportunities to help low-achieving children master challenging curricula and meet state standards in core academic subjects. Schools in which children from low-income families make up at least 40 percent of enrollment are eligible to use Title I funds to operate school wide programs that serve all children in the school in order to raise the achievement of the lowest-achieving students. The funds are used in schools with the highest percentages of children from low-income families. If a Title I school is operating a targeted assistance program, the school provides Title I services to children who are failing, or most at risk of failing, to meet challenging State academic standards. The funds are allocated through four formulas that are based primarily on census poverty estimates and the cost of education in each state. These include: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants



# FEDERAL PROGRAMS, CONT.

## ESSER Funds

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is a law intended to address the economic fallout of the COVID-19 pandemic in the United States.

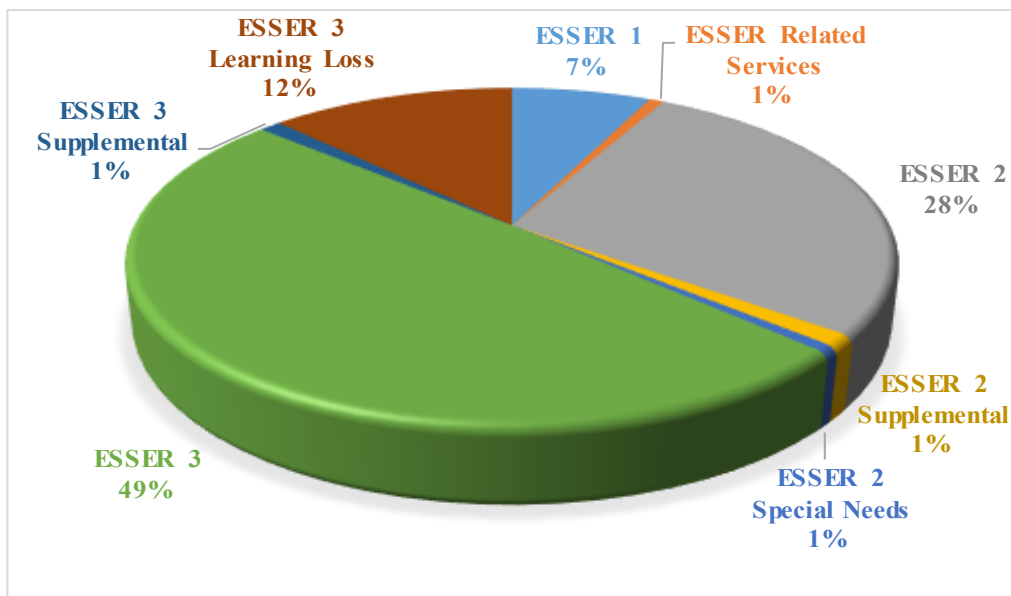
The Elementary and Secondary School Emergency Relief Fund (ESSER) was established as a part of the Education Stabilization Fund in the CARES Act. The Montana Office of Public Instruction was awarded money to pass along to local schools to address the impact of COVID-19.

Frenchtown School District identified priorities for utilizing these funds. Priority number one was addressing potential learning loss as a result of the pandemic. The second priority identified infrastructure needs, including facility improvements to provide a safe learning environment and technology needs for individualized learning. The third priority was addressing the social and emotional needs of our students, adding dedicated staff for student support services.

*ESSER funds may only be used to prevent, prepare for, and respond to COVID-19. The pandemic identified schools across the nation need for good ventilation, healthy drinking water, internet connectivity, one-to-one student devices, mental health support, math and reading intervention and much more.*

### Frenchtown Allocations

ESSER 1:	\$ 256,864
ESSER 1 Related Services:	\$ 27,109
ESSER 2:	\$1,008,980
ESSER 2 Supplemental:	\$ 40,116
ESSER 2 Special Needs:	\$ 22,378
ESSER 3:	\$1,812,821
ESSER 3 Supplemental:	\$ 40,116
ESSER 3 Learning Loss:	<u>\$ 453,205</u>
<b>TOTAL Allocation:</b>	<b>\$3,661,589</b>

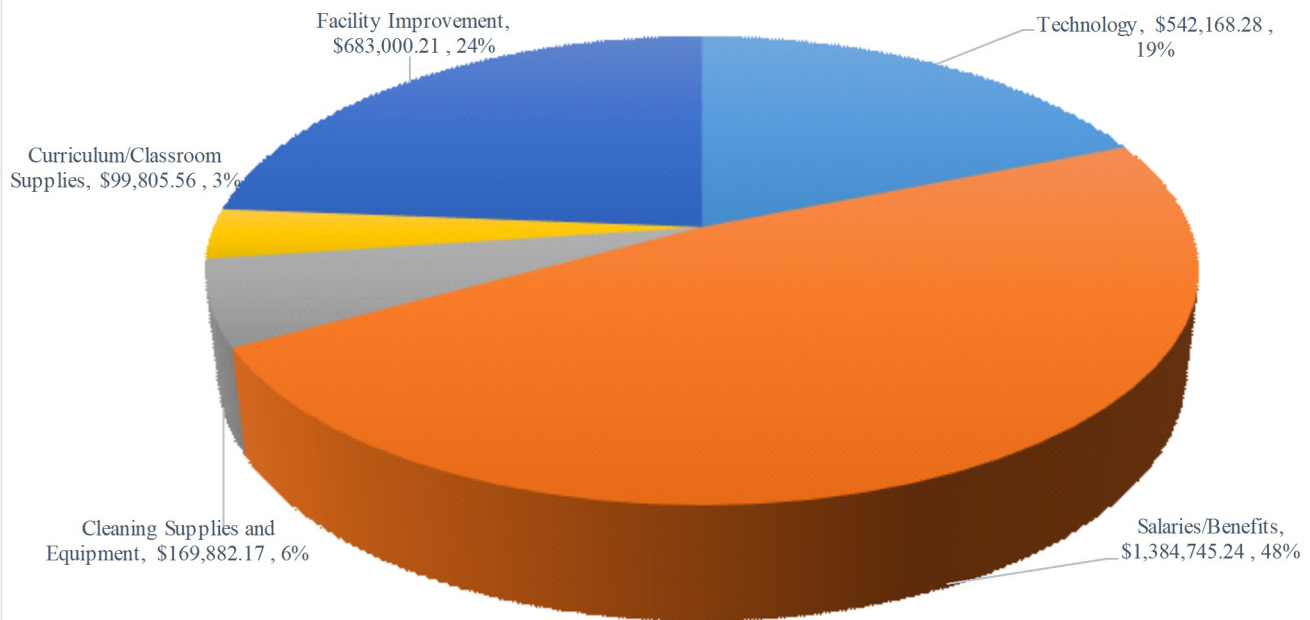




# FEDERAL PROGRAMS, CONT.

## ESSER Funds

ESSER Expenditures by Category as of 10/31/2022



Category	Expenditures to Date	Description
Salaries/Benefits	\$1,384,745.24	Address learning loss and socio-emotional needs with additional staff such as Special Education Teachers, Intermediate Counselor, School Psychologist, Speech Therapist, Behavior/Intervention, Title Teachers, Jump Start Summer School and additional teacher preparation time
Facility Improvements	\$683,000.21	High School and Intermediate School roof repair, air filtration system repair, High School Commons flooring and tables
Technology	\$542,168.28	Chromebooks, Desktops, Promethean Boards, Meraki Switches
Cleaning Supplies and Equipment	\$169,882.17	Custodial cleaning and disinfecting supplies, air filters, floor cleaning equipment
Curriculum/Classroom Supplies	\$99,805.56	Student tables, desks and chairs, data management assessment system, instructional supplies



---

# AUDIT MANAGEMENT DISCUSSION & ANALYSIS

---

From Audited Financial Statements Fiscal Year Ending June 30, 2021

*Frenchtown School District is audited annually per State law. Once complete, all audits are posted on the District website and are available from the Office of Public Instruction, Montana Department of Administration Local Government Services and the Federal Audit Clearinghouse. The Management Discussion and Analysis below is an introductory section prepared by the District for each audit.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

This section of the School District No. 40's annual financial report presents the management discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. It is intended to provide a clear and concise analysis of the activities, financial results, and financial position during the fiscal years, and is a required element of the reporting model established by the Governmental Accounting Standards Board (GASB) in Statement Number 34. This management and discussion and analysis (MD&A) should be read in conjunction with the District's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

Key financial highlights for Frenchtown Public Schools are as follows:

Total net position is \$7,736,482

Total net position increased by \$929,109 or 13.65%

### USING THESE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes for those statements. These statements are organized so the reader can understand School District No. 40 as a complex financial entity. The Statement of Net Position and the Statement of Activities provide information about the activities of the whole district, presenting both an aggregate view of the District's finances and a longer-term view of those finances (they include capital assets and long-term liabilities).

Fund financial statements present a short-term view of the District's activities (they include only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future). There is also summarized financial information about the student activity trust fund for which the District acts as a trustee.

### FUND FINANCIAL STATEMENTS

The District maintains individual government funds. These funds are considered major funds: General Fund, Miscellaneous Programs Fund, and Debt Service Fund.

The General Fund shown in the financial statements is the combined General Fund, Flexibility Fund and on behalf payment. The fund financial statements provide detailed information about the most significant of the District's funds; the District is required to provide detailed information for its "major" funds.

The governmental funds provide a short-term view of the District's operations. They are reported using an accounting method called modified accrual accounting which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.



---

# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

---

From Audited Financial Statements Fiscal Year Ending June 30, 2021

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include different kinds of statements that present both a view of the District as a whole, and individual fund statements that focus on various parts of the District’s operations in more detail. The financial statements also include notes that explain some of the information presented in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

## REPORTING THE DISTRICT AS A WHOLE FINANCIAL ENTITY

One important question asked about the District’s finances is, “Is the District better or worse off as a result of each year’s activities?”. The information found in the District-wide financial statements helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting (and reports depreciation on capital assets), which is similar to the basis of accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or disbursed.

The change in net position (the difference between total assets and deferred outflow of resources and total liabilities and deferred inflow of resources) is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished each year. In addition, nonfinancial factors such as changes in enrollment, changes in the State’s funding of education costs, changes in the economy, changes in the District’s tax base, condition of school buildings and other facilities must be considered in making an assessment of the overall health of the District.

## DISTRICT NET POSITION AS FOLLOWS:

	2021	2020	Change	%
Current Assets	\$ 5,116,237	\$ 4,088,305	\$ 1,027,932	25.14%
Non-Current Assets	21,434,802	21,956,344	(521,542)	-2.38%
Deferred Outflow of Resources	2,863,155	1,981,733	881,422	44.48%
Total Assets & Deferred Outflow	29,414,194	28,026,382	1,387,812	4.95%
Total Liabilities & Deferred Inflow	21,677,712	21,219,009	458,703	2.16%
Net Position	\$ 7,736,482	\$ 6,807,373	\$ 929,109	13.65%
Net position consists of:				
Net Investment in Capital Assets	\$ 13,375,818	\$ 12,433,927	\$ 941,891	7.58%
Restricted Net Position	2,408,691	1,815,630	593,061	32.66%
Unrestricted Net Position	(8,048,027)	(7,442,184)	(605,843)	8.14%
Net Position	\$ 7,736,482	\$ 6,807,373	\$ 929,109	13.65%



---

# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

---

From Audited Financial Statements Fiscal Year Ending June 30, 2021

## DISTRICT REVENUES AND EXPENDITURES AS FOLLOWS:

<b>Revenues</b>	2021	2020	Change	%
District Levy	4,677,664	4,672,651	5,013	0.11%
Direct State Aid	7,533,841	7,124,548	409,293	5.74%
Other State Sources	2,163,959	2,098,851	65,108	3.10%
County Sources	1,559,859	1,410,540	149,319	10.59%
Federal Sources	2,256,394	988,307	1,268,087	128.31%
User Fees - Program Revenue	62,796	205,150	(142,354)	-69.39%
Interest	16,048	65,991	(49,943)	-75.68%
Other	194,193	97,428	96,765	99.32%
Student Extracurricular	192,210	283,607	(91,397)	-32.23%
Total Revenues	18,656,964	16,947,073	1,709,891	10.09%
<b>Expenditures</b>	2021	2020	Change	%
<i>Instruction</i>				
Regular Programs	6,692,620	5,941,423	751,197	12.64%
Special Programs	1,895,871	2,382,739	(486,868)	-20.43%
Vocational Education	370,405	384,327	(13,922)	-3.62%
Adult Education	2,836	13,181	(10,345)	-78.48%
Educational Media	354,229	276,977	77,252	27.89%
Support Services - Students	475,943	478,589	(2,646)	-0.55%
<i>Administration</i>				
General Administration	197,584	317,784	(120,200)	-37.82%
Building Administration	834,361	784,964	49,397	6.29%
Business Administration	1,335,688	741,617	594,071	80.10%
Operation and Maintenance	1,630,222	1,594,161	36,061	2.26%
Student Transportation	480,970	527,915	(46,945)	-8.89%
Food Services	706,900	619,305	87,595	14.14%
Student Extracurricular	678,361	745,479	(67,118)	-9.00%
Community	-	3,876	(3,876)	-100.00%
Capital Outlay	459,216	542,718	(83,502)	-15.39%
<i>Debt Service</i>				
Principal	1,402,036	1,261,847	140,189	11.11%
Interest	269,249	323,358	(54,109)	-16.73%
Bond Agent Fees	350	350	-	0.00%
Special Assessments	1,256	1,211	45	3.72%
Total Expenditures	17,788,097	16,941,821	846,276	5.00%
Excess (Deficiency) of Revenues over Expenditures	868,867	5,252	863,615	16443.55%

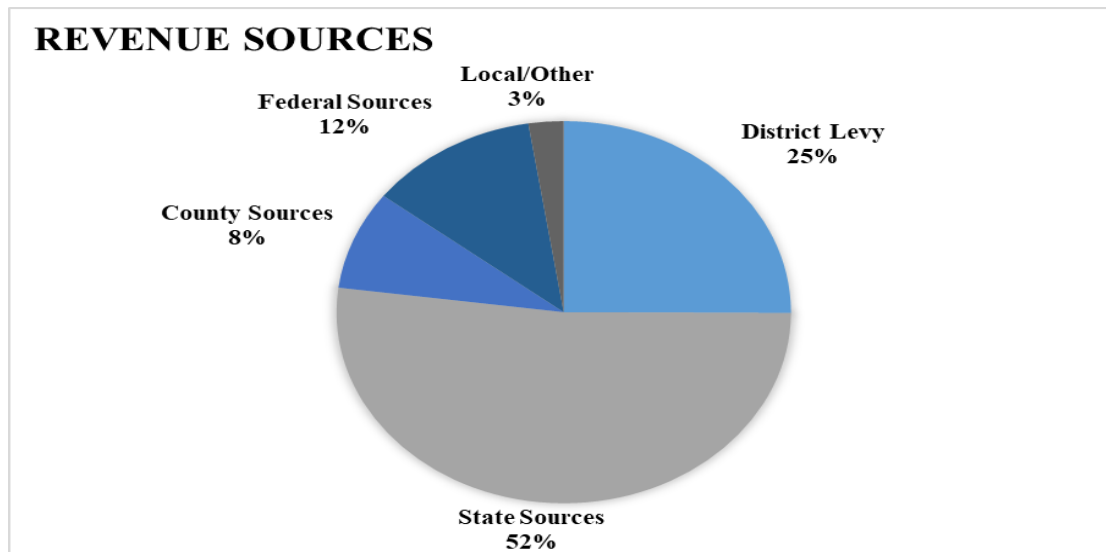


# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

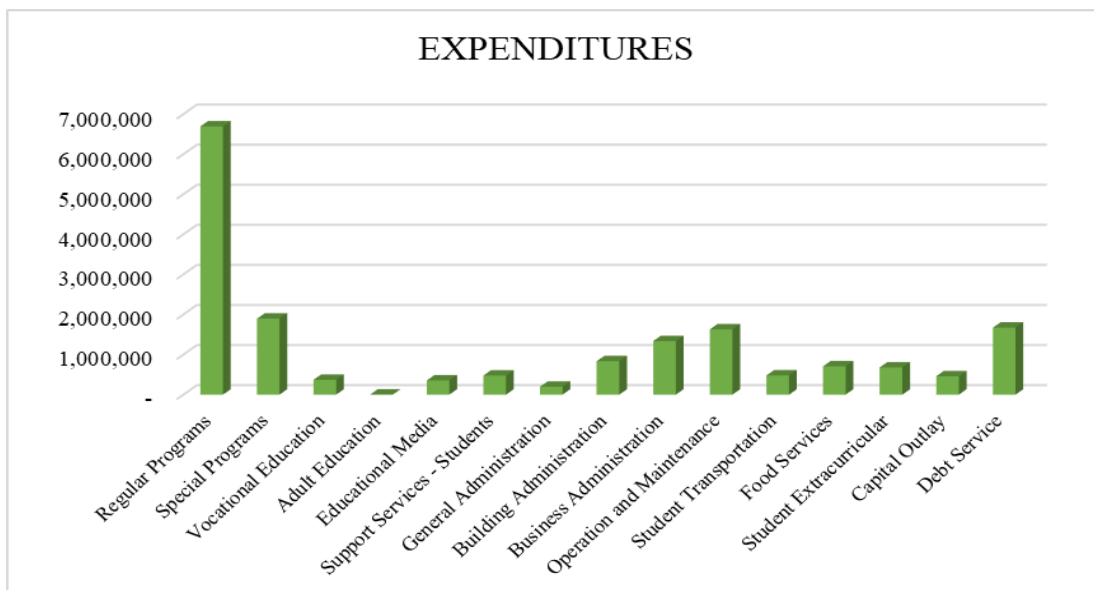
From Audited Financial Statements Fiscal Year Ending June 30, 2021

## FINANCIAL HIGHLIGHTS

The District levied \$4,706,038 in local property taxes and collected \$4,419,044 (93.9%) for the current tax year. In addition, prior year taxes were also received, bringing the total property tax revenue to 99.1% of levied taxes. This collection has allowed for sufficient operating reserves for the 2021 fiscal year end. State revenue increased by 5.14%, due to the increase in guaranteed tax base aid. Federal revenue increased by 128.3%, primarily due to Coronavirus Relief Funding and the Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act.



Expenditures increased in fiscal year 2021 by 5.0%, as expected with the growth in enrollment, staffing and operational increases, as well as additional expenditures necessary to respond to the challenges surrounding the COVID-19 pandemic. Capital outlay decreased from prior year by 15.4%, with the District investing in technology upgrades to assist with remote learning, two replacement busses, a boiler rebuild and security system upgrades to the South campus.





---

# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

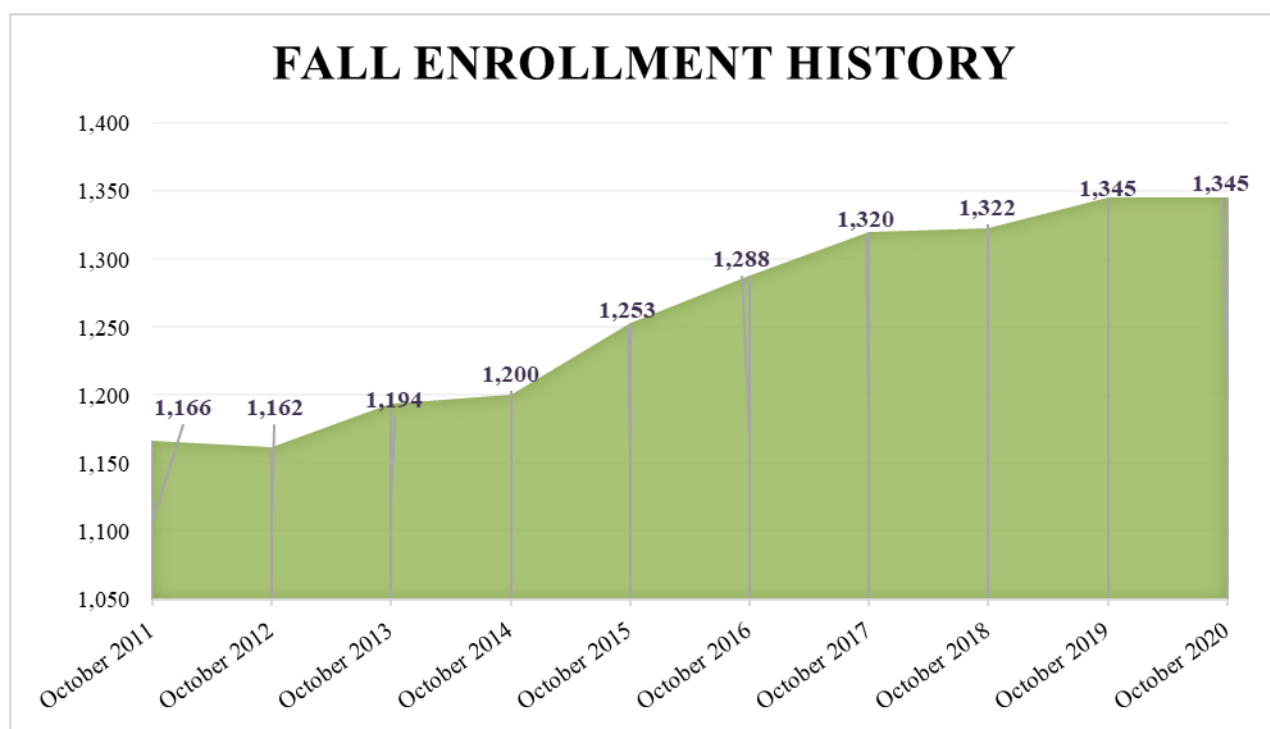
---

## From Audited Financial Statements Fiscal Year Ending June 30, 2021

### THE FUTURE OF THE SCHOOL

Since 2012-2013 fall enrollment has increased every year and then remained stable from the fall of 2019 to the fall of 2020. Remaining stable in the fall of 2020 is significant during the global pandemic as many districts in the state saw declining enrollment. Steady increases prior to 2020 have provided great relief to the District's General Fund budget, as state funding is based primarily on student count.

The major contributing factor to growth was increased housing starts in Frenchtown, as several new housing developments have completed. The District continued to allow enrollment of discretionary non-resident students who were in good standing at their previous school. Admitting non-resident students has been a financial benefit to both the school district and the district taxpayers. Admission of non-resident students created additional revenue for the district through increased enrollment while not increasing expenses.



With growth comes challenges, however, as additional students created more demands on available space for classrooms. During the 2018-2019 school year, the District relocated grade 6 to the North campus, transitioning the 7-8 junior high into a 6-8 middle school. This transition created additional space at the South campus for anticipated future growth. The North campus, however, was able to house the additional students but with bigger classes it became clear that even more space was needed. In response, the District was able to secure two modular buildings and invested in bringing those buildings to code and was able to alleviate the North campus crowding issues in the 2020-2021 school year.

In addition to enrollment increases, the District also received an inflationary increase of 1.83% to the General Fund as a statutory funding formula increase from the 2019 legislative session. The District also received an additional budget increase as a result of an unanticipated enrollment increase in the High School. In total, the General Fund, the main operating fund for the District, saw a budget increase of \$337,704.22, and because there is a projected increase in funding for the 2021-2022 school year, the Frenchtown School Board voted at the regular Board meeting in March 2021 not to ask the public to approve a levy for school operations. Unlike many other school districts in the area that ask for additional operational levies each election cycle, Frenchtown School District has not asked for additional school operational levies for fourteen years.



---

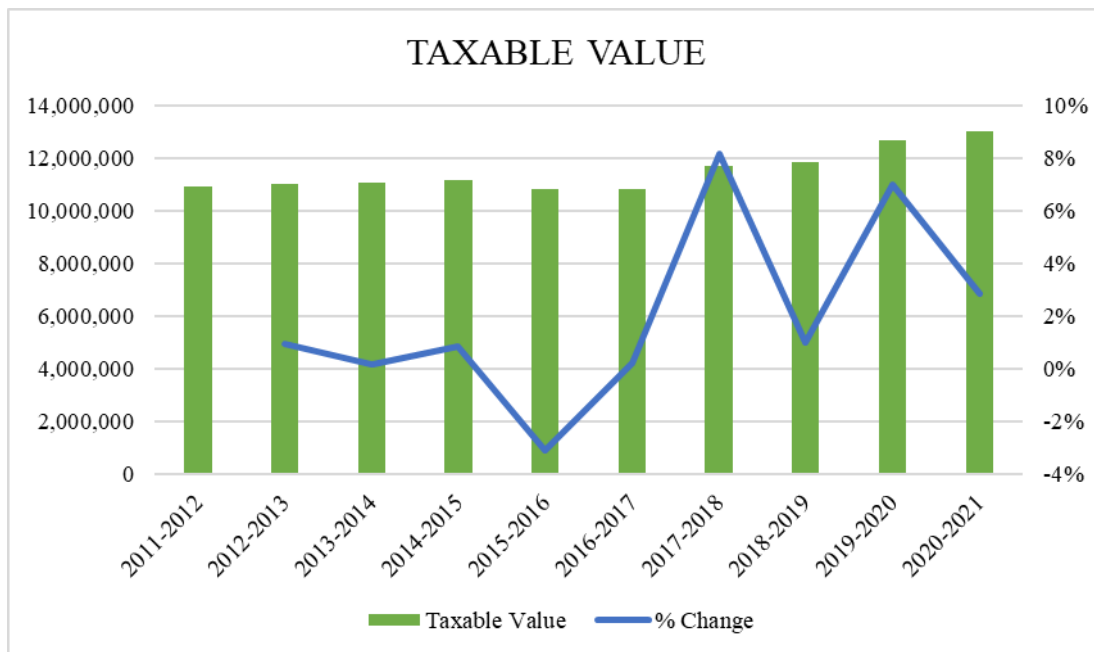
# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

---

## From Audited Financial Statements Fiscal Year Ending June 30, 2021

Each year in August, school boards across the state set budgets for the fiscal year, which runs from July 1 to June 30. These budgets establish how much local taxpayers will pay to support the school district they live in. Taxing units are called mills, and unlike many other taxing jurisdictions across the state (county, city, and schools) the Frenchtown School Board has reduced the number of mills they asked the taxpayers for in fiscal years 2021, 2020, 2019 and 2018. Fiscal year 2021 saw a reduction in mills from 363.03 to 354.69, a decrease of 8.34 mills which equates to a 2.3% reduction of school property taxes for this year.

Frenchtown has also seen a recent 2.87% increase in taxable valuation. Increases in taxable valuation does not provide additional funding for the District, but does impact local taxpayers as an increase in taxable value raises the value of a mill and thus decreases the number of mills necessary to fund the District budget. In other words, as our community grows, the tax burden is shared by a larger tax base.



Nonetheless, the District continues to be impacted by the former mill site. In February of 2019 Wakefield-Kennedy filed a complaint to foreclose on all 15 taxable parcels in Missoula County currently owned by M2Green. No taxes have been paid on these parcels since the 2017 settlement agreement and 45% of delinquent taxes owed by M2Green are due to Frenchtown School District. Another issue for the site is its possible status as an EPA Superfund and the delays in determining this designation. Once this is resolved and site cleanup is complete, there remains hope for possible redevelopment.

In addition, the pandemic seems to have created a housing shortage within the Frenchtown School District. Houses and subdivisions are being built at a rapid rate and yet they are sold and bought before they are even finished at prices that have outpriced previous market values significantly, thus increasing the tax values on homes in the area. More people allows for the tax burden to be shared, thus fewer mills are needed to fund the school district; however, there are fewer renters and prices for homes are at an all-time high and we are seeing more and more homeless students. This creates a burden on families and district personnel.

Another impact on the general fund is the continued rise in health insurance premiums. High premiums and rising claim costs jeopardized the financial health of the District's self-insurance program and as a result the District transitioned to a fully insured program beginning with fiscal year 2021.

Since the end of fiscal year 2020, the unprecedented challenge of the global health pandemic COVID-19 continued through fiscal year 2021. Significant investment into technology improvements were necessary to address the needs of remote learners. Operations and maintenance expenses rose as a result of the sanitization requirements needed. State funding remained intact, however, and the District was able to provide both in person and remote learning to students, continue food services for both, and maintain overall business operations for the entire school year.



---

# AUDIT MANAGEMENT DISCUSSION & ANALYSIS, CONT.

---

## From Audited Financial Statements Fiscal Year Ending June 30, 2021

The impacts and challenges of the pandemic and the growth of the District continue to help and hinder the District. Additional funding due to COVID-19 provided much relief from a technology and infrastructure standpoint; however, the need for support staff continues to increase as quality applicants decrease. The District struggles to attract and retain a transportation department. As wages increase for support personnel in the areas of manual labor and in the food industry, the number of applicants for transportation, custodial/maintenance, food service, and paraprofessional decreases and threatens the viability of each program within the school district. The student population growth has provided general fund relief, and coupled with inflationary increases through the legislature, has allowed the district to hire staff to meet the needs of students and accreditation standards; however, providing support staff and compensating said staff to a point of retaining will remain a challenge for the District.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact District Administration, Business Manager, School District No. 40, P.O. Box 117, Frenchtown, Montana 59834.

