

Exhibit No. 5  
Date 2-2-2011  
Bill No. SB 113**MONTANA SCHOOL RETIREMENT FUND (FUND #14)****REVENUES:**

**14 RETIREMENT FUND** - Authorized by Section 20-9-501, MCA, for the purpose of financing the employer's contribution to the Teachers' Retirement System (TRS), the Public Employees' Retirement System (PERS), Unemployment Compensation and Social Security. Funded by a countywide levy for retirement. In FY04, benefits for federal programs are limited to FY03 levels and they may not be charged in FY05.

**2240 County Retirement Distribution.** Revenue distributed to the elementary and high school retirement funds as authorized by the county superintendent. See Section 20-3-205 and 20-9-501, MCA.

**3120 State Guaranteed Tax Base Aid ("GTB")** - General Fund

**State Debt Service Facilities Acquisition Reimbursement and Advance** - Debt Service Fund

State payment to support a district's BASE mills in the General Fund when the district's mill value to BASE budget ratio is less than the statewide ratio. See Section 20-9-366 through 368, and 20-3-106(14), MCA. Also used to record facilities acquisition reimbursements or advances paid by the state to a district's debt service fund. See Section 20-9-371, MCA. (Note: The guaranteed tax base subsidy in support of the retirement fund is not recorded by a district, since it is included in the distribution by the county superintendent discussed in revenue source 2240.)

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**2514 Payroll Services.** Those activities concerned with making periodic payments to individuals entitled to remuneration for services rendered. Payments are also made for such payroll-associated costs as federal income tax withholding, retirement, and social security.

**EXPENDITURES:**

**220 Teachers' Retirement.** The employer's contribution to the state Teachers' Retirement System for an employee. Refer to Title 19 Chapter 4, MCA.

**230 PERS.** Employer's contributions to the state Public Employee's Retirement System for nonteaching employees. Refer to Title 19 Chapter 3, MCA.

**20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management board of a cooperative employing personnel who are members of the teachers' retirement system or the public employees' retirement system, who are covered by unemployment insurance, or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's or the cooperative's contribution for each employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's or the cooperative's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

(2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the retirement fund for the following:

(i) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from state or local funding sources;

(ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the cooperative's interlocal cooperative fund if the fund is supported solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321, or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the medicaid program, pursuant to 53-6-101;

(iii) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district's school food services fund provided for in 20-10-204;

(iv) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514; and

(v) for the 2011 biennium only, a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are budgeted in the district general fund but are paid from state fiscal stabilization funds received pursuant the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the funding source that pays the employee's salary.

(3) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

(4) When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year;

(ii) oil and natural gas production taxes;

(iii) coal gross proceeds taxes under 15-23-703;

(iv) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(v) any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year, excluding any guaranteed tax base aid.

(b) notwithstanding the provisions of subsection (9), subtracting the money available for reduction of the levy requirement, as determined in subsection (4)(a), from the budgeted amount for expenditures in the final retirement fund budget.

(5) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(6) The county commissioners shall fix and set the county levy or district levy in accordance with 20-9-142.

(7) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

(8) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(9) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (5)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(10) The levy for a community college district may be applied only to property within the district.

(11) The county superintendent of each county shall submit a report of the revenue amounts used to establish the levy requirements for county school funds supporting elementary and high school district retirement obligations to the superintendent of public instruction not later than the second Monday in September. The report must be completed on forms supplied by the superintendent of public instruction.

**History:** En. 75-7204 by Sec. 343, Ch. 5, L. 1971; amd. Sec. 1, Ch. 281, L. 1973; amd. Sec. 1, Ch. 202, L. 1975; amd. Sec. 1, Ch. 121, L. 1977; R.C.M. 1947, 75-7204; amd. Sec. 2, Ch. 57, L. 1979; amd. Sec. 3, Ch. 481, L. 1979; amd. Sec. 5, Ch. 699, L. 1983; amd. Sec. 16, Ch. 695, L. 1985; amd. Sec. 19, Ch. 611, L. 1987; amd. Sec. 4, Ch. 635, L. 1987; amd. Sec. 23, Ch. 655, L. 1987; amd. Secs. 43, 89, Ch. 11, Sp. L. June 1989; amd. Sec. 39, Ch. 767, L. 1991; amd. Sec. 9, Ch. 133, L. 1993; amd. Sec. 43, Ch. 451, L. 1995; amd. Sec. 6, Ch. 580, L. 1995; amd. Sec. 10, Ch. 211, L. 1997; amd. Sec. 13, Ch. 496, L. 1997; amd. Sec. 1, Ch. 379, L. 1999; amd. Sec. 18, Ch. 515, L. 1999; amd. Sec. 13, Ch. 554, L. 1999; amd. Sec. 121, Ch. 574, L. 2001; amd. Sec. 3, Ch. 276, L. 2003; amd. Sec. 7, Ch. 550, L. 2003; amd. Sec. 28, Ch. 130, L. 2005; amd. Sec. 1, Ch. 405, L. 2005; amd. Sec. 27, Ch. 44, L. 2007; amd. Sec. 46, Ch. 2, L. 2009; amd. Sec. 23, Ch. 489, L. 2009.

SCHOOLS COUNTY RETIREMENT FUND SUMMARY

COUNTY	FY10			FY09			RATIO OF COUNTY MILLS TO MT AVG
	EL RET MILLS	HS RET MILLS	TOTAL RET MILLS	REVENUE	EXPEND	RETIREMENT FUND	
Beaverhead	12.27	12.52	24.79	1,266,410	1,047,956	218,454	78%
Big Horn	7.56	1.14	8.7	2,018,076	2,038,874	-20,798	27%
Blaine	8	13.91	21.91	1,434,516	1,300,697	133,819	69%
Broadwater	2	18	20	503,490	450,553	52,938	63%
Carbon	12.99	22.72	35.71	1,296,686	1,322,569	-25,883	112%
Carter	7.9	3.2	11.1	150,569	149,436	1,133	35%
Cascade	25.5	14.15	39.65	8,650,529	8,679,994	-29,465	124%
Chouteau	22.66	12.84	35.5	726,824	640,484	86,341	111%
Custer	25.44	14.85	40.29	1,161,352	1,300,566	-139,213	126%
Daniels	0	40.61	40.61	279,670	302,811	-23,141	127%
Dawson	27.04	13.61	40.65	1,085,873	1,085,999	-127	127%
Deer Lodge	17.84	8.3	26.14	800,555	772,506	28,048	82%
Fallon	0	0	0	624,524	591,395	33,129	0%
Fergus	30.14	18.29	48.43	2,160,651	1,587,022	573,629	152%
Flathead	25.68	13.83	39.51	10,240,782	9,808,469	432,312	124%
Gallatin	22.23	13.92	36.15	8,694,375	7,952,862	741,513	113%
Garfield	18.54	8.45	26.99	158,026	146,673	11,353	85%
Glacier	32.46	13.98	46.44	2,732,130	2,690,026	42,104	146%
Golden Valley	0	34.44	34.44	197,614	195,265	2,349	108%
Granite	10.07	23.6	33.67	379,392	381,799	-8,407	106%
Hill	28.61	13.03	41.64	2,871,235	2,645,015	226,220	131%
Jefferson	25.3	11.8	37.1	1,178,893	1,172,222	6,671	116%
Judith Basin	1.71	14.23	15.94	381,894	345,770	36,123	50%
Lake	25.9	18.98	44.88	3,324,288	3,356,515	-32,228	141%
Lewis & Clark	29.34	18.09	47.43	7,805,967	7,541,508	264,458	149%
Liberty	11.24	2.96	14.2	187,197	220,373	-33,176	45%
Lincoln	9.76	11.77	21.53	1,891,493	1,939,592	-48,099	67%
Madison	2.5	13	15.5	903,954	910,236	-6,282	49%
McCone	15.93	12.89	28.82	214,743	215,058	-315	90%
Meagher	14	5.25	19.25	209,073	220,459	-11,385	60%
Mineral	0	23.23	23.23	676,565	605,557	71,009	73%
Missoula	26.3	18.29	44.59	10,836,889	10,159,245	677,644	140%
Musselshell	19.65	14.82	34.47	559,211	526,407	32,804	108%
Park	24.59	14.71	39.3	1,719,981	1,723,246	-3,265	123%
Petroleum	0	37.75	37.75	102,575	93,577	8,997	118%
Phillips	5.48	12.61	18.09	692,130	695,508	-3,377	57%
Pondera	17.34	20.82	38.16	922,676	887,121	35,555	120%
Powder River	2.41	2.93	5.34	287,248	276,785	10,463	17%
Powell	19.18	8.34	27.52	883,567	780,382	103,185	86%
Prairie	0	35.57	35.57	150,809	130,126	20,682	111%
Ravalli	9.8	17.61	27.41	4,137,238	4,124,035	13,203	86%
Richland	0	0	0	1,366,303	1,462,145	-95,842	0%
Roosevelt	14.22	12.29	26.51	2,854,428	2,533,787	320,641	83%
Rosebud	8.62	3.21	11.83	2,126,425	1,914,107	212,318	37%
Sanders	16.48	10.52	27	1,247,517	1,213,314	34,203	85%
Sheridan	0	27.03	27.03	635,146	586,246	48,900	85%
Silver Bow	23.82	15.92	39.74	3,204,704	3,327,885	-123,181	125%
Stillwater	22.48	13.97	36.45	1,387,666	1,199,792	187,874	114%
Sweet Grass	16.93	13.01	29.94	550,223	467,779	82,444	94%
Teton	20.83	16.4	37.23	1,029,704	997,796	31,908	117%
Toole	5.33	14.74	20.07	698,668	696,269	2,399	63%
Treasure	0	28.59	28.59	138,006	122,796	15,210	90%
Valley	7.85	37.71	45.56	1,182,910	1,121,216	61,695	143%
Wheatland	16.71	11.23	27.94	391,908	320,028	71,880	88%
Wibaux	0	8.33	8.33	155,601	151,404	4,197	26%
Yellowstone	27.85	16.39	44.24	17,947,148	16,333,591	1,613,557	139%

AVERAGE MILL: 16.7672 15.1396 31.9068  
TOTAL \$:

COUNTY	FY09		FY10		% DIFFERENCE COUNTY RET REVENUE TO EXPENDITURE	% DIFFERENCE COUNTY RET REVENUE TO EXPENDITURE	SUM OF FY09 RETIREMENT RE-APPROPS	SUM OF FY09 RET OPERATING RESERVES	RET RESERVES AS % OF FY09 RET EXPEND	RET RESERVES IF CAPPED AT 20% EXP	NET \$ AVAIL ABOVE 20% CAP
	REVENUE	EXPEND	REVENUE	EXPEND							
Beaverhead	1,266,410	1,047,956	2,018,076	2,038,874	21%	21%	314,705	423,101	40%	209,591	213,510
Big Horn	2,018,076	2,038,874	1,434,516	1,300,697	-1%	-1%	332,855	769,822	38%	407,775	362,047
Blaine	1,434,516	1,300,697	503,490	450,553	10%	10%	169,194	445,096	34%	260,139	184,956
Broadwater	503,490	450,553	1,296,686	1,322,569	12%	12%	86,482	189,390	42%	90,111	99,280
Carbon	1,296,686	1,322,569	150,569	149,436	-2%	-2%	89,353	515,891	39%	264,514	251,377
Carter	150,569	149,436	8,650,529	8,679,994	1%	1%	44,834	56,765	38%	29,887	26,878
Cascade	8,650,529	8,679,994	726,824	640,484	0%	0%	843,680	1,581,438	18%	1,581,438	0
Chouteau	726,824	640,484	1,161,352	1,300,566	13%	13%	140,065	275,942	43%	128,097	147,845
Custer	1,161,352	1,300,566	279,670	302,811	-11%	-11%	115,753	398,897	31%	260,113	138,784
Daniels	279,670	302,811	1,085,873	1,085,999	-8%	-8%	27,432	39,000	13%	39,000	0
Dawson	1,085,873	1,085,999	800,555	772,506	0%	0%	66,497	424,378	39%	217,200	207,178
Deer Lodge	800,555	772,506	624,524	591,395	4%	4%	74,358	305,653	40%	154,501	151,152
Fallon	624,524	591,395	2,160,651	1,587,022	6%	6%	136,136	256,880	43%	118,279	138,600
Fergus	2,160,651	1,587,022	10,240,782	9,808,469	36%	36%	379,932	642,135	40%	317,404	324,731
Flathead	10,240,782	9,808,469	8,694,375	7,952,862	4%	4%	419,445	3,647,233	37%	1,961,694	1,685,539
Gallatin	8,694,375	7,952,862	158,026	146,673	9%	9%	963,811	3,220,084	40%	1,590,572	1,629,511
Garfield	158,026	146,673	7,805,967	7,541,508	8%	8%	21,554	59,589	41%	29,335	30,254
Glacier	2,732,130	2,690,026	187,197	220,373	2%	2%	157,461	988,055	37%	538,005	450,050
Golden Valley	197,614	195,265	379,392	381,799	1%	1%	2,877	73,162	37%	39,053	34,109
Granite	379,392	381,799	2,871,235	2,645,015	-2%	-2%	19,595	148,073	39%	76,360	71,713
Hill	2,871,235	2,645,015	1,178,893	1,172,222	9%	9%	115,958	675,267	26%	529,003	146,264
Jefferson	1,178,893	1,172,222	381,894	345,770	1%	1%	47,513	322,758	28%	234,444	88,314
Judith Basin	381,894	345,770	3,324,288	3,356,515	10%	10%	45,807	141,750	41%	69,154	72,596
Lake	3,324,288	3,356,515	7,805,967	7,541,508	-1%	-1%	356,001	1,297,460	39%	671,303	626,157
Lewis & Clark	7,805,967	7,541,508	187,197	220,373	4%	4%	145,149	2,523,700	33%	1,508,302	1,015,398
Liberty	187,197	220,373	1,891,493	1,939,592	-15%	-15%	48,680	88,538	40%	44,075	44,463
Lincoln	1,891,493	1,939,592	903,954	910,236	-2%	-2%	247,714	741,925	38%	387,918	354,006
Madison	903,954	910,236	214,743	215,058	-1%	-1%	66,692	339,860	37%	182,047	157,812
McCone	214,743	215,058	209,073	220,459	0%	0%	25,101	82,600	38%	43,012	39,588
Meagher	209,073	220,459	676,565	605,557	-5%	-5%	9,724	85,842	39%	44,092	41,750
Mineral	676,565	605,557	10,836,889	10,159,245	12%	12%	87,339	267,750	44%	121,111	146,639
Missoula	10,836,889	10,159,245	559,211	526,407	7%	7%	233,024	3,446,220	34%	2,031,849	1,414,371
Musselshell	559,211	526,407	1,719,981	1,723,246	6%	6%	44,619	212,197	40%	105,281	106,915
Park	1,719,981	1,723,246	102,575	93,577	0%	0%	233,418	681,233	40%	344,649	336,584
Petroleum	102,575	93,577	692,130	695,508	10%	10%	6,873	15,000	16%	15,000	0
Phillips	692,130	695,508	922,676	887,121	0%	0%	87,207	269,326	39%	139,102	130,225
Pondera	922,676	887,121	287,248	276,785	4%	4%	173,828	333,965	38%	177,424	156,541
Powder River	287,248	276,785	883,567	780,382	4%	4%	17,476	101,703	37%	55,357	46,346
Powell	883,567	780,382	150,809	130,126	13%	13%	33,594	293,261	38%	156,076	137,184
Prairie	150,809	130,126	4,137,238	4,124,035	16%	16%	3,279	54,250	42%	26,025	28,225
Ravalli	4,137,238	4,124,035	1,366,303	1,462,145	0%	0%	187,815	1,229,232	30%	824,807	404,425
Richland	1,366,303	1,462,145	2,854,428	2,533,787	-7%	-7%	144,113	592,125	40%	292,429	299,696
Roosevelt	2,854,428	2,533,787	2,126,425	1,914,107	13%	13%	891,802	1,056,472	42%	506,757	549,715
Rosebud	2,126,425	1,914,107	1,247,517	1,213,314	11%	11%	399,379	805,134	42%	382,821	422,313
Sanders	1,247,517	1,213,314	635,146	586,246	3%	3%	423,157	563,509	46%	242,663	320,847
Sheridan	635,146	586,246	3,204,704	3,327,885	8%	8%	73,477	187,950	32%	117,249	70,701
Silver Bow	3,204,704	3,327,885	1,387,666	1,199,792	-4%	-4%	611,363	1,372,580	41%	665,577	707,003
Stillwater	1,387,666	1,199,792	550,223	467,779	16%	16%	324,751	542,673	45%	239,958	302,715
Sweet Grass	550,223	467,779	1,029,704	997,796	18%	18%	76,168	193,929	41%	93,556	100,374
Teton	1,029,704	997,796	698,668	696,269	3%	3%	115,772	291,519	29%	199,559	91,959
Toole	698,668	696,269	138,006	122,796	0%	0%	165,861	84,109	12%	84,109	0
Treasure	138,006	122,796	1,182,910	1,121,216	12%	12%	22,408	50,750	41%	24,559	26,191
Valley	1,182,910	1,121,216	391,908	320,028	6%	6%	66,255	431,529	38%	224,243	207,286
Wheatland	391,908	320,028	155,601	151,404	22%	22%	81,696	120,010	37%	64,006	56,004
Wibaux	155,601	151,404	17,947,148	16							