INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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CROOKSTON, MINNESOTA
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CROOKSTON, MINNESOTA
ROSTER OF SCHOOL OFFICIALS
June 30, 2022

Frank Fee	Chairperson
Adrianne Winger	Clerk
Tim Dufault	Treasurer
Dave Davidson	Director
Patty Dillabough	Director
Mike Theis	Director
Jeremy Olson (through 6/30/2022)	Superintendent
Dave Kuehn (effective 7/1/2022)	Superintendent

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Independent School District No. 593
Crookston, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Independent School District No. 593, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Independent School District No. 593, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 2 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules, and notes as listed in the table of contents as required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of changes in fund balances and compliance table as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of changes in fund balances, compliance table, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of school officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

October 19, 2022

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This section of Independent School District No. 593's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the 2021-2022 fiscal year include the following:

- Overall fund revenues were $19,260,956 and overall fund expenses were $23,575,166.
- The District continues to utilize multiple grants and utilized one time only pandemic relief aid.
- Maintaining a quality education while remaining financially healthy requires constant monitoring by management.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
    - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information 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 with a comparison of the District's general fund budget for the year, and supplementary information that is presented for additional analysis.

<u>District-wide Statements</u>

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, liabilities, and deferred inflows/outflows of resources – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown in one category:

- *Governmental activities*: All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

The District has one kind of fund:

- Governmental funds: The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliations have been provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to help explain the relationship (or differences) between the governmental funds and governmental activities.

  The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, food service fund, community service fund, and debt service fund, all of which are considered to be major funds.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was $(408,569) on June 30, 2022 (see details in Table A-1). This was an increase of 0.64 percent from the prior year.

Table A-1
Statement of Net Position

	2022	2021
Current and Other Assets	$ 12,166,859	$ 12,055,029
Capital Assets	22,553,248	22,958,246
Total Assets	34,720,107	35,013,275
Deferred Outflows of Resources	3,972,136	4,317,900
Long-Term Liabilities	22,419,226	26,510,068
Other Liabilities	2,501,781	2,279,532
	24,921,007	28,789,600
Deferred Inflows of Resources	14,179,805	11,679,993
Net Investment in Capital Assets	9,055,719	9,223,565
Restricted	3,511,926	3,171,516
Unrestricted	(12,976,214)	(13,533,499)
Total Net Position	$ (408,569)	$ (1,138,418)

Change in Net Position

Table A-2 presents the change in net position of the District.

Table A-2
Change in Net Position

	2022	2021
Revenues		
Program Revenues		
Charges for Services	$ 501,571	$ 415,679
Operating Grants and Contributions	6,006,568	6,079,420
Capital Grants	263,247	193,637
General Revenues		
Property Taxes & County Revenue	2,932,954	2,776,096
Unrestricted State Aid	9,505,787	9,370,791
Unrestricted Investment Earnings (Losses)	(40,019)	9,034
Gain on Sale of Capital Asset	12,333	7,782
Other General Revenue	30,242	39,357
Total Revenues	19,212,683	18,891,796
Expenses		
Administration	982,726	955,713
District Support Services	433,259	394,121
Regular Instruction	7,170,357	7,508,771
Vocational Education Instruction	189,676	196,660
Special Education Instruction	2,929,084	3,423,940
Community Education and Services	411,878	382,501
Instructional Support Services	894,390	860,213
Pupil Support Services	1,780,994	1,600,978
Sites and Buildings	2,048,667	1,865,866
Fixed Costs	129,298	129,948
Interest Expense and Fiscal Charges	468,070	421,726
Depreciation - Unallocated	1,044,435	1,044,435
Total Expenses	18,482,834	18,784,872
Change in Net Position	729,849	106,924
Net Position - Beginning	(1,138,418)	(1,245,342)
Net Position - Ending	$ (408,569)	$ (1,138,418)

The District's total revenues were $19,212,683 for the year ended June 30, 2022. Property taxes and state aid payments accounted for 84 percent of total revenue for the year.

The total cost of all programs and services was $18,482,834. The District's expenses are predominantly related to educating and caring for students.

Total revenues surpassed expenses, increasing net position by $729,849 over last year. For the year ended June 30, 2022, the net effect of the District's deferred inflows and outflows of resources and net pension liability related to TRA and PERA increased net position by $850,928 . For the year ended June 30, 2021, the net effect of the District's deferred inflows and outflows of resources and net pension liability related to TRA and PERA decreased net position by $628,664.

The net cost of governmental activities is their total costs less program revenues applicable to each category.

Table A-3 presents these net costs.

Table A-3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Expenses				
Administration	$ 982,726	$ 955,713	$ 981,139	$ 900,815
District Support Services	433,259	394,121	433,259	394,121
Regular Instruction	7,170,357	7,508,771	4,676,488	4,973,317
Vocational Education Instruction	189,676	196,660	171,177	178,678
Special Education Instruction	2,929,084	3,423,940	925,711	1,549,801
Community Education and Services	411,878	382,501	190,743	195,850
Instructional Support Services	894,390	860,213	328,079	360,490
Pupil Support Services	1,780,994	1,600,978	532,085	558,304
Sites and Buildings	2,048,667	1,865,866	2,019,766	1,620,781
Fixed Costs	129,298	129,948	97,411	67,683
Interest Expense and Fiscal Charges	468,070	421,726	311,155	251,861
Depreciation - Unallocated	1,044,435	1,044,435	1,044,435	1,044,435
	$ 18,482,834	$ 18,784,872	$ 11,711,448	$ 12,096,136

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Table A-4
Major Funds

	Fund Balance 2022	Fund Balance 2021	Increase (Decrease)	Percentage Increase (Decrease)
Governmental Funds				
General	$ 6,902,109	$ 7,090,821	$ (188,712)	(2.7) %
Food Service	361,198	157,759	203,439	129.0
Community Service	27,963	79,501	(51,538)	(64.8)
Debt Service	371,856	309,775	62,081	20.0

General Fund

The general fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12, including pupil transportation activities and capital outlay projects.

Table A-5 presents a summary of general fund revenue.

Table A-5
General Fund Revenue

	2022	2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Taxes & County Revenue	$ 1,947,199	$ 1,762,773	$ 184,426	10.5 %
Interest Earnings	(34,570)	5,663	(40,233)	(710.5)
Other	424,350	492,430	(68,080)	(13.8)
State Sources	12,466,884	12,639,313	(172,429)	(1.4)
Federal Sources	1,594,764	1,388,569	206,195	14.8
Other	35,717	25,234	10,483	41.5
Total General Fund Revenue	$ 16,434,344	$ 16,313,982	$ 120,362	0.7 %

Total general fund revenue increased by $120,362 or 0.7 percent from the previous year. Basic general education revenue is determined by a state per student funding formula. Other state-authorized revenue, including excess levy referendum and the property tax shift, involve an equalized mix of property tax and state aid revenue. Therefore, the mix of property tax and state aid can change significantly from year to year without any net change on revenue.

Table A-6 presents a summary of general fund expenditures.

Table A-6
General Fund Expenditures

	2022	2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	$ 9,531,744	$ 8,793,040	$ 738,704	8.4 %
Employee Benefits	3,817,937	3,677,087	140,850	3.8
Purchased Services	1,499,637	1,425,687	73,950	5.2
Supplies and Materials	1,052,041	1,166,190	(114,149)	(9.8)
Capital Expenditures	589,435	500,031	89,404	17.9
Other Expenditures	162,823	160,078	2,745	1.7
Total General Fund Expenditures	$ 16,653,617	$ 15,722,113	$ 931,504	5.9 %

Total general fund expenditures increased $931,504 or 5.9 percent from the previous year.

General Fund Budgetary Highlights

During the year, the District revised its budget to reflect new allocations of federal and state revenue.

The District’s final budget for the general fund anticipated that expenditures would exceed revenues and other financing sources by $479,791. The actual results for the year show a $188,712 deficit.

Capital Assets and Debt Administration

Capital Assets

Note 4 to the financial statements presents an analysis of capital asset and lease transactions occurring during the year ended June 30, 2022. Additions totaling $351,491 mainly consisted of a new bus, building improvements, and shop tools and a school addition project. Disposals of $250,413 consisted of a bus garage, two busses, and a lease asset.

Long-Term Debt

At year-end, the District had $13,497,529 of long-term debt consisting of bonded indebtedness and leases. Note 9 to the financial statements present details and payment provisions of these items.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- Uncertainty as to federal and state funding.
- Student enrollment.
- The long-term impact of COVID-19.

The District continues to provide educational opportunities to students. The District has maintained strong reserve balances which will help bridge financial gaps in revenue projections. During FY 2022, the District received federal grant funding related to the global COVID-19 pandemic under the Elementary and Secondary School Emergency Relief Fund (ESSER) grant. This grant will be used to cover COVID-19 expenditures of the District. This global pandemic has created unprecedented challenges for Federal, State and Local Government operations, creating uncertainty in the outcome of the 2022 budget.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District office, Independent School District 593, 402 Fisher Ave, Ste 593, Crookston, Minnesota 56716.

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
STATEMENT OF NET POSITION
June 30, 2022

GOVERNMENTAL ACTIVITIES	
ASSETS	
Cash and Investments	$ 8,494,547
Property Taxes Receivable, Net of Allowance	1,701,969
Accounts Receivable	11,156
Due From Minnesota Dept of Education	1,385,205
Due From Federal Govt. - MDE	434,767
Due From Federal Govt.	13,981
Due From Other MN Districts	23,880
Due From Other Governmental Units	14,648
Inventory	86,706
Capital and Lease Assets	
Land, Construction in Progress	389,527
Other Capital and Lease Assets, Net of Depreciation/Amortization	22,163,721
TOTAL ASSETS	34,720,107
DEFERRED OUTFLOWS OF RESOURCES	
Cost Sharing Defined Benefit Pension Plan	3,645,541
Other Postemployment Benefit	289,535
Supplemental Pension Plan	37,060
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,972,136
LIABILITIES	
Salaries Payable	614,410
Accounts Payable	29,228
Due To Other MN Districts	70
Due To Other Governmental Units	22,006
Payroll Deductions	584,219
Unearned Revenue	5,500
Interest Payable	97,562
Long-Term Liabilities Due Within One Year	1,148,786
Long-Term Liabilities	
Bonds, Net Premium	12,808,635
Compensated Absences Payable	669,366
Lease Payable	688,894
Net Pension Liability	6,169,428
Total OPEB Liability	2,945,262
Total Supplemental Pension Obligation	286,427
Less Amounts Due Within One Year	(1,148,786)
Total Long-Term Liabilities	22,419,226
TOTAL LIABILITIES	24,921,007
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied - Subs. Years	3,263,830
Cost Sharing Defined Benefit Pension Plan	10,418,787
Other Postemployment Benefit	481,510
Supplemental Pension Plan	15,678
TOTAL DEFERRED INFLOWS OF RESOURCES	14,179,805

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
STATEMENT OF NET POSITION - Continued
June 30, 2022

NET POSITION	
Net Investment in Capital and Lease Assets	9,055,719
Restricted	
Student Activity	32,072
Scholarship	295,795
Staff Development	351,570
Operating Capital	575,583
Disabled Access	33,003
Gifted and Talented	58,622
Achievement and Integration	21,267
Safe Schools	16,511
Long Term Facilities Maint.	1,302,343
Medical Assistance	3,710
Building Repairs & Maintenance	150,340
Food Service	361,198
ECFE	29,725
School Readiness	5,893
Debt Service	274,294
Unrestricted	(12,976,214)
TOTAL NET POSITION	$ (408,569)

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Administration	$ 982,726	$	$ 1,587	$	$ (981,139)
District Support Services	433,259				(433,259)
Regular Instruction	7,170,357	208,933	2,284,936		(4,676,488)
Vocational Education Instruction	189,676	6,710	11,789		(171,177)
Special Education Instruction	2,929,084	87,078	1,878,877	37,418	(925,711)
Community Education and Services	411,878	76,696	144,439		(190,743)
Instructional Support Services	894,390	1,208	363,281	201,822	(328,079)
Pupil Support Services	1,780,994	118,573	1,130,336		(532,085)
Sites and Buildings	2,048,667	2,373	2,521	24,007	(2,019,766)
Fixed Costs	129,298		31,887		(97,411)
Interest Expense	468,070		156,915		(311,155)
Depreciation - Unallocated	1,044,435				(1,044,435)
TOTAL GOVERNMENTAL ACTIVITIES	$ 18,482,834	$ 501,571	$ 6,006,568	$ 263,247	(11,711,448)

GENERAL REVENUES	
Taxes	
Property Taxes, Levied for General Purposes and County Revenue	1,938,902
Property Taxes, Levied for Community Education and Services	139,148
Property Taxes, Levied for Debt Services	854,904
Unrestricted State Aid	9,505,787
Unrestricted Investment Earnings (Losses)	(40,019)
Gain on Sale of Capital Asset	12,333
Other General Revenue	30,242
TOTAL GENERAL REVENUES	12,441,297
Change in Net Position	729,849
Net Position - Beginning	(1,138,418)
Net Position - Ending	$ (408,569)

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Food Service Fund	Community Service Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Investments	$ 7,281,551	$ 337,661	$ 113,447	$ 761,888	$ 8,494,547
Current Property Taxes Receivable	909,124		62,569	745,806	1,717,499
Delinquent Property Taxes Receivable	22,573		1,766	5,131	29,470
Accounts Receivable	10,841	315			11,156
Due From Minnesota Dept of Education	1,316,442		13,816	54,947	1,385,205
Due From Federal Govt. - MDE	424,885	9,882			434,767
Due From Federal Govt.	13,981				13,981
Due From Other MN Districts	23,880				23,880
Due From Other Governmental Units	14,648				14,648
Inventory	69,901	16,805			86,706
TOTAL ASSETS	$ 10,087,826	$ 364,663	$ 191,598	$ 1,567,772	$ 12,211,859
LIABILITIES					
Salaries Payable	$ 591,754	$ 3,448	$ 19,208	$	$ 614,410
Accounts Payable	27,765	17	1,446		29,228
Due To Other MN Districts	70				70
Due To Other Governmental Units	22,006				22,006
Payroll Deductions	584,219				584,219
Unearned Revenue			5,500		5,500
TOTAL LIABILITIES	1,225,814	3,465	26,154		1,255,433
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Delinquent Taxes	22,573		1,766	5,131	29,470
Property Taxes Levied - Subs. Years	1,937,330		135,715	1,190,785	3,263,830
TOTAL DEFERRED INFLOWS OF RESOURCES	1,959,903		137,481	1,195,916	3,293,300
FUND BALANCES					
Nonspendable	69,901	16,805			86,706
Restricted	2,840,816	344,393	35,618	371,856	3,592,683
Committed	198,875				198,875
Assigned	995,347				995,347
Unassigned	2,797,170		(7,655)		2,789,515
TOTAL FUND BALANCES	6,902,109	361,198	27,963	371,856	7,663,126
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 10,087,826	$ 364,663	$ 191,598	$ 1,567,772	$ 12,211,859

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds	$	7,663,126
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of capital and lease assets		42,902,031
Less accumulated depreciation/amortization		(20,348,783)
Deferred outflows of resources relating to pensions and other postemployment benefits in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		3,972,136
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Bonds, Net Premium		(12,808,635)
Compensated Absences Payable		(669,366)
Lease Payable		(688,894)
Net pension liability		(6,169,428)
Total OPEB lability		(2,945,262)
Total supplemental pension liability		(286,427)
Deferred inflows of resources relating to pensions and other postemployment benefits in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(10,915,975)
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		29,470
Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the debt service fund.		(97,562)
An allowance has been set up for taxes receivable in the government-wide financial statements.		(45,000)
Net position - governmental activities	$	(408,569)

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Food Service Fund	Community Service Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Property Tax Levies & County Revenues	$ 1,947,199	$	$ 139,246	$ 858,405	$ 2,944,850
Other Local Revenues	389,780	4,333	81,347	(4,497)	470,963
Revenue From State Sources	12,466,884	29,079	134,993	550,886	13,181,842
Revenue From Federal Sources	1,594,764	918,463	9,400		2,522,627
Sale/Other Conversion of Asset	35,717	104,957			140,674
TOTAL REVENUES	16,434,344	1,056,832	364,986	1,404,794	19,260,956
EXPENDITURES					
Current					
Administration	982,726				982,726
District Support Services	430,003				430,003
Regular Instruction	7,793,777				7,793,777
Vocational Education Instruction	205,203				205,203
Special Education Instruction	3,228,486				3,228,486
Community Education and Services			411,878		411,878
Instructional Support Services	685,488				685,488
Pupil Support Services	861,990	850,467	4,646		1,717,103
Sites and Buildings	1,574,846				1,574,846
Fixed Costs	129,298				129,298
Debt Service					
Principal	155,133			5,215,000	5,370,133
Interest and Fiscal Charges	17,232			436,632	453,864
Capital Outlay	589,435	2,926			592,361
TOTAL EXPENDITURES	16,653,617	853,393	416,524	5,651,632	23,575,166
Revenues Over (Under) Expenditures	(219,273)	203,439	(51,538)	(4,246,838)	(4,314,210)
OTHER FINANCING SOURCES					
Bond Issuance				3,970,000	3,970,000
Bond Premium				338,919	338,919
Sale of Capital Assets	30,561				30,561
TOTAL OTHER FINANCING SOURCES	30,561			4,308,919	4,339,480
Net Change in Fund Balances	(188,712)	203,439	(51,538)	62,081	25,270
Fund Balances - Beginning	7,090,821	157,759	79,501	309,775	7,637,856
Fund Balances - Ending	$ 6,902,109	$ 361,198	$ 27,963	$ 371,856	$ 7,663,126

The notes to the basic financial statements are an integral part of this statement

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Total net change in fund balances - governmental funds	$	25,270
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense.		
Capital outlays		351,491
Depreciation/Amortization expense		(1,582,287)
The net effect of various capital asset transactions decreases net position.		(18,229)
Change in net pension liability		3,763,920
Payment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.		5,370,133
The issuance of long-term debt provides current financial resources to the governmental funds, but the issuance increases long-term liabilities in the statement of net position.		(3,970,000)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Also, governmental funds report the effect of premiums and discounts when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		(370,358)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenues in the governmental funds.		(11,549)
Changes in deferred outflows and inflows of resources related to net pension liability		(2,912,992)
Changes in deferred outflows and inflows of resources related to other postemployment liability		149,796
Changes in deferred outflows and inflows of resources related to supplemental pension liability		8,670
Recognition of additional pension expense and grant revenue for the District's proportionate share of the State of Minnesota's contribution to the PERA and TRA.		
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid.)		
Total supplemental pension liability		2,971
Other postemployment benefit liability		(54,940)
Severance payable		(22,047)
Change in net position - governmental activities	$	729,849

The notes to the basic financial statements are an integral part of this statement

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 593 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be financially accountable.

Component units are legally separated entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

C. Basic Financial Statement Presentation

The district-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the non-fiduciary activities of the reporting government as a whole. These statements include all the financial activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for advance amounts recognized in accordance with a statutory “tax shift”. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

<u>Revenue Recognition</u> – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.

<u>Recording of Expenditures</u> – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. Each fund is accounted for as an independent entity. A description of the funds included in this report are as follows:

Major Governmental Funds

<u>General Fund</u> – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

<u>Food Service Fund</u> – The Food Service Fund is used to account for food service revenues and expenditures.

<u>Community Service Fund</u> – The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, K-6 extended day programs, or other similar services.

<u>Debt Service Fund</u> – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations of the District.

Budgeting

The School Board adopts annual operating budgets for the following fiscal year for the General, Food Service, and Community Service on the same modified accrual basis of accounting used in the preparation of fund financial statements. The budget is adopted through passage of resolution. Administration can authorize the transfer of budgeted amounts within a fund. Any revision that alters total expenditures of any fund must be approved by the governing board. Legal budgetary control is at the fund level. Unencumbered appropriations lapse at year-end.

E. Specific Account Information

Cash and Investments – Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are carried at fair value. The District considers certificates of deposit to be cash.

When fair value measurements are required, various data is used in determining those values. Assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

Level 1: Quoted market prices in active markets for identical assets or liabilities
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data
Level 3: Unobservable market inputs that are not corroborated by market data

Taxes Receivable – Taxes receivable represents taxes levied in 2021 which are not payable until 2022, net of the amount received prior to June 30.

Property Taxes – Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county generally remits taxes to the District at periodic intervals as the taxes are collected.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as unavailable revenue (property taxes levied for subsequent years).

The majority of the revenue in the general fund is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property taxes and state aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the “tax shift”.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year. The allowance for uncollectible taxes is $45,000.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

Inventory – Inventory is recorded using the consumption method of accounting and consists of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standardized costs, as determined by the Department of Agriculture.

Capital Assets – Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of $5,000 or more for capitalizing capital assets. Expenditures for major additions and improvements that extend the useful lives of property and equipment are capitalized. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Capital assets are recorded in the district-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment. Capital assets not being depreciated include land and construction in progress, if any.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Leases – The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. The District accounts for lease agreements with lease and non-lease components together as a single lease component for all underlying classes of assets. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise.

Unearned Revenue – The District defers revenue recognition in connection with resources that have been received but not yet earned.

Long-Term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued in the future, bond premiums and discounts will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs will be expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

<u>Pensions</u> – For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

<u>Compensated Absences Payable</u> – Vacation pay amounts accrued by employees are recorded in the government-wide financial statements as compensated absences payable. Vacation pay is recorded as an expenditure when paid in the fund financial statements. Teachers are not eligible for vacation pay.

Substantially all District employees are entitled to sick leave at various rates. Unused compensated absences enters into the calculation of retirement payments for some employees upon termination.

<u>Other Postemployment Benefits Payable</u> – Under the provisions of the various employee agreements, the District provides health coverage until age 65 or eligible for Medicare, if a certain age and minimum years of service requirements are met. The amount incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis.

<u>Deferred Outflows/Inflows of Resources</u> – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The *Cost Sharing Defined Benefit Pension Plan* and *Other Postemployment Benefits* which represents actuarial differences within PERA and TRA pension plans and other postemployment benefits as well as amounts paid to the plans after the measurement date, and *Supplemental Pension Plan* which represents the amounts paid to the plan after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has five types of items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – delinquent taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, *property taxes levied – subs. years,* is reported as a deferred inflow of resources for both the Balance Sheet – Governmental Funds and the Statement of Net Position as these amounts represent property tax revenue levied for a subsequent period. The other items, *Cost Sharing Defined Benefit Pension Plan, Other Postemployment,* and *Supplemental Pension Plan* represents actuarial differences within PERA, TRA, and supplemental pension plans and other postemployment benefits.

Net Position – Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted Net Position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance – The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – Represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority which is the School Board through a resolution.

Assigned – Consists of amounts constrained by the government's intent to be used for specific purposes, but neither restricted nor committed. The assigned amounts are determined by the Superintendent or Business Manager.

Unassigned – Represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

The first priority is to utilize the restricted before unrestricted fund balance when both are available. Committed funds will be considered spent first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used like assigned or unassigned.

The District will strive to maintain a minimum unassigned general fund balance of 10 percent of the annual budget.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLES

The District implemented GASB Statement No. 87, *Leases* in the fiscal year ended June 30, 2022. GASB Statement No. 87 establishes a single model for lease accounting based on the foundation principal that leases are financings of the right to use an underlying asset.

The adoption of GASB 87 resulted in the recognition of a right to use leased asset and lease liability of $844,027 as of July 1, 2021. Results for periods prior to June 30, 2021 continue to be reported in accordance with the District's historical accounting treatment. See Note 10 for expanded disclosures regarding leases.

NOTE 3 DEPOSITS AND INVESTMENTS

The District maintains a cash account at its depository bank.

The District's interest income for the year ended June 30, 2022, was $(40,019). Interest income at the end of the fiscal year is negative due to the decrease in the market value of investments.

The pooled cash and investment account is comprised of the following:

		Governmental Activities
Cash	$	694,950
Investments		7,799,597
Total	$	8,494,547

As of June 30, 2022, the District had the following investments:

Investments		Fair Value (Level 1)
MnTrust	$	3,955,467
Minnesota School District Liquid Asset Fund		3,844,130
Total	$	7,799,597

The Minnesota School District Liquid Asset Fund and the MnTrust are common law trusts organized and existing under the laws of the State of Minnesota, in accordance with the provisions of the Minnesota Joint Powers Act. The general objective of the Fund is to provide a high yield for the participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Minnesota Statutes, which govern the temporary investment of School District monies. In addition, the fixed rate/fixed term portion of the program is also structured with safety of principal as the major objective.

The Minnesota School District Liquid Asset Fund and the MnTrust are external investment pools not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under 2a7. The fair value of the position is the same as the value of the pool shares.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The District may invest idle funds as authorized in Minnesota Statutes, as follows:

(a) Direct obligations or obligations guaranteed or insured issued by the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
(b) General obligations and revenue obligations of any state or local government with taxing powers rated “A” and “AA”, respectively, and general obligations of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and rated “A” or better.
(c) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated in the highest quality by at least two rating agencies, and maturing in 270 days or less.
(d) Time deposits that are fully insured by the FDIC or bankers acceptances of U.S. banks.
(e) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
(f) Repurchase or reverse repurchase agreements with banks that are qualified as a “depository” of public funds of the government entity, any other financial institution which is a member of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
(g) Guaranteed investment contracts (GIC’s) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories, or in the top three rating categories for long-term GIC’s issued by Minnesota banks.
(h) Securities lending agreements with financial institutions having its principal executive office in Minnesota and meeting the qualifications described in (f) above.

The Minnesota School District Liquid Asset Fund is rated AAA by Standard & Poor’s, while the MnTrust is rated Aaa by Moody’s Investors Services.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

Custodial Credit Risk - Deposits – The District does not have a policy for custodial credit risk. In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District's board, all of which are members of the Federal Reserve System. Minnesota Statutes require that all district deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds. As of June 30, 2022, the District was not exposed to custodial credit risk.

Custodial Credit Risk - Investments - The investment in the Minnesota School District Liquid Asset Fund and the MnTrust are not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement 40.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 213,145	$	$	$ 213,145
Construction in Progress		176,382		176,382
Total Capital Assets, Not Being Depreciated	213,145	176,382		389,527
Capital Assets, Being Depreciated:				
Land Improvements	2,768,178	25,470		2,793,648
Buildings	34,635,539		114,337	34,521,202
Right to Use Leased Building	795,092		10,076	785,016
Equipment	4,340,064	149,639	126,000	4,363,703
Right to Use Leased Equipment	48,935			48,935
Total Capital Assets, Being Depreciated	42,587,808	175,109	250,413	42,512,504
Less Accumulated Depreciation For:				
Land Improvements	1,414,705	114,866		1,529,571
Buildings	14,466,884	1,039,664	96,108	15,410,440
Right to Use Leased Building		140,912	10,076	130,836
Equipment	3,117,091	267,902	126,000	3,258,993
Right to Use Leased Equipment		18,943		18,943
Total Accumulated Depreciation	18,998,680	1,582,287	232,184	20,348,783
Total Capital Assets, Being Depreciated, Net	23,589,128	(1,407,178)	18,229	22,163,721
Governmental Activities Capital Assets, Net	$ 23,802,273	$ (1,230,796)	$ 18,229	$ 22,553,248

In the statement of activities, depreciation/amortization expense was charged to the following governmental functions:

Elementary & Secondary Regular Instruction	$ 64,479
Vocational Education Services	1,613
Special Education Instruction	553
Instructional Support Services	36,475
Pupil Support Services	177,474
Sites and Buildings	257,258
	537,852
Unallocated	1,044,435
Total Depreciation/Amortization Expense	$ 1,582,287

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE

Substantially, all employees of the District are required by state law to belong to pension plans administered by Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA), all of which are administered on a statewide basis.

Disclosures relating to these plans follow:

A. Public Employees Retirement Association

Plan Description – The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan
The General Employees Retirement Plan covers certain full-time and part-time employees of the District. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Benefits Provided – PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated Plan member is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Contributions – Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2022, were $226,718. The District's contributions were equal to the required contributions as set by state statute.

Pension Costs – At June 30, 2022, the District reported a liability of $1,635,582 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled $49,859.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0383% at the end of the measurement period and 0.0374% for the beginning of the period.

District's proportionate share of net pension liability	$	1,635,582
State of Minnesota's proportionate share of the net pension liability associated with the District		49,859
Total	$	1,685,441

For the year ended June 30, 2022, the District recognized pension expense of ($12,867) for its proportionate share of the General Employee Plan's pension expense. In addition, the District recognized $4,023 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual $16 million contribution.

At June 30, 2022, the District reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 10,074	$ 49,917
Difference between projected and actual investment earnings		1,421,881
Changes in actuarial assumptions	998,652	35,631
Changes in proportion	41,055	48,495
Contributions paid to PERA subsequent to the measurement date	226,718	
Total	$ 1,276,499	$ 1,555,924

The $226,718 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30		Pension Expense Amount
2023	$	(91,695)
2024		(27,740)
2025		(360)
2026		(386,348)

Long-Term Expected Return on Investments – The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	25.00%	0.75%
International Equity	16.50%	5.30%

Actuarial Methods and Assumptions – The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent. Benefit increases after retirement are assumed to be 1.25 percent.

Salary growth assumptions range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter.

Mortality rates are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions are reviewed every four years. The most recent four-year experience study was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

Changes in Actuarial Assumptions:
- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Discount Rate – The discount rate used to measure the total pension liability in 2021 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity – The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

District Proportionate Share of NPL		
1% Decrease (5.5%)	Current (6.5%)	1% Increase (7.5%)
$ 3,335,752	$ 1,635,582	$ 240,488

Pension Plan Fiduciary Net Position – Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

B. Teachers Retirement Association

Plan Description - The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Defined Contribution Plan (DCR) administered by the State of Minnesota.

Benefits Provided - TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described:

Tier I Benefits:

Tier I	Step Rate Formula	Percentage
Basic	1st ten years	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	1st ten years if service years are prior to July 1, 2006	1.2 percent per year
	1st ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are prior to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

With these provisions:

a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
b) 3 percent per year early retirement reduction factors for all years under normal retirement age.
c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

or

Tier II Benefits:

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated members and 2.7 percent per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated members and 2.7 percent for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

Contribution Rate - Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal years ended June 30, 2020, June 30, 2021, and June 30, 2022 were:

	June 30, 2020		June 30, 2021		June 30, 2022	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	11.92%	11.00%	12.13%	11.00%	12.34%
Coordinated	7.50%	7.92%	7.50%	8.13%	7.50%	8.34%

The following is a reconciliation of employer contributions in TRA's fiscal year 2020 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations:

	in thousands
Employer contributions reported in TRA's ACFR	
Statement of Changes in Fiduciary Net Position	$ 448,829
Add employer contributions not related to future contribution efforts	379
Deduct TRA's contributions not included in allocation	(538)
Total employer contributions	448,670
Total non-employer contributions	37,840
Total contributions reported in *Schedule of Employer and Non-Employer Allocations*	$ 486,510

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

Actuarial Assumptions - The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Experience Study	June 5, 2019 (demographic assumptions) November 6, 2017 (economic assumptions)
Actuarial Cost Method	Entry Age Normal

Actuarial Assumptions:

Investment Rate of Return	7.0%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85 to 8.85% before July 1, 2028 and 3.25 to 9.25% after June 30, 2028.
Cost of Living Adjustment	1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually

Mortality Assumption

Pre-retirement	RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
Post-retirement	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability	RP-2014 disabled retiree mortality table, without adjustment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	5.10%
International Equity	17.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
Unallocated Cash	2.00%	0.00%

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2022 is 6 years. The “Difference Between Expected and Actual Experience” and “Changes of Assumptions” and “Changes in Proportion” use the amortization period of 6 years in the schedule presented. The amortization period for “Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments” is 5 years as required by GASB 68.

Changes in actuarial assumptions since the 2020 valuation:
- For GASB Valuation:
    - the investment return assumption was changed from 7.50% to 7.00%

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The discount rate used to measure the TPL at the Prior Measurement Date was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2021 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

Net Pension Liability - On June 30, 2022, the District reported a liability of $4,533,846 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. District proportionate share was 0.1036% at the end of the measurement period and 0.1041% for the beginning of the year.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	$	4,533,846
State's proportionate share of the net pension liability associated with the district	$	382,251

For the year ended June 30, 2022, the District recognized pension expense of ($57,959). It also recognized ($4,280) as an increase to pension expense for the support provided by direct aid.

On June 30, 2022, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 123,390	$ 132,824
Difference between projected and actual investment earnings		3,807,937
Changes in actuarial assumptions	1,661,506	4,407,060
Changes in proportion	28,455	515,042
Contributions paid to TRA subsequent to the measurement date	555,691	
Total	$ 2,369,042	$ 8,862,863

$555,691 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2023	$ (3,350,186)
2024	(2,581,538)
2025	(674,733)
2026	(754,092)
2027	311,037

Pension Liability Sensitivity - The following presents the net pension liability calculated using the discount rate of 7.00 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability (NPL) to Changes in the Discount Rate

1% Decrease (6.0%)	Current (7.0%)	1% Increase (8.0%)
$ 9,158,589	$ 4,533,846	$ 741,188

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling (651)-296-2409 or (800)-657-3669.

NOTE 6 DISTRICT 403(b) PLAN

The District also provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Educators Benefit Consultants is the third party administrator of this Plan. Employees of the District are eligible to participate in the Plan as stipulated in their individual bargaining or collective bargaining agreements. Eligible employees may elect to have a specified dollar amount or percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amounts set forth in their respective bargaining agreements. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District contributions for the years ended June 30, 2022, 2021, and 2020 were $89,323, $77,924, and $65,890, respectively.

NOTE 7 DEFINED BENEFIT SUPPLEMENTAL PENSION PLAN

Plan Description – The District is the administrator of a single employer defined benefit pension plan available to teachers within the District who have over 15 years of service to the District. The authority and requirement to provide these benefits is established in accordance with Minnesota Statutes. The benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through the District's collective bargaining agreements with employee groups.

Benefits Provided – The pension benefit is equal to 50% of: $35,000 reduced by accumulated employer contributions to the District's 403(b) Plan. The pension benefit is payable in annual equal installments over five years. The District may make an annual contribution of $500 per year to its 403(b) Plan for participating teachers completing 15 years of service.

Funding Policy – Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The general fund is used for funding all pension/retirement benefits. The District makes all contributions

Contributions – In 2022, the District contributed $29,449 to the pension plan.

Employees Covered by Benefit Term – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	8
Active plan members	41
	49

Total Supplemental Pension Liability – The District's total supplemental pension liability was measured as of June 30, 2021, and the total supplemental pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total supplemental pension liability in the July 1, 2021, actual valuation was determined using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise noted:

Actuarial Cost Method	Entry Age, level percentage of pay
Amortization period	Average of expected remaining services on a closed basis for differences between expected and actual experience assumption changes.

20-Year Municipal Bond Yield	2.10%
Inflation	2.50%
Salary Increases	Service graded table

Mortality rates were based on Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of actuarial experience study for the period of July 1, 2020 to June 30, 2022.

The following changes in actuarial assumptions occurred:

- The discount rate was changed from 2.40% to 2.10%

Discount Rate – The discount rate used to measure the total supplemental pension liability in the July 1, 2021 valuation was 2.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes.

Changes in the Total Supplemental Pension Liability:

Balance as of July 1, 2021	$	289,398
Service Cost		12,147
Interest Cost		6,929
Assumption Changes		3,744
Benefit Payments		(25,791)
Balance as of June 30, 2022	$	286,427

Sensitivity of the total supplemental pension liability to changes in the discount rate – The following presents the District's proportionate share of the total supplemental pension liability, as well as what the District's proportionate share of the total supplemental pension liability would be if it were calculated using a discount rate one percentage point lower (1.10%) or one percentage point higher (3.10%) than the current discount rate:

District Proportionate Share of TSPL		
1% Decrease (1.10%)	Current (2.10%)	1% Increase (3.10%)
$ 301,111	$ 286,427	$ 272,084

Pension Expense and Deferred Outflows and Inflows of Resources Related to Total Supplemental Pension Liability – For the year ended June 30, 2022, the District recognized pension expense of $17,808. At June 30, 2022, the District reported deferred outflow and inflows of resources related to total supplemental pension liability from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$	$ 8,176
Changes in actuarial assumptions	7,611	7,502
Contributions paid subsequent to the measurement date	29,449	
Total	$ 37,060	$ 15,678

$29,449 reported as deferred outflows of resources related to pensions resulting from District contributions to the 403(b) Plan subsequent to the measurement date will be recognized as a reduction of the total supplemental pension liability in the year ending June 30, 2023. Other amounts reported as inflow and outflows of resources related to the supplemental pension will be recognized in pension expense as follows:

Year Ending June 30		Pension Expense Amount
2023	$	(1,268)
2024		(1,268)
2025		(1,268)
2026		(1,268)
2027		(1,268)
Thereafter		(1,727)

The District recognized total pension expense of ($53,018) for all of the pension plans in which it participates.

NOTE 8 OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The District's Plan is a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The authority and requirement to provide these benefits is established in Minnesota Statutes Section 471.61, Subd. 2b. The benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through the District's collective bargaining agreements with employee groups. In as much as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

Benefits Provided - The District allows eligible individuals who have separated from employment to remain on the healthcare plan with no subsidized benefit from the District. An eligible individual is an active employee who has access to the healthcare plan and all retirees who have elected to continue coverage on the District's medical plan after retiring. The District requires a three-year service requirement for all non-TRA employees who began employment on or before July 1, 2010, after July 2, 2010 the service requirement is five years. All teachers have a service requirement of three years.

Employees Covered by Benefit Term – At July 1, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	21
Active plan members	168
Total Members	189

Total OPEB Liability – At June 30, 2022, the District reported a liability of $2,945,262 for the defined benefit healthcare plan. The total OPEB liability was measured as of July 1, 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Rates vary by service and tact group
Discount rate	2.10%
Healthcare cost trend	6.50% decreasing to 5.00%, over 6 years, then 4.00%

The discount rate is based on the estimated yield of 20-year municipal bonds.

The valuation uses mortality rates based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Amortization of deferred resource flows are based on the average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes.

In the July 1, 2021 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

Retirees and their spouses contribute to the healthcare plan according to their benefit received at retirement. Since the premium is a blended rate determined on the entire active retiree population, the retirees are receiving an implicit rate subsidy for which the District has historically funded on a pay-as-you-go basis. All of the active employees who have access to healthcare and all retirees who have elected to continue coverage on the employer's medical plan after retirement have been included in this valuation.

Changes in the Total OPEB Liability:

		Total OPEB Liability
Balance at 6/30/2021	$	2,890,322
Changes for the year:		
Service Cost		188,884
Interest Cost		70,995
Assumption Changes		38,670
Benefit Payments		(243,609)
Net Changes		54,940
Balance at 6/30/2022	$	2,945,262

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability as of June 30, 2022, calculated using the discount rate of 2.1%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.1 percent) or 1-percentage-point higher (3.1 percent) than the current rate:

District Total OPEB Liability					
	1% Decrease (1.10%)		Current (2.10%)		1% Increase (3.10%)
$	3,104,877	$	2,945,262	$	2,787,409

The following presents the total OPEB liability as of June 30, 2022, calculated using the healthcare cost trend rate of 6.25% decreasing to 5.00% over six years, then 4.00%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

District Healthcare Cost Trend Rates		
(5.25% decreasing to 4.00% then 3.00%)	(6.25% decreasing to 5.00% then 4.00%)	(7.25% decreasing to 6.00% then 5.00%)
$ 2,661,800	$ 2,945,262	$ 3,281,020

<u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> – For the year ended June 30, 2022, the District recognized OPEB expense of $126,441.

As of June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	$ 68,238	$ 27,415
Differences between expected and actual experience		454,095
Employer contributions paid subsequent to the measurement date	221,297	
Total	$ 289,535	$ 481,510

The $221,297 reported as deferred outflows of resources related to OPEB resulting from District contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the total other postemployment benefit liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2023	$ (133,438)
2024	(133,438)
2025	(133,435)
2026	(4,858)
2027	(13,622)
Thereafter	5,519

NOTE 9 LONG-TERM LIABILITIES

Changes in the District's long-term liabilities for the year ended June 30, 2022 are as follows:

	Beginning Balance, Restated	Additions	Retired	Ending Balance	Due Within One Year
G.O. Alternative and Capital Facility Bonds, Series 2013A	$ 5,415,000	$	$ 365,000	$ 5,050,000	$ 370,000
G.O. School Building Bond, Series 2014A	4,500,000		4,500,000		
G.O. Tax Abatement Bond, Series 2015A	1,100,000		110,000	990,000	115,000
G.O. School Building Bond, Series 2020A	2,540,000		240,000	2,300,000	250,000
G.O. School Building Refunding Bond, Series 2021A		3,970,000		3,970,000	270,000
Premium	179,681	338,919	19,965	498,635	
Total Bonds	13,734,681	4,308,919	5,234,965	12,808,635	1,005,000
Compensated Absences Payable	647,319	58,939	36,892	669,366	
Lease Payable	844,027		155,133	688,894	143,786
Total Long-Term Liabilities	$ 15,226,027	$ 4,367,858	$ 5,426,990	$ 14,166,895	$ 1,148,786

The District's interest expense on long-term debt for the year ended June 30, 2022, was $401,647. Compensated absences payable and lease payable are generally liquidated by the general fund.

A. General Obligation Bonds

Description	Date of Issue	Net Interest Rate	Maturity Dates	Original Amount	Current Year Retired	Balance 6/30/2022	Amounts Due in 2022-2023 Principal	Amounts Due in 2022-2023 Interest
Alt. and Capital Facility Bonds	2013	3.0-4.0%	2022/34	$ 7,645,000	$ 365,000	$ 5,050,000	$ 370,000	$ 179,545
Building Bond Series 2014A	2014	2.0-3.5%	2022/35	6,015,000	4,500,000			
Tax Abatement Bond	2015	2.0-3.0%	2022/30	1,625,000	110,000	990,000	115,000	26,200
Building Bond Series 2020A	2020	2.0-3.0%	2022/35	2,800,000	240,000	2,300,000	250,000	59,800
Building Refunding Bond Series 2021A	2021	2.0-4.0%	2022/35	3,970,000		3,970,000	270,000	133,200
					$ 5,215,000	$ 12,310,000	$ 1,005,000	$ 398,745

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2023	$ 1,005,000	$ 398,745
2024	1,020,000	352,245
2025	1,050,000	320,245
2026	1,090,000	286,745
2027	1,120,000	251,895
2028-2032	5,050,000	721,925
2033-2035	1,975,000	98,300
	$ 12,310,000	$ 2,430,100

B. Current Refunding

The District issued $3,970,000 of general obligation bonds for a current refunding of $4,230,000 general obligation building bonds. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in a net present value benefit of $466,211 and a net present value cash flow savings of $464,421.

NOTE 10 LEASE PAYABLE

The District is a lessee for noncancellable leases of buildings and equipment. The value of the lease liability was $688,894 as of June 30, 2022. The value of the right-to-use lease asset was $833,951 at the end of the fiscal year and had accumulated amortization of $149,779. The leases the District has as of June 30, 2022, are as follows:

The District has entered into a lease commencing on June 15, 2019 and ending on June 30, 2027 with the Crookston Sports Center for use of the arena. The annual lease payment will be $112,584. The District has entered into a lease commencing on July 1, 2019 and ending on June 30, 2027 with the City of Crookston for pool use. The annual lease payment will be $30,000. The District has entered into a lease commencing on July 1, 2021 and ending on January 31, 2024 with Advanced Business Methods for the use of copiers. The monthly lease payment will be $1,632 for the equipment.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30	Principal	Interest
2023	$ 143,786	$ 18,379
2024	139,477	14,529
2025	131,620	10,964
2026	135,178	7,406
2027	138,833	3,752
	$ 688,894	$ 55,030

NOTE 11 RESTRICTED NET POSITION

At June 30, 2022, a summary of the governmental activities restricted net position are as follows:

Restricted for:	
Student Activity	$ 32,072
Scholarship	295,795
Staff Development	351,570
Operating Capital	575,583
Disabled Access	33,003
Gifted and Talented	58,622
Achievement and Integration	21,267
Safe Schools	16,511
Long Term Facilities Maint.	1,302,343
Medical Assistance	3,710
Building Repairs & Maintenance	150,340
Food Service	361,198
ECFE	29,725
School Readiness	5,893
Debt Service	274,294
	$ 3,511,926

NOTE 12 CLASSIFICATION OF FUND BALANCE FOR GOVERNMENTAL FUND TYPES

At June 30, 2022, a summary of the governmental fund balance classifications are as follows:

	General	Food Service	Community Service	Debt Service	Total
Nonspendable for:					
Inventory	$ 69,901	$ 16,805	$	$	$ 86,706
Total Nonspendable	69,901	16,805			86,706
Restricted for:					
Student Activity	32,072				32,072
Scholarship	295,795				295,795
Staff Development	351,570				351,570
Operating Capital	575,583				575,583
Disabled Access	33,003				33,003
Gifted and Talented	58,622				58,622
Achievement and Integration	21,267				21,267
Safe Schools	16,511				16,511
Long Term Facilities Maint.	1,302,343				1,302,343
Medical Assistance	3,710				3,710
Building Repairs & Maintenance	150,340				150,340
Food Service		344,393			344,393
ECFE			29,725		29,725
School Readiness			5,893		5,893
Debt Service				371,856	371,856
Total Restricted	2,840,816	344,393	35,618	371,856	3,592,683
Committed for Retirement Benefits	198,875				198,875
Assigned					
Buses / Equipment	345,000				345,000
Technology	150,000				150,000
Curriculum	100,000				100,000
Donated Funds	55,707				55,707
Drivold	5,427				5,427
Greenhouse / Itasca	7,320				7,320
Grounds Improvement	4,978				4,978
Jr High Trip	2,504				2,504
Agriculture	2,260				2,260
School Readiness	122,151				122,151
School Construction	200,000				200,000
Total Assigned	995,347				995,347
Unassigned	2,797,170		(7,655)		2,789,515
Total Unassigned	2,797,170		(7,655)		2,789,515
Total Fund Balance	$ 6,902,109	$ 361,198	$ 27,963	$ 371,856	$ 7,663,126

NOTE 13 CONTINGENCIES

The District receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants and aids. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2022.

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year ended June 30, 2022.

NOTE 15 NEW PRONOUNCEMENTS

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information* Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—

and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 99, *Omnibus 2022,* provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62,* provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences,* provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined what effect these statements will have on the entity's financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUES				
Local Property Tax Levies & County Revenues	$ 1,892,506	$ 1,916,644	$ 1,947,199	$ 30,555
Other Local Revenues	308,781	385,224	389,780	4,556
Revenue From State Sources	12,066,344	12,257,293	12,466,884	209,591
Revenue From Federal Sources	1,081,446	1,570,530	1,594,764	24,234
Sale/Other Conversion of Asset	19,100	35,721	35,717	(4)
TOTAL REVENUES	15,368,177	16,165,412	16,434,344	268,932
EXPENDITURES				
Current				
Administration	1,168,030	986,370	982,726	(3,644)
District Support Services	457,046	430,681	430,003	(678)
Regular Instruction	7,400,325	7,796,550	7,793,777	(2,773)
Vocational Education Instruction	180,700	205,242	205,203	(39)
Special Education Instruction	3,211,631	3,228,814	3,228,486	(328)
Instructional Support Services	621,544	701,773	685,488	(16,285)
Pupil Support Services	992,803	862,101	861,990	(111)
Sites and Buildings	1,709,394	1,564,259	1,574,846	10,587
Fixed Costs	122,400	129,303	129,298	(5)
Debt Service				
Principal	160,584	161,764	155,133	(6,631)
Interest	26,000	23,701	17,232	(6,469)
Capital Outlay	391,593	585,349	589,435	4,086
TOTAL EXPENDITURES	16,442,050	16,675,907	16,653,617	(22,290)
Revenues Over (Under) Expenditures	(1,073,873)	(510,495)	(219,273)	291,222
OTHER FINANCING SOURCES				
Sale of Capital Assets	2,500	30,704	30,561	(143)
TOTAL OTHER FINANCING SOURCES	2,500	30,704	30,561	(143)
Net Change in Fund Balances	(1,071,373)	(479,791)	(188,712)	291,079
Fund Balances - Beginning	7,090,821	7,090,821	7,090,821	
Fund Balances - Ending	$ 6,019,448	$ 6,611,030	$ 6,902,109	$ 291,079

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE FOR THE FOOD SERVICE FUND
For the Year Ended June 30, 2022

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUES				
Other Local Revenues	$ 50	$ 4,332	$ 4,333	$ 1
Revenue From State Sources	18,100	17,054	29,079	12,025
Revenue From Federal Sources	679,031	919,906	918,463	(1,443)
Sale/Other Conversion of Asset	33,000	104,919	104,957	38
TOTAL REVENUES	730,181	1,046,211	1,056,832	10,621
EXPENDITURES				
Current				
Pupil Support Services	768,314	845,347	850,467	5,120
Capital Outlay		2,926	2,926	
TOTAL EXPENDITURES	768,314	848,273	853,393	5,120
Net Change in Fund Balances	(38,133)	197,938	203,439	5,501
Fund Balances - Beginning	157,759	157,759	157,759	
Fund Balances - Ending	$ 119,626	$ 355,697	$ 361,198	$ 5,501

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
BUDGETARY COMPARISON SCHEDULE FOR THE COMMUNITY SERVICE FUND
For the Year Ended June 30, 2022

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUES				
Local Property Tax Levies & County Revenues	$ 143,368	$ 143,368	$ 139,246	$ (4,122)
Other Local Revenues	30,000	81,348	81,347	(1)
Revenue From State Sources	133,694	133,087	134,993	1,906
Revenue From Federal Sources		14,398	9,400	(4,998)
TOTAL REVENUES	307,062	372,201	364,986	(7,215)
EXPENDITURES				
Current				
Community Education and Services	434,476	411,976	411,878	(98)
Pupil Support Services		4,650	4,646	(4)
TOTAL EXPENDITURES	434,476	416,626	416,524	(102)
Net Change in Fund Balances	(127,414)	(44,425)	(51,538)	(7,113)
Fund Balances - Beginning	79,501	79,501	79,501	
Fund Balances - Ending	$ (47,913)	$ 35,076	$ 27,963	$ (7,113)

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL SUPPLEMENTAL PENSION LIABILITY AND RELATED RATIOS
June 30, 2022

Fiscal Year	2017	2018	2019	2020	2021	2022
Total Supplemental Pension Liability						
Service Cost	$ 17,408	$ 16,414	$ 10,241	$ 11,312	$ 11,225	$ 12,147
Interest Cost	11,236	10,425	11,224	10,717	9,523	6,929
Assumption Changes		(9,527)	(2,901)	6,122	(268)	3,744
Plan Changes			(17,613)			
Differences Between Expected and Actual Experience			(969)		(9,765)	
Benefit Payments	(60,133)	(51,046)	(29,875)	(19,934)	(34,316)	(25,791)
Net Change in Total Supplemental Pension Liability	(31,489)	(33,734)	(29,893)	8,217	(23,601)	(2,971)
Total Supplemental Pension Liability - Beginning	399,898	368,409	334,675	304,782	312,999	289,398
Total Supplemental Pension Liability - Ending	$ 368,409	$ 334,675	$ 304,782	$ 312,999	$ 289,398	$ 286,427
Covered Payroll	5,298,756	Not available	3,165,825	Not available	2,773,752	2,856,965
District's Total Supplemental Pension Liability as a Percentage of a Covered Payroll	6.95%		9.63%		10.43%	10.03%

Notes:
This schedule is built prospectively until it contains ten years of data.

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2022

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	$ 210,725	$ 149,626	$ 165,171	$ 174,892	$ 188,884
Interest	133,532	131,176	103,777	94,933	70,995
Assumption Changes		(38,322)	61,411	(15,389)	38,670
Plan Changes		(17,613)			
Differences Between Expected and Actual Experience		(861,735)		(118,694)	
Benefit Payments	(383,602)	(320,779)	(221,915)	(263,747)	(243,609)
Net Change in Total OPEB Liability	(39,345)	(957,647)	108,444	(128,005)	54,940
Total OPEB Liability - Beginning	3,906,875	3,867,530	2,909,883	3,018,327	2,890,322
Total OPEB Liability - Ending	$ 3,867,530	$ 2,909,883	$ 3,018,327	$ 2,890,322	$ 2,945,262
Covered Payroll	$ 7,895,913	$ 7,876,572	$ 8,112,869	$ 8,050,303	$ 8,291,812
District's Total OPEB Liability as a Percentage of a Covered Payroll	48.98%	36.94%	37.20%	35.90%	35.52%

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last 10 Years

	Fiscal Year Ended June 30	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
PERA						
	2015	$ 161,447	$ 161,447	$	$ 2,158,000	7.48 %
	2016	181,911	181,911		2,426,468	7.50
	2017	189,822	189,822		2,528,407	7.51
	2018	199,607	199,607		2,677,776	7.45
	2019	202,943	202,943		2,705,907	7.50
	2020	199,610	199,610		2,789,283	7.16
	2021	207,008	207,008		2,760,105	7.50
	2022	226,718	226,718		3,022,895	7.50
TRA						
	2015	$ 385,168	$ 385,168	$	$ 5,152,406	7.48 %
	2016	438,163	438,163		5,844,341	7.50
	2017	454,828	454,828		6,069,541	7.49
	2018	461,894	461,894		6,153,369	7.51
	2019	472,728	472,728		6,140,674	7.70
	2020	477,609	477,609		6,047,187	7.90
	2021	508,341	508,341		6,230,731	8.16
	2022	555,691	555,691		6,640,511	8.37

The amounts presented for each fiscal year were determined as of the District's year end which is June 30th.

The District implemented GASB Statement No. 68 for its fiscal year ended June 30, 2015. Information for the prior years is not available.

The notes to the required supplementary information are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF DISTRICT SHARE OF NET PENSION LIABILITY
Last 10 Years

	Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District (if Applicable)	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Postion as a Percentage of the Total Pension Liability
PERA								
	2014	0.0424 %	$ 1,991,740	$	$ 1,991,740	$ 2,483,000	80.22 %	78.70 %
	2015	0.0393	2,036,730		2,036,730	2,158,000	94.38	78.19
	2016	0.0391	3,174,726	41,452	3,216,178	2,426,468	130.84	68.90
	2017	0.0393	2,508,886	31,550	2,540,436	2,528,407	99.23	75.90
	2018	0.0396	2,196,846	72,062	2,268,908	2,677,776	82.04	79.53
	2019	0.0384	2,123,050	65,997	2,189,047	2,705,907	78.46	80.23
	2020	0.0374	2,242,301	69,228	2,311,529	2,789,283	80.39	79.06
	2021	0.0383	1,635,582	49,859	1,685,441	2,760,105	59.26	87.00
TRA								
	2014	0.1205 %	$ 5,552,553	$ 390,684	$ 5,943,237	$ 5,502,406	100.91 %	81.50 %
	2015	0.1128	6,977,796	855,650	7,833,446	5,152,406	135.43	76.80
	2016	0.1109	26,452,296	2,654,436	29,106,732	5,844,341	452.61	44.88
	2017	0.1128	22,516,926	2,176,568	24,693,494	6,069,541	370.98	51.57
	2018	0.1114	6,996,693	657,567	7,654,260	6,153,369	113.71	78.07
	2019	0.1075	6,852,073	606,318	7,458,391	6,140,674	111.59	78.21
	2020	0.1041	7,691,047	644,396	8,335,443	6,047,187	127.18	75.48
	2021	0.1036	4,533,846	382,251	4,916,097	6,230,731	72.77	86.63

The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability which is June 30 of the previous fiscal year.

The District implemented GASB Statement No. 68 for its fiscal year ended June 30, 2015. Information for the prior years is not available.

The notes to the required supplementary information are an integral part of this schedule

NOTE 1 BUDGETARY DATA

Budgets are prepared for District funds on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end. Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the governmental funds of the District.

The budget is adopted through the passage of a resolution. Administration can authorize the transfer of budgeted amounts within any fund. Any revisions that alter the total expenditures of any fund must be approved by the governing board. The legal level of budgetary control is the fund level. The annual appropriated budget is not legally binding on the District unless the District has a deficit fund balance which exceeds 2.5% of expenditures.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2022, expenditures exceeded appropriations in the food service fund budget by $5,120. The over expenditures were funded by greater than anticipated revenues.

NOTE 3 DEFINED BENEFIT PLANS

General Employees Fund

2021 Changes

Changes in Actuarial Assumptions: The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions: There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions: The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

<u>Changes in Plan Provisions</u>: Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

<u>Changes in Actuarial Assumptions:</u> The mortality projection scale was changed from MP-2017 to MP-2018.

<u>Changes in Plan Provisions:</u> The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The State's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018 Changes

<u>Changes in Actuarial Assumptions:</u> The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

<u>Changes in Plan Provisions:</u> The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

<u>Changes in Actuarial Assumptions:</u> The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

<u>Changes in Plan Provisions:</u> The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions: The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years. The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2015 Changes

Changes in Plan Provisions: On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

Changes in Actuarial Assumptions: The assumed post-retirement benefit increase was changed form 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

TRA
Changes in Actuarial Assumptions Since the 2016 Valuation:
- The Cost of Living Adjustment (COLA) was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5 percent, but remain at 2.0 percent for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4 percent to 0.0 percent, the vested inactive load increased from 4.0 percent to 7.0 percent and the non-vested inactive load increased from 4.0 percent to 9.0 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for ten years followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in actuarial assumptions since the 2017 valuation:
- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payment and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee

contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in actuarial assumptions since the 2018 valuation:
- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

Changes in actuarial assumptions since the 2020 valuation:
- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

Changes in actuarial assumptions since the 2021 valuation:
- For GASB valuation the investment return assumption was changed from 7.50% to 7.00%.

NOTE 4 SUPPLEMENTAL PENSION

Changes since prior valuation:

- The discount rate was changed from 2.40% to 2.10%.

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS

Changes since prior valuation:

- The discount rate was changed from 2.40% to 2.10%.

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 2022

	Balance Beginning of Year	Revenues	Expenditures	Transfers	Sale of Capital Assets	Debt Issued	UFARS Balance End of Year	Reclassify	Financial Statement Balance End of Year
Governmental Funds									
General Fund									
Nonspendable for Inventory	$ 48,027	$	$	$ 21,874	$	$	$ 69,901	$	$ 69,901
Nonspendable for Prepaids	9,711			(9,711)					
Restricted for:									
Student Activity	29,848	13,357	11,133				32,072		32,072
Scholarships	296,471	32,242	32,918				295,795		295,795
Staff Development	295,393	165,836	109,659				351,570		351,570
Operating Capital	564,398	214,779	203,594				575,583		575,583
Disabled Access	33,003						33,003		33,003
Alternate Learning Program		50,387	153,497	103,110					
Gifted and Talented	63,934	16,022	21,334				58,622		58,622
Basic Skills		1,000,167	1,000,167						
Achievement and Integration	16,431	153,775	148,939				21,267		21,267
Safe Schools	19,505	39,746	42,740				16,511		16,511
Long Term Facilities Maint.	1,019,110	459,106	175,873				1,302,343		1,302,343
Medical Assistance	3,763	3,741	3,794				3,710		3,710
Building Repairs & Maintenance	328,783		178,443				150,340		150,340
Committed for Retirement Benefits	186,654		218,234	230,455			198,875		198,875
Assigned									
Buses / Equipment	110,000		117,099	352,099			345,000		345,000
Technology	150,000		8,328	8,328			150,000		150,000
Curriculum	100,000		69,419	69,419			100,000		100,000
Donated Funds	62,508	1,139	7,940				55,707		55,707
Drivold	6,029		602				5,427		5,427
Greenhouse / Itasca	5,434	1,886					7,320		7,320
Grounds Improvement	4,978						4,978		4,978
Jr High Trip	2,504						2,504		2,504
Agriculture	2,500		240				2,260		2,260
School Readiness	122,151						122,151		122,151
School Construction	200,000						200,000		200,000
Unassigned									
General	3,409,686	14,282,161	14,149,664	(775,574)	30,561		2,797,170		2,797,170

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF CHANGES IN FUND BALANCES - Continued
For the Year Ended June 30, 2022

	Balance Beginning of Year	Revenues	Expenditures	Transfers	Sale of Capital Assets	Debt Issued	UFARS Balance End of Year	Reclassify	Financial Statement Balance End of Year
Food Service Fund									
Nonspendable for Inventory	13,763			3,042			16,805		16,805
Restricted for Food Service	143,996	1,056,832	853,393	(3,042)			344,393		344,393
Community Service Fund									
Restricted for:									
Community Education	7,316	139,075	152,114				(5,723)	5,723	
ECFE	30,756	78,609	79,640				29,725		29,725
School Readiness	38,036	130,336	162,479				5,893		5,893
Community Service	3,393	16,966	22,291	1,932					
Unassigned				(1,932)			(1,932)	(5,723)	(7,655)
Debt Service Fund									
Restricted for Debt Service	309,775	1,404,794	5,651,632			4,308,919	371,856		371,856

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Education
Independent School District No. 593
Crookston, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 593 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2022**.**

Legal Compliance

In connection with our audit, nothing of came to our attention that caused us to believe that the District failed to comply with the provisions of contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

October 19, 2022

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

To the Board of Education
Independent School District No. 593
Crookston, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 593, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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Report on Compliance and Other Matters

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

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

October 19, 2022

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

To the Board of Education
Independent School District No. 593
Crookston, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Independent School District No. 593's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Independent School District No. 593 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Independent School District No. 593 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

October 19, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal AL Number		Amount
U.S. Department of Education			
Direct Programs:			
Indian Education	84.060	$	13,981
Indirect Programs:			
Passed Through Pine to Prairie Coop:			
Career and Technical Education Grant	84.048		11,789
Passed-Through Minnesota Department of Education:			
Title I, Part D	84.010		48,191
Title I	84.010		386,808
Total AL 84.010			434,999
Title II, Part A	84.367		41,657
Title IV, Part A	84.424		26,809
COVID-19 Elementary and Secondary Education Relief Fund	84.425D		186,373
COVID-19 Elementary and Secondary Education Relief Fund	84.425D		176,382
COVID-19 Elementary and Secondary Education Relief Fund	84.425U		101,701
COVID-19 Elementary and Secondary Education Relief Fund	84.425W		12,500
Total AL 84.425			476,956
Special Education - Infants and Toddlers	84.181		5,003
Special Education Cluster:			
COVID-19 - Special Education Grants to States	84.027		37,418
Special Education Grants to States	84.027		311,178
Passed-Through Bemidji Regional Interdistrict Council:			
Special Education Grants to States	84.027		5,540
Total AL 84.027			354,136
Passed-Through Minnesota Department of Education:			
COVID 19 - Special Education Preschool Grants	84.173		5,883
Special Education Preschool Grants	84.173		4,653
Total AL 84.173			10,536
Total Special Education Cluster			364,672
Total Indirect			1,361,885
Total U.S. Department of Education			1,375,866
U.S. Department of Treasury			
Passed-Through Minnesota Department of Education:			
Coronavirus State and Local Fiscal Recovery Funds Cluster:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		22,084
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		37,861
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		9,400
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		25,922
Total Coronavirus State and Local Fiscal Recovery Funds Cluster			95,267
Total U.S. Department of Treasury			95,267

The notes to the schedule of expenditures of federal awards are an integral part of this schedule

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal AL Number	Amount
U.S. Department of Agriculture		
Passed-Through Minnesota Department of Education:		
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	1,587
Child Nutrition Cluster:		
Fresh Fruit and Vegetable Program	10.582	6,992
School Breakfast Program	10.553	192,614
National School Lunch Program (Free/Reduced)	10.555	600,895
National School Lunch Program	10.555	59,828
COVID-19 - National School Lunch Program (Supply Chain)	10.555	23,491
Total AL 10.555		684,214
COVID-19 Summer Food Service Program for Children	10.559	34,644
Total Child Nutrition Cluster		918,464
Total U.S. Department of Agriculture		920,051
Federal Communications Commission		
COVID 19 - Emergency Connectivity Fund Program	32.009	69,010
Total Federal Communications Commission		69,010
Department of Health and Human Services		
Passed-Through Minnesota Department of Education:		
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	60,854
Passed-Through Minnesota Department of Health:		
COVID-19 - State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	93.366	1,579
Total Department of Health and Human Services		62,433
TOTAL FEDERAL AWARDS		$ 2,522,627

The notes to the schedule of expenditures of federal awards are an integral part of this schedule

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 BASIS OF PRESENTATION

The Schedule includes the federal award activity of Independent School District No. 593 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Independent School District No. 593, it is not intended to be and does not present the financial position or changes in net position of Independent School District No. 593.

NOTE 4 COMMODITY DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 5 PASS-THROUGH ENTITIES

All pass-through entities listed on the previous page use the same AL numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 6 SUBRECIPIENTS

During the year ended June 30, 2022, the District did not pass any federal money to subrecipients.

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	_x_ yes ___ none reported
Noncompliance material to financial statements noted?	___ yes _x_ no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes _x_ no

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.582	Fresh Fruit and Vegetable Program
10.553	School Breakfast Program
10.555	National School Lunch Program (Free/Reduced)
10.555	National School Lunch Program
10.555	National School Lunch Program (Supply Chain)
10.559	Summer Food Service Program for Children
84.425	COVID-19 Elementary and Secondary Education Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_x_ yes ___ no

Section II-Financial Statement Findings

2022-001 FINDING

Criteria
An appropriate system of internal control requires the District to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

Condition
The District's personnel prepare periodic financial information for internal use that meets the needs of management and the Board of Education. However, the District currently does not prepare the financial statements, including the accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

Cause
The District elected to have the auditors assist with the preparation of the financial statements for efficiency.

Effect
There is an increased risk of material misstatement to the District's financial statements.

Recommendation
We recommend the District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control, the District should establish an internal control policy to document the annual review of the financial statement and to review a financial statement disclosure checklist.

Views of Responsible Officials and Planned Corrective Actions
The District agrees with the recommendation and will review on an annual basis.

Section III-Federal Award Findings and Questioned Costs

There are no findings which are required to be reported under this section.

2021-001

Criteria
An appropriate system of internal control requires the District to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

Condition
The District's personnel prepare periodic financial information for internal use that meets the needs of management and the Board of Education. However, the District currently does not prepare the financial statements, including the accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

Cause
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Effect
There is an increased risk of material misstatement to the District's financial statements.

Recommendation
We recommend the District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control, the District should establish an internal control policy to document the annual review of the financial statement and to review a financial statement disclosure checklist.

Corrective Action Taken
No action taken. See current year finding 2022-001 and Corrective Action Plan.

Dave Kuehn, Superintendent
402 Fisher Avenue, Suite 593
Crookston, Minnesota 56716

VOICE: 218-281-5313, Ext. 1
FAX: 218-281-3505
EMAIL: davekuehn@isd593.org

2022-001 FINDING

Contact Person – Superintendent

Corrective Action Plan – The District will establish a policy to document review of the financial statements and notes.

Completion Date – Ongoing

INDEPENDENT SCHOOL DISTRICT NO. 593
CROOKSTON, MINNESOTA
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
June 30, 2022

District Name: INDEPENDENT SCHOOL DISTRICT NO. 593 **District Number:** 593

	Audit	UFARS	Variance
01 GENERAL FUND			
Total Revenue	16,434,344	16,434,344	
Total Expenditures	16,653,617	16,653,618	(1)
Non Spendable:			
460 Non Spendable Fund Balance	69,901	69,901	
Restricted/Reserve:			
401 Student Activities	32,072	32,073	(1)
402 Scholarships	295,795	295,796	(1)
403 Staff Development	351,570	351,570	
407 Capital Projects Levy			
408 Cooperative Revenue			
413 Project Funded by Cop			
414 Operating Debt			
416 Levy Reduction			
417 Taconite Building Maintenance			
424 Operating Capital	575,583	575,583	
426 $25 Taconite			
427 Disabled Accessibility	33,003	33,003	
428 Learning & Development			
434 Area Learning Center			
435 Contracted Alt Programs			
436 State Approved Alt Program			
438 Gifted & Talented	58,622	58,622	
440 Teacher Development and Eval			
441 Basic Skills Programs			
448 Achievement and Integration	21,267	21,267	
449 Safe Schools Levy	16,511	16,510	1
451 QZAB Payments			
452 OPEB Liab Not In Trust			
453 Unfnded Sev & Retirement Levy			
459 Basic Skills Ext Time			
467 LTFM	1,302,343	1,302,342	1
472 Medical Assistance	3,710	3,707	3
473 PPP Loans			
474 EIDL Loans			
Restricted:			
464 Restricted Fund Balance	150,340	150,340	
475 Title VII - Impact Aid			
476 PILT			
Committed:			
418 Committed for Separation	198,875	198,874	1
461 Committed Fund Balance			
Assigned:			
462 Assigned Fund Balance	995,347	995,348	(1)
Unassigned:			
422 Unassigned Fund Balance	2,797,170	2,797,171	(1)
Reconciliation of General	39,990,070	39,990,069	1
02 FOOD SERVICE			
Total Revenue	1,056,832	1,056,832	
Total Expenditures	853,393	853,393	
Non Spendable:			
460 Non Spendable Fund Balance	16,805	16,805	
Restricted:			
452 OPEB Liab Not In Trust			
464 Restricted Fund Balance	344,393	344,391	2
474 EIDL Loans			
Unassigned:			
463 Unassigned Fund Balance			
Reconciliation of Food Service	2,271,423	2,271,421	2
04 COMMUNITY SERVICE			
Total Revenue	364,986	364,986	
Total Expenditures	416,524	416,524	
Non Spendable:			
460 Non Spendable Fund Balance			
Restricted/Reserve:			
426 $25 Taconite			
431 Community Education	(5,723)	(5,723)	
432 E.C.F.E.	29,725	29,725	
440 Teacher Development and Eval			
444 School Readiness	5,893	5,894	(1)
447 Adult Basic Education			
452 OPEB Liab Not In Trust			
473 PPP Loans			
474 EIDL Loans			

	Audit	UFARS	Variance
04 COMMUNITY SERVICE (continued)			
Restricted:			
464 Restricted Fund Balance			
Unassigned:			
463 Unassigned Fund Balance	(1,932)	(1,933)	1
Reconciliation of Community Service	809,473	809,473	
06 BUILDING CONSTRUCTION			
Total Revenue			
Total Expenditures			
Non Spendable:			
460 Non Spendable Fund Balance			
Restricted/Reserve:			
407 Capital Projects Levy			
413 Projects Funded By COP			
467 LTFM			
Restricted:			
464 Restricted Fund Balance			
Unassigned:			
463 Unassigned Fund Balance			
Reconciliation of Building Construction			
07 DEBT SERVICE			
Total Revenue	1,404,794	1,404,794	
Total Expenditures	5,651,632	5,651,631	1
Non Spendable:			
460 Non Spendable Fund Balance			
Restricted/Reserve:			
425 Bond Refundings			
433 Max Effort Loan			
451 QZAB Payments			
467 LTFM			
Restricted:			
464 Restricted Fund Balance	371,856	371,859	(3)
Unassigned:			
463 Unassigned Fund Balance			
Reconciliation of Debt Service	7,428,282	7,428,284	(2)
08 TRUST			
Total Revenue			
Total Expenditures			
422 Unassigned Fund Balance			
Reconciliation of Trust			
20 INTERNAL SERVICE			
Total Revenue			
Total Expenditures			
422 Unassigned Fund Balance			
Reconciliation of Internal Service			
25 OPEB REVOCABLE TRUST FUND			
Total Revenue			
Total Expenditures			
422 Unassigned Fund Balance			
Reconciliation of OPEB Revocable Trust			
45 OPEB IRREVOCABLE TRUST FUND			
Total Revenue			
Total Expenditures			
422 Unassigned Fund Balance			
Reconciliation of OPEB Irrevocable Trust			
47 OPEB DEBT SERVICE FUND			
Total Revenue			
Total Expenditures			
Non Spendable:			
460 Non Spendable Fund Balance			
Restricted:			
464 Restriced Fund Balance			
Unassigned:			
463 Unassigned Fund Balance			
Reconciliation of OPEB Debt Service			