INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF SCHOOL BOARD MEMBERS AND OFFICIALS
JUNE 30, 2023

SCHOOL BOARD MEMBERS		**TERM EXPIRES**
Jason Louwagie	Chairperson	December 31, 2024
Dan Louwagie	Vice Chairperson	December 31, 2024
Tracy Sterner	Clerk	December 31, 2024
Alan Grube	Treasurer	December 31, 2026
Korey Herrick	Director	December 31, 2026
Vicki Myers	Director	December 31, 2026
Joel Timm	Director	December 31, 2026

SCHOOL OFFICIAL

Chris Fenske	Superintendent

HOFFMAN & BROBST PLLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Independent School District No. 2167
Lakeview
Cottonwood, 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota as of and for the year ended June 30, 2023, and the related notes to the basic 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota as of June 30, 2023, 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 9 to the basic financial statements, in 2023, Independent School District No. 2167, Lakeview, Cottonwood, Minnesota adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Responsibility 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 and the required supplementary information as listed in the table of contents 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's basic financial statements. The accompanying uniform financial accounting and reporting standards compliance table and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 uniform financial accounting and reporting standards compliance table and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the audit report. The other information comprises the introductory section and other supplementary information sections 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.

Report on Summarized Comparative Information

We have previously audited Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's June 30, 2022 financial statements, and our report, dated December 15, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 14, 2023, on our consideration of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's internal control over financial reporting and compliance.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

December 14, 2023

REQUIRED SUPPLEMENTAL INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

As management of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, we offer readers of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's financial statements this narrative overview and analysis of the financial activities of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- Net position in the Statement of Net Position increased $1,962,733 from the prior year to $5,889,073. This increase was the result of a variety of factors including favorable operating results of the General Fund, an increase in capital assets, and continued paydown of outstanding bonds and leases. The increase is also due to the amortization of prior year deferred inflow and outflow amounts offset by differences between actual and expected investment earnings for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions.
- The District's General Fund revenues and other financing sources exceeded expenditures for the year by $295,954. The unassigned fund balance increased by $269,031 and the various restricted fund balances increased by $72,274, while the assigned fund balance decreased $45,351. The General Fund unassigned fund balance as of June 30, 2023 was $4,580,057.
- The District was in compliance with its fund balance policy at June 30, 2023. The District maintained 57.2% of the District's General Fund operating budget (excluding restricted expenditures) in the combined total of the General Fund committed, assigned, and unassigned fund balances. This is above the 25% stated in the fund balance policy.
- The District once again received federal funding during the year as a result of the grants made available through COVID-19 resources. There was an increase in revenue through the American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Fund based on the timing of reimbursable expenditures and funds available. However, there was a decrease in revenue through the federal food service program as free meals for all students, regardless of family income, expired at the end of fiscal year 2022.
- The District entered into a financed purchase lease agreement for a solar electric (PV) system during the 2020-2021 school year. The total expected cost of the solar electric system was $750,750, of which $750,750 was set to be financed under the lease. However, at June 30, 2023, only $594,450 of the amount financed was expended on the project. Part of the delay was due to the timing of receiving some of the materials because of COVID-19. In addition, part of the system was damaged due to a storm in the spring of 2023 and there was delay on the insurance recovery for that damage, so the repairs did not get finished in the current fiscal year. The project is expected to be completed in January 2024. The balance of the cash, $156,300, is in an escrow account at City National Bank in Orlando, Florida and is restricted for payment of the remaining materials.
- The District completed the school improvements project, which included but was not limited to, safety and security updates; playground and parking lot improvements; various deferred capital maintenance projects, repurposing of outdoor activity spaces; football field and track renovations; and baseball/softball field lighting. The first phase of the project was completed in the summer and fall of 2021, and $3,102,926 was placed into service during the fiscal year 2022. Phase two construction was completed in the summer and early fall of calendar year 2022, and $6,534,422 was placed in service during fiscal year 2023. Construction for a four-classroom addition began in the Spring of 2023 and was completed in October 2023.
- On March 9, 2023, the District issued General Obligation Facilities Maintenance and School Building Bonds, Series 2023A in the amount of $1,740,000. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility as approved by voters on February 9, 2021, and various deferred maintenance projects at District facilities described in the District's Long-Term Facilities Maintenance ten-year plan approved by the Commissioner of Education.

FINANCIAL HIGHLIGHTS (Cont'd)

- The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) in the current year which requires the establishment of a subscription asset and related subscription liability (when applicable) for all subscription arrangements with a term longer than 12 months. The District is required to evaluate each arrangement at inception to determine if it qualifies as a SBITA. The Statement requires recognition of certain subscription assets and liabilities for arrangements that previously were classified as expenditures at the time of payment, and also requires a disclosure of descriptive information about the government's SBITAs other than short-term SBITAs. No restatement of net position was required upon implementation of this standard.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts. They are:

- Independent Auditor's Report,
- Required Supplementary Information which includes the Management's Discussion and Analysis (this section),
- Basic financial statements, notes to the basic financial statements, and
- Other supplementary information, and other required reports and information.

The basic financial statements include two kinds of statements that present different views of the District:

- The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, 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 government-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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 government-wide financial statements report the District's net position and how it has changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows 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 an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- **Governmental Activities –** Most of the District's basic services are included here, such as regular and special education, transportation, administration, food service, and community education. Property taxes and state aids finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – rather than the District as a whole. 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 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 to determine whether there are more or less 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 government-wide statements, additional information (reconciliation schedules) follows the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS)

NET POSITION

The District's combined net position was $5,889,073 on June 30, 2023. This was an increase of 50.0% from the previous year total of $3,926,340. A summary of the District's net position is as follows:

Net Position – Governmental Activities

	6/30/2023	6/30/2022	Percentage Change
Current and Other Assets	$10,774,741	$11,227,400	
Capital and Right of Use Assets	24,746,075	22,657,892	
Total Assets	**35,520,816**	**33,885,292**	**4.8%**
Related to OPEB	14,386	13,035	
Related to Pensions	2,038,350	2,153,466	
Total Deferred Outflows of Resources	**2,052,736**	**2,166,501**	**(5.3%)**
Current Liabilities	2,046,953	1,964,753	
Noncurrent Liabilities	25,716,919	22,063,039	
Total Liabilities	**27,763,872**	**24,027,792**	**15.5%**
Property Taxes Levied for Subsequent Year's Expenditures	2,446,562	2,203,464	
Related to OPEB	150,314	162,216	
Related to Pensions	1,167,431	5,435,681	
Related to Solar Electric System	156,300	296,300	
Total Deferred Inflows of Resources	**3,920,607**	**8,097,661**	**(51.6%)**
Net Investment in Capital and Right of Use Assets	6,026,069	5,570,805	
Restricted	1,055,627	897,452	
Unrestricted	(1,192,623)	(2,541,917)	
Total Net Position	**$ 5,889,073**	**$ 3,926,340**	**50.0%**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION

The change in net position occurs as a result of revenue being greater than expenses for the year ended June 30, 2023. This increase was the result of a variety of factors including favorable operating results of the General Fund, an increase in capital assets, and continued paydown of outstanding bonds and leases. The increase is also due to the amortization of prior year deferred inflow and outflow amounts offset by differences between actual and expected investment earnings for both the Teacher Retirement Association and Public Employees Retirement Association as it relates to pensions.

A summary of the District's revenues and expenses is as follows:

Change in Net Position – Governmental Activities

	6/30/2023	6/30/2022	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 660,292	$ 451,728	
Operating Grants and Contributions	2,748,587	2,936,464	
Capital Grants and Contributions	90,244	73,356	
General Revenues			
Property Taxes	1,657,326	1,603,815	
Unallocated Federal and State Aid	6,469,611	5,573,884	
Other	393,429	148,635	
Total Revenues	**12,019,489**	**10,787,882**	**11.4%**
Expenses			
District and School Administration	554,273	559,908	
District Support Services	272,121	236,397	
Regular Instruction	3,492,943	3,791,481	
Vocational Instruction	199,202	182,791	
Exceptional Instruction	1,470,899	1,437,957	
Community Education and Services	358,270	393,309	
Instructional Support Services	481,652	416,765	
Pupil Support Services	1,229,160	1,223,554	
Site, Buildings and Equipment	907,544	500,603	
Fiscal and Other Fixed Cost Programs	72,382	66,341	
Interest on Long Term Debt	542,436	491,720	
Loss on Disposal of Assets	7,244	408,953	
Depreciation and Amortization - Unallocated	468,630	495,446	
Total Expenses	**10,056,756**	**10,205,225**	**(1.5%)**
Increase (Decrease) in Net Position	**1,962,733**	**582,657**	
Beginning of Year Net Position			
As Originally Stated	**3,926,340**	**3,347,657**	
Prior Period Adjustment (GASB 87)	**-**	**(3,974)**	
Beginning Net Position, as Restated	**3,926,340**	**3,343,683**	
End of Year Net Position	**$ 5,889,073**	**$ 3,926,340**	**50.0%**

The District's total revenues consisted of program revenues of $3,499,123, property taxes of $1,657,326, unallocated federal and state aids of $6,469,611, earnings on investments of $240,641, and some other miscellaneous other sources. Expenses totaling $10,056,756 consisted primarily of student instructional costs of $5,163,044, student support services of $1,710,812, administration costs of $826,394, site, buildings and equipment costs of $907,544, community education services of $358,270, unallocated depreciation and amortization expenses of $468,630, interest on long-term debt of $542,436, and minor other amounts.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GOVERNMENT-WIDE FINANCIAL STATEMENTS) (Cont'd)

CHANGE IN NET POSITION (Cont'd)

The cost of all governmental activities this year was $10,056,756.

- The users of the District's programs paid for 6.6%, or $660,292, of the costs.
- The federal and state governments subsidized certain programs with grants and contributions. This totaled $2,838,831, or 28.2 % of the total costs.
- Most of the District's net cost of services ($6,557,633), however, were paid for by state taxpayers based on the statewide education aid formula and by District taxpayers.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS)

FUND BALANCE

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $7,750,504. This was down from $8,201,233 at the end of the prior year, a decrease of $450,729. This overall decrease is due to the costs of the project in the Building Construction Fund offset by favorable operations in the General Fund, Food Service Fund, Community Service Fund, and Debt Service Fund.

REVENUES AND EXPENDITURES

Revenues and other financing sources of the District's governmental funds totaled $13,999,600. This was a increase of 27.2% from the previous year total of $11,001,797. Total expenditures were $14,450,329. This was an decrease of 7.9% from the previous year total of $15,688,766. A summary of the revenues, expenditures, and other financing sources reported on the governmental financial statements is as follows:

Revenues and Expenditures – Governmental Funds

	Revenue	Expenditures	Other Financing Sources	Fund Balance Increase (Decrease)
General Fund	$ 9,281,906	$ 9,156,971	$ 171,019	$ 295,954
Food Service Fund	612,431	601,612	-	10,819
Community Service Fund	433,975	411,512	-	22,463
Building Construction Fund	62,082	2,738,034	1,867,708	(808,244)
Debt Service Fund	1,570,479	1,542,200	-	28,279
Totals	**$ 11,960,873**	**$ 14,450,329**	**$ 2,038,727**	**$ (450,729)**

GENERAL FUND

The General Fund is used by the District to record the primary operations of providing educational services to students from kindergarten through grade twelve. Pupil transportation activities, capital purchases and major maintenance projects are also included in the General Fund.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND (Cont'd)
The following schedule presents a summary of General Fund revenues and other financing sources:

Revenues – General Fund

	Year Ended 6/30/2023	Year Ended 6/30/2022	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Taxes	$ 735,744	$ 788,532	$ (52,788)	(6.7%)
Other Local Sources	468,002	298,551	169,451	(56.8%)
State Sources	7,510,231	6,765,164	745,067	11.0%
Federal Sources	567,929	655,863	(87,934)	(13.4%)
Total Revenues	**9,281,906**	**8,508,110**	**773,796**	**9.1%**
Other Financing Sources				
Issuance of Financed Purchase Lease	140,000	166,148	(26,148)	(15.7%)
Issuance of Right of Use Lease	-	2,518	(2,518)	(100.0%)
Insurance Recovery	31,019	40,810	(9,791)	(24.0%)
Total Other Financing Sources	**171,019**	**209,476**	**(38,457)**	**(18.4%)**
Total Revenues and Other Financing Sources	**$ 9,452,925**	**$ 8,717,586**	**$ 735,339**	**8.4%**

The following schedule presents a summary of General Fund expenditures:

Expenditures – General Fund

	Year Ended 6/30/2023	Year Ended 6/30/2022	Amount Change	Percentage Change
Salaries and Wages	$ 4,990,144	$ 4,725,834	$ 264,310	5.6%
Employee Benefits	1,241,675	1,186,016	55,659	4.7%
Purchased Services	1,588,983	1,367,386	221,597	16.2%
Supplies and Materials	900,602	681,913	218,689	32.1%
Other Expenditures	75,638	80,383	(4,745)	(5.9%)
Capital Expenditures	198,965	180,811	18,154	10.0%
Debt Service Expenditures	160,964	170,279	(9,315)	(5.5%)
Total Expenditures	**$ 9,156,971**	**$ 8,392,622**	**$ 764,349**	**9.1%**

In summary, the 2022-2023 General Fund revenues and other financing sources exceeded expenditures by $295,954. As a result, fund balance increased to $5,215,445 at June 30, 2023. After deducting statutory and accounting standards restrictions and fund balance policy assignments, the unassigned fund balance increased $269,031 to $4,580,057 at June 30, 2023. The District closely monitors the General Fund unassigned fund balance through its budgeting process throughout the year.

GENERAL FUND BUDGETARY HIGHLIGHTS
During the year ended June 30, 2023 the District revised its operating budget two times. These revisions were planned, and were necessary because when the initial budget was prepared and adopted (a budget must be in place prior to the beginning of the fiscal year on July 1) details of student enrollment numbers, salary details, staffing levels, and other significant information items were not yet definite. The final revision was made in April, 2023 to reflect significant changes in enrollment data, state funding adjustments, and unforeseen changes in expenditures categories.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues and other financing sources by $36,322, the actual results for the year showed revenues and other financing sources exceeding expenditures by $295,954.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FUND FINANCIAL STATEMENTS) (Cont'd)
GENERAL FUND BUDGETARY HIGHLIGHTS (Cont'd)

- Actual revenues and other financing sources were $515,365 or 5.8 percent, more than budget, due primarily to earnings from investments, issuance of financed purchase lease, and higher than expected general education aid, special education aid, and federal revenue.

- Actual expenditures were $183,089, or 2.0 percent, more than budget. This overall unfavorable variance was a combination of negative variances in all categories except exceptional instruction, pupil support services, site, buildings and equipment, fiscal and other fixed cost programs, and debt service.

FOOD SERVICE FUND
The Food Service Fund revenue for 2022-2023 totaled $612,431 and expenditures were $601,612, resulting in a fund balance increase of $10,819. This increase is due primarily to earnings from investments. The June 30, 2023 Food Service Fund fund balance is $310,965.

COMMUNITY SERVICE FUND
In 2022-2023, the total revenues for the Community Service Fund were $433,975 and total expenditures were $411,512. Total revenues exceeded expenditures by $22,463, resulting in a increase of the same amount in the June 30, 2023 fund balance. The Community Service Fund fund balance as of June 30, 2023 is $114,540. The increase in fund balance is primarily due to an increase in fees and tuition from patrons and earnings from investments offset by a decrease in miscellaneous revenues.

BUILDING CONSTRUCTION FUND
The Building Construction Fund expenditures exceeded revenues and other financing sources by $808,244 in 2022-2023. Total revenues and other financing sources were $1,929,790 and total expenditures were $2,738,034. The Building Construction Fund fund balance as of June 30, 2023 is $1,804,538.

DEBT SERVICE FUND
The Debt Service Fund revenues exceeded expenditures by $28,279 in 2022-2023 due to earnings from investments, the statutory levy process, and various aids outpacing the debt service payments. The fund balance of $305,016 at June 30, 2023 is available for meeting future debt service obligations.

CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION
CAPITAL AND RIGHT OF USE ASSETS
As of June 30, 2023, the District had net capital and right of use assets of $24,746,075 representing a broad range of capital and right of use assets, including school buildings and improvements, computer and audio-visual equipment, and various other equipment held for instructional, support and administrative purposes. Total depreciation and amortization expense for the year was $821,469. Information about the District's capital and right of use assets are shown below. More detailed information about the District's capital and right of use assets is presented in Note 4 to the basic financial statements.

Capital and Right of Use Assets – Governmental Activities

	6/30/2023	6/30/2022	Percentage Change
Land	$ 132,000	$ 132,000	0.0%
Construction in Progress	1,588,799	5,307,186	(70.1%)
Buildings and Improvements	27,810,723	21,691,971	28.2%
Equipment and Vehicles	2,419,670	1,935,373	25.0%
Right of Use Assets	100,518	100,518	0.0%
Less Accumulated Depreciation And Amortization	(7,305,635)	(6,509,156)	12.2%
Total Net Capital and Right of Use Assets	**$ 24,746,075**	**$ 22,657,892**	**9.2%**

CAPITAL AND RIGHT OF USE ASSETS AND DEBT ADMINISTRATION (Cont'd)

DEBT ADMINISTRATION

At year-end, the District had $19,365,000 in general obligation bonds outstanding. The District also had various other long-term liabilities as detailed in Note 5 to the basic financial statements.

- The District issued $1,740,000 in General Obligation Facilities Maintenance and School Building Bonds on March 9, 2023.
- An additional $140,000 lease was financed during the fiscal year for the ongoing solar electric project.
- The District continues to pay its scheduled debt payments, retiring $1,177,691 of bonds and lease liabilities in the year ending June 30, 2023.

Outstanding Debt

	6/30/2023	6/30/2022	Percentage Change
General Obligation Bonds	$ 19,365,000	$ 18,670,000	3.7%
Financed Purchase Leases	589,654	559,981	5.3%
Right of Use Leases	7,317	29,681	(75.3%)
Total	**$ 19,961,971**	**$ 19,259,662**	**3.6%**

FACTORS BEARING ON THE DISTRICT'S FUTURE

COVID-19 related funding once again played a factor in 2022-2023, but will be discontinued at the end of 2023-2024. The additional revenue from the CARES ACT offset most of the additional expenditures for personal protective equipment, transportation, and personnel.

In the 2023 Legislative Session, the Legislature approved foundation formula increases of 4.00% and 2.00% for the 2023-2024 and 2024-2025 fiscal years, respectively. This has a positive effect for school district operations and maintaining a balanced budget. The Legislature also approved free breakfast and lunch to all K-12 students, regardless of family income during the 2023 Legislative session. This has a positive effect for school district food service funds. Along with these, long-term maintenance revenue was approved in the 2015 Legislative Session, began in 2016-2017, ad will increase per pupil unit each year. This has a significant, positive effect for the District as the District has been working to maintain the facilities in the District. Economic conditions in Minnesota have been changing and hopefully the Legislature will continue to have options available to them in providing programs and support for K-12 education.

The facility remains in great shape due to a successful facilities bond referendum in February of 2021. Construction took place in 2021, 2022, and 2023. This included a new roof and new HVAC units, along with athletic facilities and parking lot improvements. Upgrades were also made to locker rooms, plumbing, security cameras, exterior doors and windows, door hardware, and the intercom system. The District also began a four-classroom addition with remaining bond proceeds and issued General Obligation Facilities Maintenance and School Building Bonds in the current year to cover the cost. Construction began in fiscal year 2023 and was finished in October 2023.

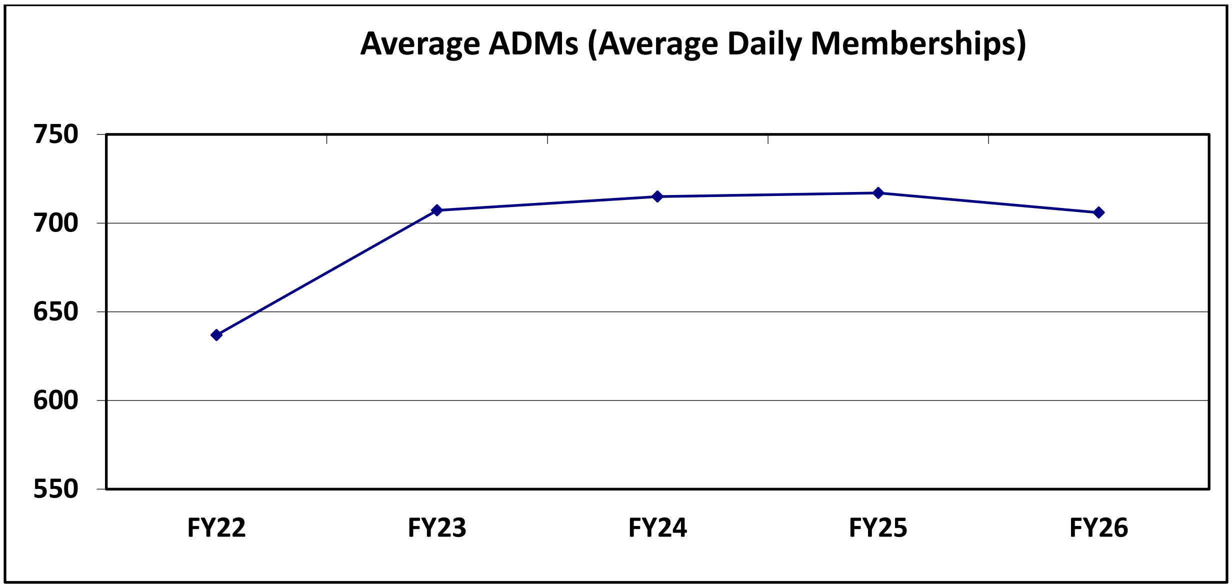
Labor contracts with the District's support staff for 2023-2024 and 2024-2025 were settled in the summer of 2023. The District's contract with Education Minnesota-Lakeview for 2023-2024 and 2024-2025 was tentatively agreed on in November of 2023. The contract will be up for Board approval in December 2023. The District has maintained employee numbers over the past couple of years and has not had to go through drastic budget reductions in regards to personnel. Staffing numbers will need to be monitored in the future as enrollment changes. Salary and benefit costs account for a significant portion of the District's General Fund operating expenditures.

Enrollment for the District has been increasing. The District's enrollment was at its highest in 2022-2023 school year. However, the District remains aware that revenue is driven by enrollment and that the general education budget, programs, and staffing levels will be appropriate with enrollment. Therefore, the District is proactive in monitoring enrollment, collecting census data, and offering preschool programming within the District to assist in keeping future enrollments strong. Currently, the District has stable to strong preschool enrollment.

FACTORS BEARING ON THE DISTRICT'S FUTURE (Cont'd)

Most rural Minnesota school districts have been experiencing declining enrollment. The District has maintained and added staffing and programming due to higher enrollments in past years and decreased staffing levels when enrollments have been lower. Enrollment has increased in 2022-2023 to over 707 students and is projected to be over 715 students 2023-2024 and remain fairly stable in 2024-2025.

The District is projecting enrollment as follows:



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide District 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 one has questions about this report or needs additional financial information, contact the Business Office, Independent School District No. 2167, 875 Barstad Road North, Cottonwood, MN 56229, or call (507) 423-5164.

BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
STATEMENT OF NET POSITION
JUNE 30, 2023
(with Partial Comparative Information as of June 30, 2022)

	Governmental Activities	
	2023	**2022**
ASSETS		
Current Assets:		
Cash and Investments	$ 7,907,196	$ 8,512,114
Restricted Cash	156,300	296,300
Property Taxes Receivable-Net	1,572,342	1,375,729
Accounts and Interest Receivable	23,331	15,079
Due From State of Minnesota	941,656	732,249
Due From Federal Government	18,277	110,688
Due From Other Minnesota School Districts	133,544	121,103
Due From Other Governmental Units	-	49,980
Inventory	22,095	14,158
Total Current Assets	**10,774,741**	**11,227,400**
Noncurrent Assets:		
Capital and Right of Use Assets:		
Land	132,000	132,000
Construction in Progress	1,588,799	5,307,186
Other Capital and Right of Use Assets, Net of Depreciation and Amortization	23,025,276	17,218,706
Total Noncurrent Assets	**24,746,075**	**22,657,892**
TOTAL ASSETS	**35,520,816**	**33,885,292**
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	14,386	13,035
Related to Pensions	2,038,350	2,153,466
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**2,052,736**	**2,166,501**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 37,573,552**	**$ 36,051,793**
LIABILITIES		
Current Liabilities:		
Salaries Payable and Accrued Liabilities	$ 95,961	$ 74,844
Accounts and Interest Payable	511,811	620,127
Due to Other Minnesota School Districts	38,330	30,369
Unearned Revenue	9,179	27,222
Current Portion of Long-Term Liabilities	1,391,672	1,212,191
Total Current Liabilities	**2,046,953**	**1,964,753**
Noncurrent Liabilities:		
Noncurrent Portion of Long-Term Liabilities	19,357,888	18,624,394
Net Pension Liability	6,246,978	3,317,275
Total OPEB Liability	112,053	121,370
Total Noncurrent Liabilities	**25,716,919**	**22,063,039**
TOTAL LIABILITIES	**27,763,872**	**24,027,792**
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year's Expenditures	2,446,562	2,203,464
Related to OPEB	150,314	162,216
Related to Pensions	1,167,431	5,435,681
Related to Solar Electric System	156,300	296,300
TOTAL DEFERRED INFLOWS OF RESOURCES	**3,920,607**	**8,097,661**
NET POSITION		
Net Investment in Capital and Right of Use Assets	6,026,069	5,570,805
Restricted For:		
Capital Asset Acquisition	257,705	246,723
Debt Service	11,021	-
Food Service	310,965	300,146
Community Service	129,826	92,264
Other Activities	346,110	258,319
Unrestricted	(1,192,623)	(2,541,917)
TOTAL NET POSITION	**5,889,073**	**3,926,340**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 37,573,552**	**$ 36,051,793**

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(with Partial Comparative Information for the Year Ended June 30, 2022)

	2023					2022
		Program Revenues				
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**	**Net (Expense) Revenue and Changes in Net Position**
Governmental Activities:						
District and School Administration	$ 554,273				$ (554,273)	$ (559,908)
District Support Services	272,121				(272,121)	(236,397)
Regular Instruction	3,492,943	$ 143,032	$ 859,578	$ 32,047	(2,458,286)	(2,707,389)
Vocational Instruction	199,202	-	1,736	-	(197,466)	(180,548)
Exceptional Instruction	1,470,899	675	1,222,991	-	(247,233)	(281,318)
Community Education and Services	358,270	250,846	124,885	-	17,461	(43,617)
Instructional Support Services	481,652	-	115,676	-	(365,976)	(315,701)
Pupil Support Services	1,229,160	263,504	359,562	-	(606,094)	(567,343)
Site, Buildings and Equipment	907,544	2,235	64,159	58,197	(782,953)	(388,996)
Fiscal and Other Fixed Cost Programs	72,382	-	-	-	(72,382)	(66,341)
Interest on Long Term Debt	542,436	-	-	-	(542,436)	(491,720)
Loss on Disposal of Assets	7,244	-	-	-	(7,244)	(408,953)
Depreciation and Amortization-Unallocated **	468,630	-	-	-	(468,630)	(495,446)
Total Governmental Activities	**10,056,756**	**660,292**	**2,748,587**	**90,244**	**(6,557,633)**	**(6,743,677)**
General Revenues:						
Property Taxes Levied for:						
General Purposes					762,309	804,035
Community Education and Service					40,846	42,245
Debt Service					854,171	757,535
Federal and State Aid Not Restricted to Specific Purposes					6,469,611	5,573,884
Earnings on Investments					240,641	8,989
Miscellaneous Revenues					152,788	139,646
Total General Revenues					**8,520,366**	**7,326,334**
Change in Net Position					**1,962,733**	**582,657**
Net Position - Beginning of Year, As Originally Stated					**3,926,340**	**3,347,657**
Prior Period Adjustment					**-**	**(3,974)**
Net Position, Beginning of Year, As Restated					**3,926,340**	**3,343,683**
Net Position - Ending					**$ 5,889,073**	**$ 3,926,340**

** This line excludes direct depreciation and amortization expenses of thevarious programs

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023
(with Partial Comparative Information as of June 30, 2022)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt Service	2023	2022
ASSETS							
Cash and Investments	$ 4,826,801	$ 289,274	$ 144,418	$ 1,927,950	$ 718,753	$ 7,907,196	$ 8,512,114
Cash with Escrow Agent	156,300	-	-	-	-	156,300	296,300
Current Property Taxes Receivable	334,581	-	17,139	-	1,210,518	1,562,238	1,368,400
Delinquent Property Taxes Receivable	4,238	-	326	-	5,540	10,104	7,329
Accounts and Interest Receivable	8,058	15,273	-	-	-	23,331	15,079
Due From State of Minnesota	865,422	-	6,525	-	69,709	941,656	732,249
Due From Federal Government	16,277	-	2,000	-	-	18,277	110,688
Due From Other Minnesota School Districts	133,044	-	500	-	-	133,544	121,103
Due From Other Governmental Units	-	-	-	-	-	-	49,980
Inventory	-	22,095	-	-	-	22,095	14,158
TOTAL ASSETS	**$ 6,344,721**	**$ 326,642**	**$ 170,908**	**$ 1,927,950**	**$ 2,004,520**	**$ 10,774,741**	**$ 11,227,400**
LIABILITIES							
Salaries Payable and Accrued Liabilities	$ 84,459	$ 1,330	$ 10,172			$ 95,961	$ 74,844
Accounts Payable	135,997	5,168	3,224	$ 123,412		267,801	386,639
Due to Other Minnesota School Districts	38,205	-	125	-		38,330	30,369
Unearned Revenue	-	9,179	-	-		9,179	27,222
TOTAL LIABILITIES	**258,661**	**15,677**	**13,521**	**123,412**	**$ -**	**411,271**	**519,074**
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Delinquent Property Taxes	4,238	-	326	-	5,540	10,104	7,329
Property Tax Levied for Subsequent Year's Expenditures	710,077	-	42,521	-	1,693,964	2,446,562	2,203,464
Related to Solar Electric System	156,300	-	-	-	-	156,300	296,300
TOTAL DEFERRED INFLOWS OF RESOURCES	**870,615**	**-**	**42,847**	**-**	**1,699,504**	**2,612,966**	**2,507,093**
FUND BALANCES							
Nonspendable Fund Balances	-	22,095	-	-	-	22,095	14,158
Restricted Fund Balances	635,388	288,870	114,540	1,804,538	305,016	3,148,352	3,830,698
Assigned Fund Balances	-	-	-	-	-	-	45,351
Unassigned Fund Balances	4,580,057	-	-	-	-	4,580,057	4,311,026
TOTAL FUND BALANCES	**5,215,445**	**310,965**	**114,540**	**1,804,538**	**305,016**	**7,750,504**	**8,201,233**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 6,344,721**	**$ 326,642**	**$ 170,908**	**$ 1,927,950**	**$ 2,004,520**	**$ 10,774,741**	**$ 11,227,400**

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023
(with Partial Comparative Information as of June 30, 2022)

	2023	2022
Total Fund Balances for Governmental Funds	**$ 7,750,504**	**$ 8,201,233**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and right of use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Those assets consist of:		
Land	132,000	132,000
Construction in Progress	1,588,799	5,307,186
Other Capital and Right of Use Assets, Net of $7,305,635 of Accumulated Depreciation and Amortization	23,025,276	17,218,706
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	10,104	7,329
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(244,010)	(233,488)
Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions	2,038,350	2,153,466
Deferred Outflows of Resources Related to OPEB	14,386	13,035
Deferred Inflows of Resources Related to Pensions	(1,167,431)	(5,435,681)
Deferred Intflows of Resources Related to OPEB	(150,314)	(162,216)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities year-end consist of:		
Bonds Payable	(19,365,000)	(18,670,000)
Financed Purchase Lease Liabilities	(589,654)	(559,981)
Right of Use Lease Liabilities	(7,317)	(29,681)
Other Post Employment Benefits Payable	(112,053)	(121,370)
Pension Benefits Payable	(6,246,978)	(3,317,275)
Severance Benefits Payable	(137,918)	-
Unamortized Bond Premiums	(649,671)	(576,923)
Total Net Position of Governmental Activities	**$ 5,889,073**	**$ 3,926,340**

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(with Partial Comparative Information for the Year Ended June 30, 2022)

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Building Construction	Debt Service	2023	2022
REVENUES							
Local Property Tax Levies	$ 735,744		$ 40,709		$ 853,537	$ 1,629,990	$ 1,585,533
Other Local and County Revenues	468,002	$ 9,364	326,088	$ 62,082	19,855	885,391	597,108
Revenue From State Sources	7,510,231	27,862	55,314	-	697,087	8,290,494	7,355,367
Revenue From Federal Sources	567,929	311,701	11,864	-	-	891,494	1,178,850
Sales and Other Conversion of Assets	-	263,504	-	-	-	263,504	75,463
TOTAL REVENUES	**9,281,906**	**612,431**	**433,975**	**62,082**	**1,570,479**	**11,960,873**	**10,792,321**
EXPENDITURES							
Current:							
District and School Administration	654,556	-	-	-	-	654,556	582,874
District Support Services	246,297	-	-	-	-	246,297	221,322
Regular Instruction	4,064,541	-	-	-	-	4,064,541	3,880,377
Vocational Instruction	258,406	-	-	-	-	258,406	189,602
Exceptional Instruction	1,629,364	-	-	-	-	1,629,364	1,502,815
Community Education and Services	-	-	411,512	-	-	411,512	410,821
Instructional Support Services	462,489	-	-	-	-	462,489	379,383
Pupil Support Services	758,671	570,923	-	-	-	1,329,594	1,232,322
Site, Buildings and Equipment	650,336	-	-	395,660	-	1,045,996	1,048,179
Fiscal and Other Fixed Cost Programs	72,382	-	-	-	-	72,382	66,341
Capital Outlay:	198,965	30,689	-	2,280,973	-	2,510,627	4,537,467
Debt Service:							
Principal	132,691	-	-	-	1,045,000	1,177,691	1,147,511
Interest	28,273	-	-	-	495,775	524,048	488,327
Other Debt Service Expenditures	-	-	-	61,401	1,425	62,826	1,425
TOTAL EXPENDITURES	**9,156,971**	**601,612**	**411,512**	**2,738,034**	**1,542,200**	**14,450,329**	**15,688,766**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**124,935**	**10,819**	**22,463**	**(2,675,952)**	**28,279**	**(2,489,456)**	**(4,896,445)**
OTHER FINANCING SOURCES							
Bond Issuance Premium	-	-	-	127,708	-	127,708	-
Insurance Recovery	31,019	-	-	-	-	31,019	40,810
Issuance of Right of Use Lease	-	-	-	-	-	-	2,518
Issuance of Financed Purchase Lease	140,000	-	-	-	-	140,000	166,148
Issuance of Bonds	-	-	-	1,740,000	-	1,740,000	-
TOTAL OTHER FINANCING SOURCES	**171,019**	**-**	**-**	**1,867,708**	**-**	**2,038,727**	**209,476**
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	**295,954**	**10,819**	**22,463**	**(808,244)**	**28,279**	**(450,729)**	**(4,686,969)**
FUND BALANCE BEGINNING OF YEAR	**4,919,491**	**300,146**	**92,077**	**2,612,782**	**276,737**	**8,201,233**	**12,888,202**
FUND BALANCE END OF YEAR	**$ 5,215,445**	**$ 310,965**	**$ 114,540**	**$ 1,804,538**	**$ 305,016**	**$ 7,750,504**	**$ 8,201,233**

The accompanying notes are an integral part of the basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(with Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Total Net Change in Fund Balances - Governmental Funds	**$ (450,729)**	**$ (4,686,969)**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets and right of use assets financed with long-term lease liabilities are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation or amortization expense in the Statement of Activities. This is the amount by which capitalized outlays exceeds depreciation and amortization expense in the period.		
Right of Use Assets Acquired	-	2,518
Capital Outlays	2,916,896	5,082,403
Depreciation and Amortization Expense	(821,469)	(653,637)
Proceeds from the sale of capital assets are reported in governmental funds as other financing sources without regard to any cost basis adjustment. However, for governmental activities those proceeds are adjusted for any remaining cost basis of the assets that were disposed. This is the amount of unrecovered cost on the assets sold or disposed of.	(7,244)	(426,513)
Long-term borrowing and lease financing is reported as revenue (other financing sources) in governmental funds, but these proceeds increase long-term liabilities on the Statement Net Position. In the current period these amounts consisted of:		
Issuance of Financed Purchase Lease	(140,000)	(166,148)
Issuance of Right of Use Lease	-	(2,518)
Issuance of Bonds	(1,740,000)	-
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position. In the current period these amounts consist of:		
Repayment of Bond Principal	1,045,000	1,010,000
Repayment of Financed Purchase Lease	110,327	116,633
Repayment of Right of Use Lease	22,364	20,878
Premiums associated with bond financing are reported as revenue (other financing sources) in governmental funds, but these amounts increase long-term liabilities on the Statement Net Position.	(127,708)	-
Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues regardless of when it is due. In addition, the amortization of bond premium decreases interest expense in the Statement of Activities.	44,438	(1,968)
Property taxes that will not be collected for several months after the District's fiscal year end are not considered available revenues in the governmental funds, and are instead considered unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.	2,775	2,761
Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.		
State Aid Related to Pension Expense	55,841	(7,200)
Pension Expense	1,167,590	275,405
In the Statement of Activities, severance benefits 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).	(137,918)	-
In the Statement of Activities, other post employment benefits are measured by the amounts actuarially accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of actual or implicit resources used.	22,570	17,012
Change in Net Position of Governmental Activities	**$ 1,962,733**	**$ 582,657**

The accompanying notes are an integral part of the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota 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. The GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

B. FINANCIAL REPORTING ENTITY

Independent School District No. 2167, Lakeview, Cottonwood, Minnesota (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District

U.S. Generally Accepted Accounting Principles (GAAP) require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all funds of the District. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. In accordance with GASB Statement No. 84, Fiduciary Activities, and Minnesota State Statutes, the District's School Board does exercise control or oversight responsibility with respect to the underlying student activities. Accordingly, the student activity funds are included in these financial statements.

C. BASIC FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about 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 purpose for which both restricted and unrestricted net position are available. Depreciation and amortization expense that can be specifically identified by function is included in the direct expenses of each function. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fiduciary funds are used to account for assets held by the District in a fiduciary capacity. No assets of the District were determined to be of this nature, so no fiduciary funds are presented.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. BASIC FINANCIAL STATEMENT PRESENTATION (Cont'd)

Proprietary funds are used to report business-type activities carried on by a school district. No activities of the District were determined to be of this nature, so no proprietary funds are present in the 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 government-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 of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. 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:

1. Revenue Recognition – 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 as 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 U.S. generally accepted accounting principles. 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. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures – 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 and lease liabilities are recognized on their due dates.

Description of Funds

The existence of the various District funds has been established by the State of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

Governmental Funds

General Fund – 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.

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

Community Service Fund – The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs or other similar services.

Building Construction Fund – The Building Construction Fund is used to account for financial resources to be used for the construction of major capital facilities.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

GASB Statement No. 34 specifies that the accounts and activities of each of the District's most significant governmental funds (termed "major funds") be reported in separate columns on the fund financial statements. Other non-major funds can be reported in total. Although only the General Fund, Building Construction Fund, and Debt Service Fund are major funds by definition, the District has elected to report all funds as major funds and therefore presents all funds in separate columns on the fund financial statements – an option permitted by GASB Statement No. 34.

E. BUDGETING

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Building Construction, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper by November 30 of each year. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels. Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

Unencumbered expenditure appropriations lapse at year-end. Encumbrances are generally not recorded.

F. CASH AND INVESTMENTS

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate and government bonds, repurchase agreements and the State Treasurer's Investment Pool. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances. Investments are reported at fair value.

Cash and investments at June 30, 2023 are comprised of deposits, money market funds, certificates of deposit, Federal Agency Bonds, treasury bills, and shares in the Minnesota School District Liquid Asset Fund (MSDLAF). The MSDLAF is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

The District has formal policies in place as of June 30, 2023 to address custodial credit risk for deposits. The District also has formal policies in place as of June 30, 2023 to address credit risk, concentration of credit risk, custodial credit risk, and interest rate risk for investments.

G. CASH WITH ESCROW AGENT/RESTRICTED CASH

Certain resources set aside for the solar electric (EV) system project are classified as cash with escrow agent on the Balance Sheet (restricted cash on the Statement of Net Position) because their use is limited to the solar electric (EV) system lease.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. Amounts due from the State of Minnesota and from other governmental units for general education aids and reimbursements under various specific programs are reported at the estimated amounts to be received based on available information at the date of this report. In some instances, adjustments and proration by these agencies, which are dependent upon the amount of funds available for distribution, may result in differing amounts actually being received. Any such differences will be absorbed into operations of the subsequent period. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are delinquent property taxes receivable, which are generally immaterial.

I. INVENTORIES

Inventories are recorded using the consumption method of accounting and consist 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, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

J. PREPAYMENTS

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

K. PROPERTY TAXES

The Board of Education annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Auditor-Treasurer and tax settlements are made to the District periodically throughout the year.

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided 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.” The remaining portion of taxes collectible in 2023 is recorded as a deferred inflow of resources (property taxes levied for subsequent year’s expenditures).

Taxes that 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 reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not available to finance the operations of the District in the current year.

L. 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 acquisition value at the date of donation. The District maintains a threshold level of a single item of at least $5,000 for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. CAPITAL ASSETS (Cont'd)

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

M. LEASES

The District accounts for leases under GASB Statement No. 87, *Leases*. This requires the establishment of a lease liability and related right of use asset for all leases with a term longer than 12 months. The District evaluates each arrangement at inception to determine if it qualifies as a long-term lease.

The District capitalizes right of use assets at the present value of the lease payments over the lease term at the commencement date. Right of use assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Right of use assets are amortized using the straight-line method over the term of the lease.

The District records long-term leases at the present value of the lease payments over the lease term at the commencement date. Lease payments may include fixed and variable payment amounts. The District determines the relevant lease term by evaluating whether renewal and termination options are reasonably certain to be exercised. If it is not explicitly stated in the agreement, the District uses a discount rate based on the value of the asset or their incremental borrowing rate to calculate the present value of the lease payments. Lease liabilities are recorded in the government-wide financial statements but are not reported in the fund financial statements.

Payments on leases with a term of less than 12 months are recorded as expenditures at the time of payment.

N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District accounts for subscription-based information technology arrangements (SBITAs) under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This requires the establishment of a subscription asset and related subscription liability (where applicable) for all SBITAs with a term longer than 12 months. Payments on subscription arrangements with a term of less than 12 months are recorded as expenditures at the time of payment. The District evaluates each subscription arrangement at inception to determine if it qualifies as a SBITA. The District has determined that none of their subscription arrangements qualify as a SBITA as of June 30, 2023.

O. LONG-TERM OBLIGATIONS

In the government-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, bond premiums and discounts will be deferred and amortized over the life of the bonds using the straight-line method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense 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, and principal payments are reported as debt service expenditures.

P. DEFERRED OUTFLOWS OF RESOURCES

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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

R. DEFINED BENEFIT PENSION PLANS

The District recognized total pension expense (revenue) of $(729,465) for the following statewide pension plans in which it participates.

Teachers Retirement Association

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by 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. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association 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 in 2015.

Public Employees Retirement Association

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 additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

S. VACATION AND SICK PAY

Certified employees of the District earn sick leave at various rates for each month of full time service to a maximum accumulation of 105 days. Non-certified employees of the District earn sick leave of ten days per year to a maximum accumulation of 40 days. The expenditure for sick leave pay for certified and non-certified is recognized during the period that payment is actually made. Non-certified employees' unused vacation pay is reflected on the balance sheet in salaries payable.

T. 403(b) RETIREMENT PLAN

Full-time employees with over three years of service are eligible to participate in a 403(b) salary reduction plan with matching contributions by the District. The District match is capped from $375 to $1,100 per year per employee depending upon their years of service. Total matching contributions of the District are limited to a $20,500 total career contribution per individual. District contributions to this plan for the year ended June 30, 2023 are $40,668.

U. SEVERANCE PAY

Certified employees who have twenty years of service, and were hired prior to September 1999, are eligible for severance pay. The amount of this pay increases with length of service and salary level but decreases by the amount of 403(b) contributions made on behalf of the employee. At June 30, 2023, a liability for severance pay totaling $137,918 is included in long-term debt in the Statement of Net Position as described in Note 5 to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. 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. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

W. FUND BALANCE

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

Nonspendable – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid and inventory items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – consists of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School Board itself or by an official to which the School Board delegates the authority. Pursuant to School Board resolution, the District Finance Director and the Superintendent are authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

If resources from more than one fund balance classification could be spent, the District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned as determined by the School Board.

The District has formally adopted a fund balance policy that when the combined total of the General Fund committed, assigned, and unassigned fund balance falls below 25% of the District's General Fund operating budget, the District shall initiate the following measures: Reduce expenditures through implementation of cost containment measures; seek opportunities to increase revenues by considering fee increases where appropriate and examine options to increase enrollment; if permitted by state law, request from voters additional revenue through an increase in the operating referendum or other financial options; or a combination of the above.

When the combined total of the General Fund committed, assigned, and unassigned fund balances approaches 25% of the District's General Fund operating budget, the District shall implement other budget control measures which do not adversely affect delivery of instructional programs. The District is meeting their fund balance policy.

In the event the Food Service Fund fund balance or the Community Service Fund fund balance goes deficit, the District will implement the procedures outlined above.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net position invested in capital and right of use assets consists of capital and right of use assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt or lease liabilities used to build, acquire, or finance the capital and right of use assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position items that do not meet the definition of "net investment in capital and right of use assets" or "restricted" are reported as unrestricted.

Y. 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. Actual results could differ from those estimates.

Z. RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation. The total amount of the District's prior year fund balance did not change due to these reclassifications.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

For the year ended June 30, 2023, the District had no funds with negative fund balances.

3. DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the School Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be secured by a bank guaranty bond or 110 percent of collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk: For deposits, is the risk that, in the event of failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District did not have sufficient collateral at all times during the year; however, as of June 30, 2023, the District's bank balance was not exposed to custodial credit risk because it was insured and properly collateralized with securities held by the pledging financial institution's trust department or agent and in the District's name

B. INVESTMENTS

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments were not exposed to interest rate risk at June 30, 2023.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investments were not exposed to credit risk at June 30, 2023.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District has no formal investment policy that places limits on the amount the District may invest in any one issuer. More than 5% of the District's investments are in MSDLAF, federal agency bonds, and money market funds.

3. DEPOSITS AND INVESTMENTS (Cont'd)

B. INVESTMENTS (Cont'd)

Custodial Credit Risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments were not exposed to custodial credit risk at June 30, 2023.

The following table presents the District's cash and investment balances at June 30, 2023:

Cash/Investment Type	Credit Rating	Average Maturities	Percentage of Total		Balance
Pooled Cash and Investments:					
Money Market Accounts	N/A	N/A	62.5	$	5,039,652
Federal Agency Bonds	AA+	3.8 months	8.7		697,328
Money Market Funds	AAAm	N/A	14.0		1,131,647
Certificates of Deposit	N/A	2.1 months	3.0		244,282
Checking Account	N/A	N/A	7.4		596,380
Treasury Bills	A-1+	2.5 months	2.5		197,907
					7,907,196
Cash with Escrow Agent:					
Checking Account	N/A	N/A	1.9		**156,300**
Total Cash and Investments			**100.0%**	**$**	**8,063,496**

Cash and Investments are presented in the June 30, 2023 basic financial statements as follows:

Statement of Net Position:		
Current Assets:		
Cash and Investments	$	7,907,196
Restricted Cash		156,300
Total Cash and Investments	**$**	**8,063,496**

C. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Governmental Accounting Standards Board (GASB) establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs used to measure fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

3. DEPOSITS AND INVESTMENTS (Cont'd)

C. FAIR VALUE MEASUREMENTS (Cont'd)

The entity has the following recurring fair value measurements as of June 30, 2023:

- Fixed income securities - Fixed income securities are valued using market corroborated inputs.

There were no level 3 inputs as of June 30, 2023.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2023.

	2023		
	Fair Value	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Observable Inputs Level 2
Investments by Fair Value Level			
Fixed Income Securities			
US Treasury Bills	$ 197,907		$ 197,907
Federal Agency Bonds	697,328		697,328
Municipal Bonds	-		-
Commercial Paper	-		-
Money Market Funds	1,131,647	$ 1,131,647	-
Total Fixed Income Securities	**2,026,882**	**1,131,647**	**895,235**
Total Investments by Fair Value Level	**$ 2,026,882**	**$ 1,131,647**	**$ 895,235**

A summary of Cash and Investments as of June 30, 2023 is as follows:

Investments Disclosed by Fair Value Level	$ 2,026,882
Accounts not Disclosed by Fair Value Level:	
Money Market Accounts	5,039,652
Certificates of Deposit	244,282
Checking Account	752,680
Total Cash and Investments	**$ 8,063,496**

4. CAPITAL AND RIGHT OF USE ASSETS

Capital and right of use asset activity for the year ended June 30, 2023 was follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	$ 5,307,186	$ 2,816,035	$ 6,534,422	$ 1,588,799
Land	132,000	-	-	132,000
Total Capital Assets, Not Being Depreciated	**5,439,186**	**2,816,035**	**6,534,422**	**1,720,799**
Capital Assets, Being Depreciated				
Land Improvements	3,240,843	3,269,913	-	6,510,756
Buildings and Improvements	18,451,128	2,848,839	-	21,299,967
Equipment and Transportation Vehicles	1,935,373	516,531	32,234	2,419,670
Total Capital Assets, Being Depreciated	**23,627,344**	**6,635,283**	**32,234**	**30,230,393**
Right of Use Assets, Being Amortized				
Leased Office Equipment	100,518	-	-	100,518
Total Right of Use Assets, Being Amortized	**100,518**	**-**	**-**	**100,518**
Accumulated Depreciation for:				
Land Improvements	197,911	243,562	-	441,473
Buildings and Improvements	5,240,465	402,469	-	5,642,934
Equipment and Transportation Vehicles	996,827	155,334	24,990	1,127,171
Accumulated Amortization for:				
Leased Office Equipment	73,953	20,104	-	94,057
Total Accumulated Depreciation and Amortization	**6,509,156**	**821,469**	**24,990**	**7,305,635**
Total Capital and Right of Use Assets, Being Depreciated and Amortized, Net	**17,218,706**			**23,025,276**
Governmental Activities Capital and Right of Use Assets, Net	**$ 22,657,892**			**$24,746,075**

Depreciation and amortization expense was charged to functions of the District as follows:

Governmental Activities	
District Support Services	$ 20,317
Regular Instruction	64,948
Vocational Instruction	2,266
Instructional Support Services	41,218
Pupil Support Services	11,656
Site, Buildings and Equipment	212,434
Unallocated	468,630
Total Depreciation and Amortization Expense, Governmental Activities	**$ 821,469**

5. LONG-TERM LIABILITIES

A. DESCRIPTION OF LONG-TERM DEBT

Under the provisions of Minnesota Statute §475.53 subd. 4, the District's net debt may not exceed 15% of the estimated market value of all taxable property within the District. The District is in compliance with this provision. Long-term debt is comprised of the following as of June 30, 2023:

Governmental Activities	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
General Obligation School Building				
Bonds, Series 2014A	2.00 – 3.50%	$ 7,980,000	2034	$ 5,195,000
General Obligation School Building				
Refunding Bonds, Series 2014B	2.50 – 3.00%	$ 6,820,000	2026	2,080,000
General Obligation School Building				
Bonds, Series 2021A	2.00 – 4.00%	$10,350,000	2041	10,350,000
General Obligation Facilities Maintenance				
and School Building Bonds,				
Series 2023A	4.00 – 5.00%	$ 1,740,000	2038	1,740,000
Long-Term Lease Liabilities				
Financed Purchase Leases				
Solar Array Lease	0.00%	$ 64,920	2027	23,428
Solar Electric System Lease	3.88%	$ 594,450	2034	466,538
Live Video Display Lease	0.00%	$ 166,148	2025	99,688
Right of Use Leases				
Copiers	6.43 - 18.74%	$ 98,000	2024	5,650
Postage Meter	5.00%	$ 2,518	2027	1,667
Unamortized Premiums				649,671
Severance Benefits Payable				137,918
				$20,749,560

General Obligation Bonds

On July 29, 2014, the Districted issued $7,980,000 of General Obligation School Building Bonds, Series 2014A. The proceeds of this bond issue were used for construction of new classrooms and gymnasium. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2022-2023 was $179,850.

On December 11, 2014 the District issued $6,820,000 of General Obligation School Building Refunding Bonds, Series 2014B. The proceeds of the issue were used to refund, in advance of their stated maturities, $7,070,000 of the District's 2005 General Obligation Building Bonds. The District will levy property taxes for the retirement of these bonds. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by $917,313 and resulted in an economic gain of $805,205. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2022-2023 was $73,575.

On May 13, 2021, the District issued $10,350,000 of General Obligation School Building Bonds, Series 2021A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility, including but not limited to, safety and security updates; playground and parking lot improvements; various deferred capital maintenance projects, repurposing of outdoor activity spaces; football field and track renovations; and baseball/softball field lighting. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2022-2023 was $242,350.

5. LONG-TERM LIABILITIES (Cont'd)

A. DESCRIPTION OF LONG-TERM DEBT (Cont'd)

General Obligation Bonds (Cont'd)

On March 9, 2023, the District issued $1,740,000 of General Obligation Facilities Maintenance and School Building Bonds, Series 2023A. The proceeds of this bond issue are for the acquisition and betterment of the school site and facility as approved by voters on February 9, 2021, and various deferred maintenance projects at District facility described in the District's Long-Term Facilities Maintenance ten-year plan approved by the Commissioner of Education. The District will levy property taxes for the retirement of these bonds. Principal and interest payments on these bonds are recorded in the Debt Service Fund. Interest paid in 2022-2023 was $-0-.

Long-Term Lease Liabilities (Financed Purchase Lease)

The District entered into a lease agreement with Kinetic Leasing, Inc., for computer equipment during the 2019-2020 school year. The lease agreement qualified as a financed purchase lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date. The total cost of the computer equipment was $126,275, of which $126,275 was financed under the lease. Interest paid in 2022-2023 was $1,278. Total accumulated depreciation on this asset was $88,392 at June 30, 2023. This lease obligation was being repaid through the General Fund and was paid in full in July, 2022.

The District entered into a lease agreement with Sustainable Leasing for solar array panels during the 2014-2015 school year. The lease agreement qualified as a financed purchase lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date. The cost of the solar array panels was $229,000. This purchase qualified for a Minnesota energy credit that was received by the seller of the panels. The amount of the solar array panels that was financed under this lease is $64,920. The lease is non-interest bearing. Total accumulated depreciation on this asset was $27,591 at June 30, 2023. This lease obligation will be repaid through the General Fund.

The District entered into a lease agreement with Lease Servicing Center, Inc. for a solar electric (PV) system during the 2020-2021 school year. The lease agreement qualified as a financed purchase lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date. The total expected cost of the solar electric system was $750,750, of which $750,750 was set to be financed under the lease. However, at June 30, 2023, only $594,450 of the amount financed was expended on the project due to delay of receiving some of the materials because of COVID-19. The balance of the cash, $156,300, is in an escrow account at City National Bank in Orlando, Florida and is restricted for payment of the remaining materials. Interest paid in 2022-2023 was $25,744. There is no accumulated depreciation on this asset at June 30, 2023, as the costs to date are in construction in progress and the asset has not been placed in service. This lease obligation will be repaid through the General Fund.

The District entered into a lease agreement with The Huntington National Bank for a live video display during the 2021-2022 school year. The lease agreement qualifies as a financed purchase lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The total cost of the live video display was $166,148, of which $166,148 was financed under the lease. The lease is non-interest bearing. Total accumulated depreciation on this asset was $24,922 at June 30, 2023. This lease obligation will be repaid through the General Fund.

These assets serve as collateral for the related financed purchase lease and are being depreciated using a straight-line method over the life of the asset.

Long-Term Lease Liabilities (Right of Use Lease)

Copiers

The District entered into a five year lease agreement in August 2018 with Marco for the use of a copier. The lease agreement has required monthly principal and interest payments of $26 throughout the term of the lease. The lease liability is measured at a discount rate of 18.74%, as estimated by the District based on various terms in the lease agreement. Principal and interest payments on this lease are recorded in the General Fund. Interest paid in 2022-2023 was $34.

5. LONG-TERM LIABILITIES (Cont'd)

A. DESCRIPTION OF LONG-TERM DEBT (Cont'd)

Long-Term Lease Liabilities (Right of Use Lease) (Cont'd)

Copiers (Cont'd)

The District entered into a five year lease agreement in October 2018 with Marco for the use of various copiers. The lease agreement has required monthly principal and interest payments of $1,895 throughout the term of the lease. The lease liability is measured at a discount rate of 6.43%, as estimated by the District based on various terms in the lease agreement. Principal and interest payments on this lease are recorded in the General Fund. Interest paid in 2022-2023 was $1,121.

Postage Meter

The District entered into a five year lease agreement in September 2021 with Pitney Bowes for the use of a postage meter. The lease agreement has required monthly principal and interest payments of $48 throughout the term of the lease. The lease liability is measured at a discount rate of 5.00%, as estimated by the District based on its incremental borrowing rate. Principal and interest payments on this lease are recorded in the General Fund. Interest paid in 2022-2023 was $96.

These assets serve as collateral for the related right of use liability and are being depreciated using a straight-line method over the life of the asset.

B. MINIMUM DEBT PAYMENTS

Minimum annual principal and interest payments to retire general obligation bonds are as follows:

	GO Bonds Payable	
Year Ending June 30	**Principal**	**Interest**
2024	$ 1,255,000	$ 540,633
2025	1,300,000	512,538
2026	1,345,000	474,013
2027	945,000	431,138
2028	845,000	395,213
2029 - 2033	4,735,000	1,492,213
2034 – 2038	5,645,000	724,875
2039 - 2041	3,295,000	132,700
	$19,365,000	$ 4,703,323

Minimum annual principal and interest payments on financed purchase leases as of June 30, 2023 are as follows:

	Technology Leases		Solar System Leases	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 33,230	$ -	$ 36,254	$ 18,116
2025	33,230	-	37,708	16,902
2026	33,228	-	39,217	15,641
2027	-	-	40,794	14,331
2028	-	-	38,363	12,970
2029-2033	-	-	204,350	42,519
2034-2038	-	-	93,280	5,468
	$ 99,688	$ -	$ 489,966	$ 125,947

5. LONG-TERM LIABILITIES (Cont'd)

B. MINIMUM DEBT PAYMENTS (Cont'd)

Minimum annual principal and interest payments on the right of use leases as of June 30, 2023 are as follows:

	Office Equipment	
Year Ending June 30	**Principal**	**Interest**
2024	$ 6,148	$ 132
2025	523	48
2026	550	20
2027	96	1
2028	-	-
	$ 7,317	$ 201

C. CHANGES IN LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
General Obligation School Building Bonds, Series 2014A	$ 5,580,000		$ 385,000	$ 5,195,000	$ 395,000
General Obligation School Building Refunding Bonds, Series 2014B	2,740,000		660,000	2,080,000	680,000
General Obligation School Building Bonds, Series 2021A	10,350,000		-	10,350,000	-
General Obligation Facilities Maintenance and School Building Bonds, Series 2023A	-	$ 1,740,000	-	1,740,000	180,000
Long-Term Lease Liabilities					
Financed Purchase Leases					
Computer Equipment Lease	32,160	-	32,160	-	-
Solar Array Lease	28,194	-	4,766	23,428	4,996
Solar Electric System Lease	366,709	140,000	40,171	466,538	31,258
Live Video Display Lease	132,918	-	33,230	99,688	33,230
Right of Use Leases					
Copiers	27,540	-	21,890	5,650	5,650
Postage Meter	2,141	-	474	1,667	498
Unamortized Premiums	576,923	127,708	54,960	649,671	61,040
Severance Benefits Payable	-	137,918	-	137,918	-
	$ 19,836,585	$ 2,145,626	$ 1,232,651	$20,749,560	$ 1,391,672

6. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District follows Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

A. GENERAL INFORMATION ABOUT THE OPEB PLAN

1. Plan Description

The District's defined benefit OPEB plan, Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's retirees' health insurance plan (the Plan), provides OPEB for certain retired employees of the District. The Plan is a single-employer defined benefit OPEB plan administered by the District. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period.

6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

A. GENERAL INFORMATION ABOUT THE OPEB PLAN(Cont'd)

1. Plan Description (Cont'd)

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75. OPEB benefits have historically been funded on a pay-as-you-go basis. For fiscal year 2023, the District paid benefits of $10,815 from the General Fund.

2. Benefits Provided

The District provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. Minnesota Statute 471.61 subd. 2b requires that government entities allow active employees who retire from the District when eligible to receive a retirement benefit from the Teachers Retirement Association (TRA) or Public Employees Retirement Association (PERA) and do not participate in any other health benefits program providing similar coverage, continued coverage with respect to both themselves and their eligible dependent(s) under the District's health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

3. Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	99
	101

B. TOTAL OPEB LIABILITY

The District's total OPEB liability of $112,053 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021. The "entry age with level percentage of pay" actuarial cost method as prescribed by GASB Statement No. 75 was used to roll forward the total OPEB liability to the measurement date of June 30, 2022.

1. Actuarial Assumptions and Other Inputs

The total OPEB liability measured on June 30, 2022 report was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Discount rate	3.69%
Healthcare cost trend rate	6.70% for FY 2022, gradually decreasing over several decades to an ultimate rate of 3.70% in FY 2075 and later years.

The discount rate was based on the estimated yield of 20-Year AA municipal bonds.

For teachers, mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments. For non-teachers, mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2020, and other adjustments.

6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

B. TOTAL OPEB LIABILITY (Cont'd)

1. Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the June 30, 2021 valuation (June 30, 2022 measurement date) were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Assumptions were based on various rationale that included a variety of published sources of historical and projected future financial data and various studies or experience studies. The retirement and withdrawal assumptions were based on assumptions used in the July 1, 2021 Teachers Retirement Association of Minnesota and PERA of Minnesota General Employees Retirement Plan actuarial valuations. The full list of assumptions and rationale are included in the District's OPEB plan report, which may be obtained by writing or calling the District.

C. CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at June 30, 2021 (reporting date June 30, 2022)	$ 121,370
Changes for the year:	
Service cost	11,140
Interest	2,459
Changes of assumptions	(14,034)
Benefit payments	(8,882)
Net changes	**(9,317)**
Balance at June 30, 2022 (reporting date June 30, 2023)	$ 112,053

Changes in the plan provisions since the prior measurement date:

- None

Changes in actuarial assumptions since the prior measurement date:

- None

1. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	Total OPEB Liability	
1 percent decrease (2.69%)	**Current (3.69%)**	**1 percent increase (4.69%)**
$119,887	$112,053	$104,544

2. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Total OPEB Liability	
1 percent decrease (5.70% decreasing to 2.70% in FY 2075)	**Current (6.70% decreasing to 3.70% in FY 2075)**	**1 percent increase (7.70% decreasing to 4.70% in FY 2075)**
$98,677	$112,053	$128,041

6. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Cont'd)

D. OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, the District recognized OPEB expense (recovered) of ($11,755). At June 30, 2023, 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
Differences between expected and actual experience	$ -	$ 117,240
Changes of assumptions or other inputs	3,571	33,074
Benefits paid subsequent to the measurement date	10,815	-
Total	**$ 14,386**	**$ 150,314**

The $10,815 reported as deferred outflows of resources related to OPEB resulting from District benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2024	$ (25,354)
2025	$ (25,354)
2026	$ (25,354)
2027	$ (25,354)
2028	$ (25,354)
Thereafter	$ (19,973)

7. FUND BALANCE CLASSIFICATION

At June 30, 2023, a summary of the governmental fund balance classifications is as follows:

	General Fund	Food Service Fund	Community Service Fund	Building Construction Fund	Debt Service Fund	Total
Nonspendable:						
Inventory	$ -	$ 22,095	$ -	$ -	$ -	$ 22,095
	-	22,095	-	-	-	22,095
Restricted for:						
Operating Capital	289,278	-	-	-	-	289,278
Long-Term Facilities Maintenance	252,829	-	-	49,442	-	302,271
Medical Assistance	675	-	-	-	-	675
Scholarships	27,233	-	-	-	-	27,233
Student Activities	65,373	-	-	-	-	65,373
Food Service	-	288,870	-	-	-	288,870
Community Education	-	-	59,820	-	-	59,820
Community Service	-	-	17,737	-	-	17,737
Early Childhood Family Education	-	-	(14,960)	-	-	(14,960)
School Readiness	-	-	48,531	-	-	48,531
Adult Education	-	-	3,412	-	-	3,412
Building Construction	-	-	-	1,755,096	-	1,755,096
Debt Service	-	-	-	-	305,016	305,016
	635,388	288,870	114,540	1,804,538	305,016	3,148,352
Unassigned:	4,580,057	-	-	-	-	4,580,057
Total Fund Balance:	$ 5,215,445	$ 310,965	$ 114,540	$ 1,804,538	$ 305,016	$ 7,750,504

7. FUND BALANCE CLASSIFICATION (Cont'd)

The District is reporting a negative restricted fund balance in Community Education at June 30, 2023. Minnesota Statutes require the District to report a deficit in the restricted fund balance, when applicable, in order to permit the statutory revenue formula calculations. This deficit will be offset by future operating tax levies.

8. PENSION PLANS

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. TEACHERS RETIREMENT ASSOCIATION

1. 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 Minnesota State.

2. 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:	**Step Rate Formula**	**Percentage**
Basic	1st ten years of service	2.20% per year
	All years after	2.70% per year
Coordinated	1st ten years if service years are up to July 1, 2006	1.20% per year
	1st ten years if service years are July 1, 2006 or after	1.40% per year
	All other years of service if service years are up to July 1, 2006	1.70% per year
	All other years of service if service years are July 1, 2006 or after	1.90% 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) 3.00% per year early retirement reduction factor 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

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

2. Benefits Provided (Cont'd)

Tier II: For years of service prior to July 1, 2006, a level formula of 1.70% per year for Coordinated members and 2.70% per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.90% per year for Coordinated members and 2.70% per year 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.

3. Contribution Rate

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2021, June 30, 2022, and June 30, 2023 were:

	June 30, 2021		**June 30, 2022**		**June 30, 2023**	
	Employee	**Employer**	**Employee**	**Employer**	**Employee**	**Employer**
Basic	**11.00%**	**12.13%**	**11.00%**	**12.34%**	**11.00%**	**12.55%**
Coordinated	**7.50%**	**8.13%**	**7.50%**	**8.34%**	**7.50%**	**8.55%**

The following is a reconciliation of employer contributions in TRA's fiscal year 2022 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer contributions reported in TRA's ACFR, Statement of Changes in Fiduciary Net Position	$ 482,679,000
Employer contributions not related to future contribution efforts	(2,178,000)
TRA's contributions not included in allocation	(572,000)
Total employer contributions	**479,929,000**
Total non-employer contributions	35,590,000
Total contributions reported in *Schedule of Employer and Non-Employer Allocations*	**$ 515,519,000**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

3. Contribution Rate (Cont'd)

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.

The District's contributions to the TRA plan for the year ended June 30, 2023, were $338,135. The District's contributions were equal to the required contributions as set by state statute.

4. Actuarial Assumptions

The total pension liability in the June 30, 2022, 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, 2022
Measurement Date	June 30, 2022
Experience Study	June 28, 2019 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%
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	1.00% for January 2019 through January 2023, then increasing by 0.10% each year up to 1.50% annually
Mortality Assumptions	
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.

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

4. Actuarial Assumptions (Cont'd)

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 (Geometric Mean)
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Private Markets	25.00%	5.90%
Fixed Income	25.00%	0.75%
Total	**100.00%**	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The *Difference Between Expected and Actual Experience*, *Changes of Assumptions,* and *Changes in Proportion* use the amortization period of six years in the schedule presented. The amortization period for *Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB Statement No. 68.

The following changes in benefit and funding terms and actuarial assumptions occurred in 2022:

Changes in the benefit and funding terms since the prior measurement date:
- None

Changes in actuarial assumptions since the prior measurement date:
- None

5. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2022 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 determination of the Single Equivalent Interest Rate (SEIR).

6. Net Pension Liability

On June 30, 2023, the District reported a liability of $4,900,572 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 0.0612% at the end of the measurement period and 0.0597% 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	$ 4,900,572
State's proportionate share of the net pension liability associated with the District	49,942
Total	**$ 4,950,514**

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

6. Net Pension Liability (Cont'd)

For the year ended June 30, 2023, the District recognized pension expense (revenue) of $(909,981). This amount is inclusive of $49,942 which is recognized as pension expense (and grant revenue) for the support provided by direct aid.

On June 30, 2023, 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 economic experience	$ 68,570	$ 42,198
Changes in actuarial assumptions	765,749	1,016,724
Difference between projected and actual investment earnings	171,655	-
Changes in proportion	220,244	89,235
Contributions paid to TRA subsequent to the measurement date	338,135	-
Total	**$ 1,564,353**	**$ 1,148,157**

The $338,135 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 ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to TRA pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2024	$ (811,415)
2025	$ 143,386
2026	$ 60,298
2027	$ 671,396
2028	$ 14,396
Thereafter	$ -

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.00% 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%) or one percentage point higher (8.00%) than the current discount rate:

Sensitivity of Net Position Liability (NPL) to changes in the discount rate

1 percent decrease (6.00%)	Current (7.00%)	1 percent increase (8.00%)
$7,725,485	$4,900,572	$2,585,024

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.

8. PENSION PLANS (Cont'd)

A. TEACHERS RETIREMENT ASSOCIATION (Cont'd)

8. 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, or 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.

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

1. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan 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.

2. 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

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 Coordinated members is 1.20% for each of the first 10 years of service and 1.70% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% 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 is equal to 50.00% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. Recipients that have been receiving the annuity or benefit for at least a full year as of the 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 the 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.

3. Contributions

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

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT (Cont'd)

3. Contributions (Cont'd)

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 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, 2023, were $99,990. The District's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

General Employees Fund Pension Costs

At June 30, 2023, the District reported a liability of $1,346,406 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 $39,476.

The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0170% at the end of the measurement period and 0.0165% for the beginning of the period.

District's proportionate share of net pension liability	$ 1,346,406
State of Minnesota's proportionate share of the net pension liability associated with the District	39,476
Total	**$ 1,385,882**

For the year ended June 30, 2023, the District recognized pension expense of $180,516 for its proportionate share of General Employees Plan's pension expense. This amount is inclusive of $5,899 which is recognized as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense for the annual $16 million contribution.

At June 30, 2023, the District reported its proportionate share of the 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	$ 11,246	$ 13,959
Changes in actuarial assumptions	296,023	5,315
Net difference between projected and actual investment earnings	36,902	-
Changes in proportion	29,836	-
Contributions paid to PERA subsequent to the measurement date	99,990	-
Total	**$ 473,997**	**$ 19,274**

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

4. Pension Costs (Cont'd)

The $99,990 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 ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense Amount
2024	$ 137,071
2025	$ 128,426
2026	$ (32,527)
2027	$ 121,763
2028	$ -
Thereafter	$ -

5. Long-Term Expected Return on Investment

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%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	**100.00%**	

6. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, 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 6.50% in the June 30, 2022 actuarial valuation and 7.00% in the June 30, 2023 actuarial valuation. 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 investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.00% after 29 years of service and 6.00% per year thereafter.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly for PERA's experience.

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

8. PENSION PLANS (Cont'd)

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Cont'd)

6. Actuarial Methods and Assumptions (Cont'd)

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- None

7. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 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.

The discount rate is 7.00% for the General Employees Plan in the June 30, 2023 actuarial valuation.

8. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the General Employees Fund, 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 (5.50%) or one percentage point higher (7.50%) than the current discount rate:

Sensitivity of Net Pension Liability (NPL) to changes in the discount rate

1 percent decrease (5.50%)	Current (6.50%)	1 percent increase (7.50%)
$2,126,718	$1,346,406	$706,429

Note: The discount rate for the fiscal year 2023 will change to 7.00% for the General Employees Plan.

9. Pension Plan Fiduciary Net Position

Detailed information about the 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.

C. CHANGES IN THE NET PENSION LIABILITY

Changes in the net pension liability related to pension plans for the fiscal year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Teachers Retirement Association	$ 2,612,651	$ 2,604,471	$ 316,550	$ 4,900,572
Public Employees Retirement Association	704,624	739,062	97,280	1,346,406
Total Net Pension Liability	**$ 3,317,275**	**$ 3,343,533**	**$ 413,830**	**$ 6,246,978**

8. PENSION PLANS (Cont'd)

D. FINANCIAL STATEMENT PRESENTATION

Deferred Inflows/Outflows of Resources related to pension plans are presented in the June 30, 2023 basic financial statements as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
TRA	$ 1,564,353	$ 1,148,157
PERA	473,997	19,274
Total Governmental Activities	**$ 2,038,350**	**$ 1,167,431**

9. CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year which better meets the informational needs of financial statement users by improving accounting and financial reporting for subscriptions by governments. The Statement requires recognition of certain subscription assets and liabilities for subscriptions that previously were classified as expenditures. No restatement of net position was required upon implementation of this standard.

10. GASB STANDARD ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 101, *Compensated Absences* was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement will result in a liability for compensated absences that more appropriately reflects when the District incurs an obligation. Statement No. 101 is effective for implementation for the year ended June 30, 2025.

11. CONSTRUCTION IN PROGRESS COMMITMENT

The District is in the process of a classroom addition project that will be adding four additional classrooms. Management anticipates the total cost of the project to be approximately $3,347,250. As of June 30, 2023, the District had incurred $994,349 of direct costs relating to this project, which are recorded as Construction in Progress on the Statement of Net Position. The project is being paid for by the Building Construction Fund with proceeds from the General Obligation Facilities Maintenance and School Building Bonds, Series 2023A. This project was completed and placed in service in October of 2023.

The District entered into a financed purchase lease agreement for a solar electric (PV) system during the 2020-2021 school year. The total expected cost of the solar electric system was $750,750, of which $750,750 was set to be financed under the lease. However, at June 30, 2023, only $594,450 of the amount financed was expended on the project. Part of the delay was due the timing of receiving some of the materials because of COVID-19. In addition, part of the system was damaged due to a storm in the spring of 2023 and there was delay on the insurance recovery for that damage, so the repairs did not get finished in the current fiscal year. The project is expected to be completed in January 2024. The balance of the cash, $156,300, is in an escrow account at City National Bank in Orlando, Florida and is restricted for payment of the remaining materials.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2023

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS)**

Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability						
Service Cost	$ 11,140	$ 11,204	$ 9,853	$ 32,221	$ 26,670	$ 26,675
Interest	2,459	4,496	5,723	12,583	10,297	8,424
Assumption Changes	(14,034)	(3,447)	5,317	(31,793)	31,936	(12,286)
Differences between expected and actual experience	-	(52,211)	-	(135,915)	-	-
Benefit Payments	(8,882)	(21,978)	(21,140)	(17,815)	(14,386)	(29,757)
Net change in total OPEB liability	**(9,317)**	**(61,936)**	**(247)**	**(140,719)**	**54,517**	**(6,944)**
Total OPEB Liability - Beginning	**121,370**	**183,306**	**183,553**	**324,272**	**269,755**	**276,699**
Total OPEB Liability - Ending (a)	**$ 112,053**	**$ 121,370**	**$ 183,306**	**$ 183,553**	**$ 324,272**	**$ 269,755**
Covered Payroll	$ 4,213,955	$ 4,216,731	$ 4,215,566	$ 3,975,414	$ 3,788,568	$ 4,054,051
Total OPEB liability as a percentage of covered payroll	2.66%	2.88%	4.35%	4.62%	8.56%	6.65%

****Note:** The District implemented the provisions of GASB Statement No. 75 for the year ended June 30, 2018. The Schedules within the Required Supplementary Information section require a ten-year presentation, but do not require retroactive reporting. Information prior to 2018 is not available. Additional years will be reported as they become available.

Note: This schedule is presented using the optional format of combining the required schedules in paragraphs 170(a) and 170(b) of GASB Statement No. 75.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
JUNE 30, 2023

TEACHERS RETIREMENT ASSOCIATION

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS**)

Measurement Date	District's Proportion (Percentage) of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the District (b)	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the District (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/22	0.0612%	$ 4,900,572	$ 49,942	$ 4,950,514	$3,795,207	130.4%	76.17%
6/30/21	0.0597	2,612,651	220,229	2,832,880	3,573,098	79.3	86.63
6/30/20	0.0577	4,262,953	357,045	4,619,998	3,354,836	137.7	75.48
6/30/19	0.0605	3,856,283	341,507	4,197,790	3,418,426	122.8	78.21
6/30/18	0.0600	3,769,405	354,406	4,123,811	3,315,677	124.4	78.07
6/30/17	0.0583	11,637,738	1,124,355	12,762,093	3,141,078	406.3	51.57
6/30/16	0.0586	13,977,498	1,403,370	15,380,868	3,049,056	504.4	44.88
6/30/15	0.0522	3,229,086	396,059	3,625,145	2,650,375	136.8	76.80
6/30/14	0.0556	2,562,008	180,199	2,742,207	2,536,689	108.1	81.50

**Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, or after.

TEACHERS RETIREMENT ASSOCIATION

SCHEDULE OF DISTRICT'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
6/30/23	$ 338,135	$ 338,135	$ -	$ 3,954,297	8.55%
6/30/22	316,550	316,550	-	3,795,207	8.34
6/30/21	290,493	290,493	-	3,573,098	8.13
6/30/20	265,685	265,685	-	3,354,836	7.92
6/30/19	263,561	263,561	-	3,418,426	7.71
6/30/18	249,865	249,865	-	3,315,677	7.50
6/30/17	235,566	235,566	-	3,141,078	7.50
6/30/16	231,480	231,480	-	3,049,056	7.60
6/30/15	198,620	198,620	-	2,650,375	7.50

* Option to provide RSI for ten years at transition or to provide RSI prospectively.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT'S SHARE OF NET PENSION LIABILITY AND DISTRICT'S CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS
(CONTINUED)
JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (*)
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS**)

Measurement Date	District's Proportion (Percentage) of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the District (b)	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the District (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/22	0.0170%	$ 1,346,406	$ 39,476	$ 1,385,882	$ 1,379,793	100.4%	76.7%
6/30/21	0.0165	704,624	21,513	726,137	1,190,606	61.0	87.0
6/30/20	0.0165	989,250	30,489	1,019,739	1,177,780	86.6	79.1
6/30/19	0.0155	856,960	26,499	883,459	1,094,174	80.7	80.2
6/30/18	0.0172	954,185	31,186	985,371	1,147,376	85.9	79.5
6/30/17	0.0164	1,046,965	13,178	1,060,143	1,057,629	100.2	75.9
6/30/16	0.0150	1,217,925	15,806	1,233,731	928,768	132.8	68.9
6/30/15	0.0141	730,735	-	730,735	819,469	89.2	78.2
6/30/14	0.0136	638,860	-	638,860	723,715	88.3	78.7

* This schedule is for employers in the General Employees Plan to present their proportionate share of the State of Minnesota's contributions to the General Employees Fund on their behalf.

**Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, or after.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
6/30/2023	$ 99,990	$ 99,990	$ -	$ 1,330,756	7.51%
6/30/2022	97,280	97,280	-	1,379,793	7.56
6/30/2021	89,296	89,296	-	1,190,606	7.50
6/30/2020	88,334	88,334	-	1,177,780	7.50
6/30/2019	81,979	81,979	-	1,094,174	7.50
6/30/2018	86,387	86,387	-	1,147,376	7.50
6/30/2017	79,271	79,271	-	1,057,629	7.50
6/30/2016	69,593	69,593	-	928,768	7.50
6/30/2015	60,154	60,154	-	819,469	7.30

* Option to provide RSI for ten years at transition or to provide RSI prospectively.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
REVENUES					
Local Property Tax Levies:					
Maintenance Levy	$ 758,903	$ 753,282	$ 735,744	$ (17,538)	$ 788,532
Other Local and County Revenues:					
County Apportionment	25,223	15,521	24,562	9,041	15,521
Admissions	76,289	81,405	91,477	10,072	81,760
Fees and Tuition From Patrons	35,296	35,994	42,547	6,553	41,596
Earnings From Investments	4,268	45,092	145,212	100,120	6,675
Rent For School Facilities	3,700	7,500	2,235	(5,265)	7,672
Miscellaneous Revenues and Reimbursements	131,806	126,003	161,969	35,966	145,327
	276,582	311,515	468,002	156,487	298,551
Revenue From State Sources:					
Endowment Fund Apportionment	25,819	29,110	30,586	1,476	25,603
General Education Aid	5,619,522	6,013,054	6,121,895	108,841	5,465,691
Shared Time	4,923	-	-	-	-
Disparity Aid	700	660	659	(1)	700
Homestead Market Value Credit	4,854	4,642	4,642	-	2,221
Other State Aids and Credits	14,241	7,390	9,181	1,791	7,203
Special Education	890,000	1,025,266	1,099,375	74,109	1,039,715
Integration Aid	34,868	41,809	39,256	(2,553)	30,530
Literacy Incentive Aid	41,332	31,147	31,148	1	37,085
Long-Term Facilities Maintenance Aid	51,212	62,740	64,159	1,419	52,289
Alt Teacher Compensation	104,001	109,343	109,330	(13)	104,127
	6,791,472	7,325,161	7,510,231	185,070	6,765,164
Revenue From Federal Sources:					
Title I	60,182	62,242	62,243	1	86,255
Title II	10,193	10,457	10,458	1	15,316
Title IV	10,000	10,000	10,000	-	10,000
Special Education	74,000	74,000	120,040	46,040	113,306
Disabled Early Education	1,340	1,340	2,076	736	3,118
Elementary and Secondary School Emergency Relief (ESSER) Fund	-	28,808	28,808	-	257,393
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	273,935	251,847	266,336	14,489	-
The Govenor's Emergency Education Relief (GEER) Fund	-	-	-	-	(672)
Coronavirus State and Local Fiscal Recovery Funds	-	-	-	-	43,932
Pandemic Enrollment Loss	-	-	-	-	34,492
Emergency Connectivity Fund Program	-	-	-	-	49,980
Small, Rural School Achievement Program	37,909	44,731	44,731	-	-
Other Federal Programs	-	21,511	23,237	1,726	42,743
	467,559	504,936	567,929	62,993	655,863
TOTAL REVENUES	8,294,516	8,894,894	9,281,906	387,012	8,508,110
EXPENDITURES					
Current:					
District and School Administration:					
Salaries and Wages	400,351	406,703	417,820	(11,117)	389,753
Employee Benefits	153,317	153,322	157,216	(3,894)	131,450
Purchased Services	47,400	50,025	57,264	(7,239)	36,277
Supplies and Materials	2,220	1,470	3,043	(1,573)	2,503
Other Expenditures	24,500	21,000	19,213	1,787	22,891
	627,788	632,520	654,556	(22,036)	582,874
District Support Services:					
Salaries and Wages	95,660	100,702	107,923	(7,221)	97,297
Employee Benefits	29,180	30,834	30,066	768	28,357
Purchased Services	56,927	61,195	60,844	351	64,775
Supplies and Materials	6,600	12,990	44,186	(31,196)	28,477
Other Expenditures	8,150	3,641	3,278	363	2,416
	196,517	209,362	246,297	(36,935)	221,322

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
EXPENDITURES (Cont'd)	**Original**	**Final**	**Actual**	**Variance**	**Actual**
Current (Cont'd):					
Regular Instruction:					
Salaries and Wages	$ 2,639,503	$ 2,742,734	$ 2,673,162	$ 69,572	$ 2,673,651
Employee Benefits	628,915	672,383	633,875	38,508	631,177
Purchased Services	153,446	164,503	238,407	(73,904)	192,192
Supplies and Materials	373,650	466,053	506,764	(40,711)	371,173
Other Expenditures	8,776	12,165	12,333	(168)	12,184
	3,804,290	**4,057,838**	**4,064,541**	**(6,703)**	**3,880,377**
Vocational Instruction:					
Salaries and Wages	178,795	178,795	193,197	(14,402)	130,739
Employee Benefits	47,906	39,631	40,626	(995)	44,931
Purchased Services	750	750	-	750	-
Supplies and Materials	13,793	18,533	24,583	(6,050)	13,932
	241,244	**237,709**	**258,406**	**(20,697)**	**189,602**
Exceptional Instruction:					
Salaries and Wages	1,131,249	1,166,926	1,156,076	10,850	1,040,428
Employee Benefits	280,396	285,947	256,298	29,649	244,081
Purchased Services	173,609	183,874	174,331	9,543	170,788
Supplies and Materials	5,700	7,470	9,092	(1,622)	13,449
Other Expenditures	-	-	33,567	(33,567)	34,069
	1,590,954	**1,644,217**	**1,629,364**	**14,853**	**1,502,815**
Instructional Support Services:					
Salaries and Wages	70,579	68,564	98,062	(29,498)	62,368
Employee Benefits	14,065	14,142	17,738	(3,596)	13,425
Purchased Services	159,868	165,024	173,956	(8,932)	158,896
Supplies and Materials	7,751	168,476	172,733	(4,257)	144,694
Other Expenditures	600	-	-	-	-
	252,863	**416,206**	**462,489**	**(46,283)**	**379,383**
Pupil Support Services:					
Salaries and Wages	130,052	140,265	126,767	13,498	112,002
Employee Benefits	37,833	35,233	41,006	(5,773)	28,289
Purchased Services	592,000	627,235	587,195	40,040	548,208
Supplies and Materials	10,035	11,425	3,703	7,722	11,840
Other Expenditures	1,555	1,555	-	1,555	773
	771,475	**815,713**	**758,671**	**57,042**	**701,112**
Site, Buildings and Equipment:					
Salaries and Wages	255,241	250,241	217,137	33,104	219,596
Employee Benefits	68,730	70,995	64,850	6,145	64,306
Purchased Services	181,168	224,586	231,851	(7,265)	137,959
Supplies and Materials	96,750	110,950	136,498	(25,548)	95,845
	601,889	**656,772**	**650,336**	**6,436**	**517,706**
Fiscal and Other Fixed Cost Programs:					
Purchased Services	65,135	65,135	65,135	-	58,291
Other Expenditures	8,050	7,250	7,247	3	8,050
	73,185	**72,385**	**72,382**	**3**	**66,341**
Capital Outlay:					
District Support Services	-	-	-	-	2,518
Regular Instruction	-	14,950	35,917	(20,967)	12,145
Site, Buildings and Equipment	-	25,000	163,048	(138,048)	166,148
	-	**39,950**	**198,965**	**(159,015)**	**180,811**
Debt Service:					
Principal	181,194	191,210	132,691	58,519	137,511
Interest	1,278	-	28,273	(28,273)	32,768
	182,472	**191,210**	**160,964**	**30,246**	**170,279**
TOTAL EXPENDITURES	**8,342,677**	**8,973,882**	**9,156,971**	**(183,089)**	**8,392,622**

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (48,161)	$ (78,988)	$ 124,935	$ 203,923	$ 115,488
OTHER FINANCING SOURCES					
Insurance Recovery	-	42,666	31,019	(11,647)	40,810
Issuance of Right of Use Lease	-	-	-	-	2,518
Issuance of Financed Purchase Lease	-	-	140,000	140,000	166,148
	-	42,666	171,019	128,353	209,476
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(48,161)	(36,322)	295,954	332,276	324,964
FUND BALANCE BEGINNING OF YEAR	4,919,491	4,919,491	4,919,491	-	4,594,527
FUND BALANCE END OF YEAR	$ 4,871,330	$ 4,883,169	$ 5,215,445	$ 332,276	$ 4,919,491
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Operating Capital			$ 289,278		$ 304,795
Long-Term Facilities Maintenance			252,829		159,893
Medical Assistance			675		-
Gifted and Talented			-		5,178
Scholarships			27,233		28,299
Student Activities			65,373		64,949
TOTAL RESTRICTED FUND BALANCE			635,388		563,114
ASSIGNED FUND BALANCE					
Projected Budget Deficit			-		45,351
TOTAL ASSIGNED FUND BALANCE			-		45,351
UNASSIGNED FUND BALANCE			4,580,057		4,311,026
TOTAL FUND BALANCE			$ 5,215,445		$ 4,919,491

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
REVENUES					
Other Local and County Revenues:					
Earnings From Investments	$ 170	$ 170	$ 9,364	$ 9,194	$ 369
Revenue From State Sources:					
School Lunch Aid	15,607	13,288	15,322	2,034	10,663
School Breakfast Aid	9,555	9,555	11,814	2,259	-
School Milk Program	920	980	726	(254)	978
Summer Food Service	6,119	-	-	-	6,119
	32,201	**23,823**	**27,862**	**4,039**	**17,760**
Revenue From Federal Sources:					
School Lunch Aid	30,593	64,000	74,698	10,698	-
School Breakfast Aid	22,480	36,000	44,680	8,680	109,314
Special Assistance	87,867	95,000	120,869	25,869	379,432
Supply Chain Assistance	-	42,880	32,023	(10,857)	-
USDA Commodity Rebates	1,082	-	-	-	-
USDA Commodities	34,242	34,242	39,431	5,189	34,241
	176,264	**272,122**	**311,701**	**39,579**	**522,987**
Sales And Other Conversion Of Assets:					
Sale of Lunches and Breakfasts	**233,699**	**243,699**	**263,504**	**19,805**	**75,463**
TOTAL REVENUES	**442,334**	**539,814**	**612,431**	**72,617**	**616,579**
EXPENDITURES					
Current:					
Pupil Support Services:					
Salaries and Wages	130,381	187,047	225,461	(38,414)	216,870
Employee Benefits	35,842	36,405	44,783	(8,378)	41,959
Purchased Services	49,054	57,958	54,256	3,702	42,278
Supplies and Materials	203,518	211,514	206,992	4,522	195,862
USDA Commodities	34,242	34,242	39,431	(5,189)	34,241
	453,037	**527,166**	**570,923**	**(43,757)**	**531,210**
Capital Outlay:					
Pupil Support Services	**5,000**	**12,490**	**30,689**	**(18,199)**	**-**
TOTAL EXPENDITURES	**458,037**	**539,656**	**601,612**	**(61,956)**	**531,210**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(15,703)**	**158**	**10,819**	**10,661**	**85,369**
FUND BALANCE BEGINNING OF YEAR	**300,146**	**300,146**	**300,146**	**-**	**214,777**
FUND BALANCE END OF YEAR	**$ 284,443**	**$ 300,304**	**$ 310,965**	**$ 10,661**	**$ 300,146**
FUND BALANCE ANALYSIS					
NONSPENDABLE FUND BALANCE					
Inventory			$ 22,095		$ 14,158
RESTRICTED FUND BALANCE					
Food Service			288,870		285,988
TOTAL FUND BALANCE			**$ 310,965**		**$ 300,146**

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
REVENUES					
Local Property Tax Levies:					
Community Service Levy	$ 41,299	$ 40,673	$ 40,709	$ 36	$ 42,117
Other Local And County Revenues:					
Fees and Tuition From Patrons	288,034	290,615	320,041	29,426	282,766
Earnings From Investments	141	141	4,129	3,988	204
Other Miscellaneous Revenues	6,800	3,550	1,918	(1,632)	13,477
	294,975	294,306	326,088	31,782	296,447
Revenue From State Sources:					
Disparity Aid	96	78	78	-	96
Homestead Market Value	666	551	551	-	305
Other State Credits	4	82	84	2	4
Preschool Screening	1,797	1,797	2,900	1,103	4,735
Early Childhood Family Education	24,525	27,908	27,909	1	24,521
School Readiness	24,479	23,805	23,792	(13)	24,498
	51,567	54,221	55,314	1,093	54,159
Revenue From Federal Sources:					
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	-	-	9,236	9,236	-
Other Federal Programs	-	628	2,628	2,000	-
	-	628	11,864	11,236	-
TOTAL REVENUES	387,841	389,828	433,975	44,147	392,723
EXPENDITURES					
Current:					
Community Education and Services:					
Salaries and Wages	291,179	302,708	315,316	(12,608)	309,352
Employee Benefits	58,514	62,211	60,278	1,933	61,503
Purchased Services	5,294	5,635	10,491	(4,856)	6,078
Supplies and Materials	18,900	17,550	25,427	(7,877)	33,736
Other Expenditures	227	227	-	227	152
TOTAL EXPENDITURES	374,114	388,331	411,512	(23,181)	410,821
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,727	1,497	22,463	20,966	(18,098)
FUND BALANCE BEGINNING OF YEAR	92,077	92,077	92,077	-	110,175
FUND BALANCE END OF YEAR	$ 105,804	$ 93,574	$ 114,540	$ 20,966	$ 92,077
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Community Education			$ 59,820		$ 50,212
Community Service			17,737		17,118
Early Childhood Family Education			(14,960) **		299
School Readiness			48,531		21,036
Adult Education			3,412		3,412
TOTAL FUND BALANCE			$ 114,540		$ 92,077

** Required by MN Statute to record a deficit, when applicable, in order to permit statutory revenue formula calculations.

1. OTHER POST EMPLOYMENT BENEFITS

No assets are accumulated in a trust that meets the criteria in Paragraph four of GASB Statement No. 75.

2023 Changes

Changes in Benefit Terms:
- None

Changes in Actuarial Assumptions:
- None

2022 Changes

Changes in Benefit Terms:
- Retiree premiums were updated to current levels.

Changes in Actuarial Assumptions:
- The discount rate was changed from 2.45% to 1.92% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflet recent experience including an adjustment to reflect age/gender based risk scores published by the Society of Actuaries.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2018 PERA General Employees Plan and 7/1/2018 Teachers Retirement Association valuations to the rates used in the 7/1/2021 valuations.
- The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2021 Changes

Changes in Benefit Terms:
- None

Changes in Actuarial Assumptions:
- None

2020 Changes

Changes in Benefit Terms:
- Retiree premiums were updated to current levels.
- The number of retirees and employees eligible for benefits now exceeds 100, requiring a full actuarial valuation.

Changes in Actuarial Assumptions:
- The discount rate was changed from 3.62% to 3.13% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Retirement age was changed from age 60 to the rates used in the 7/1/2018 PERA General employees Retirement Plan and 7/1/2018 Teachers Retirement Association valuations.
- Mortality changed from the RP-2015 tables to the rates used in the 7/1/2018 PERA General Employees Retirement Plan and 7/1/2018 Teachers Retirement Association valuations.
- Withdrawal and salary increase rates changed from the rates used in the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 Teachers Retirement Association valuations to the rates used in the 6/30/2018 valuations.
- The percent of future retirees not eligible for a direct subsidy assumed to elect coverage at retirement changed to 25% to reflect recent plan experience.
- The percent of retirees electing spouse coverage changed to 20% to reflect recent plan experience.

1. OTHER POST EMPLOYMENT BENEFITS (Cont'd)

2020 Changes (Cont'd)

Changes in Actuarial Assumptions (Cont'd):

- The percent of non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience. The following table provides the changes of the assumed percent electing each plan:

Medical Plan	6/30/19 Valuation
$500 CMM	85%
$3,375 HSA	5%
$6,350 HSA	10%

- The inflation assumption was changed from 2.75% to 2.50% based on an update historical analysis of inflation rates and forward-looking market expectations.

2019 Changes

Changes in Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.56% to 3.62% based on updated 20-year municipal bond rates.

2018 Changes

Changes in the Benefit Terms:

- None

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.92% to 3.56% based on updated 20-year municipal bond rates.
- The actuarial cost method changed from using the Projected Unit Credit cost method to the Entry Age Normal level percent of pay cost method due to new GASB Statement No. 74/75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectations, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal rates were updated to the rates used in the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 Teachers Retirement Association valuations.
- Mortality rates were updated from the 2000 United States Life Tables to the RP-2014 headcount-weighted tables to reflect recently published mortality rates. This change was made due to updated valuation methods.
- The inflation assumption was changed from 3.00% to 2.75% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2. DEFINED BENEFIT PENSION PLANS

The following changes were reflected in the valuations performed on behalf of the following defined benefit pension plans for the fiscal years (measurement date) ending June 30:

Teachers Retirement Association

2022 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- None

2021 Changes

Changes in Benefit and Funding Terms:

- None

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 7.50% to 7.00%.

2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Teachers Retirement Association (Cont'd)
2020 Changes
Changes in Benefit and Funding Terms:
- None

Changes in Actuarial Assumptions:
- 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 five years and female rates set back seven 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.

2019 Changes
Changes in Benefit and Funding Terms:
- None

Changes in Actuarial Assumptions:
- None

2018 Changes
Changes in Benefit and Funding Terms:
The 2018 Omnibus Pension Bill contained a number of changes.
- The COLA was reduced from 2.00% each January 1 to 1.00%, effective January 1, 2019. Beginning January 1, 2024, the COLA (Cost of Living Adjustment) will increase 0.10% each year until reaching the ultimate rate of 1.50% 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 2.50% if the funded ratio was at least 90.00% 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 0.00% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00% to 3.00%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50% to 7.50%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six 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:
- The investment return assumption was changed from 8.50% to 7.50%.
- The price inflation assumption was lowered from 3.00% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the unfunded actuarial accrued liability (UAAL) was reset to June 30, 2048 (30 years).
- A mechanism in the law that provided the TRA Board with some authority to set contribution rates was eliminated.

2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Teachers Retirement Association (Cont'd)
2017 Changes
Changes in Benefit and Funding Terms:
- None

Changes in Actuarial Assumptions:
- The COLA was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50%, but remain at 2.00% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.40% to 0.00%, the vested inactive load increased from 4.00% to 7.00% and the non-vested inactive load increased from 4.00% to 9.00%.
- The investment return assumption was changed from 8.00% to 7.50%.
- The price inflation assumption was lowered from 2.75% to 2.50%.
- The payroll growth assumption was lowered from 3.50% to 3.00%.
- The general wage growth assumption was lowered from 3.50% to 2.85% for ten years followed by 3.25%, thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes
Changes in Benefit and Funding Terms:
- None

Changes in Actuarial Assumptions:
- The COLA was not assumed to increase (it remained at 2.00% for all future years).
- The price inflation assumption was lowered from 3.00% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.50%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
- The post-retirement mortality assumption was changed to the 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.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

2015 Changes
Changes in Benefit and Funding Terms:
- The Duluth Teachers Retirement Fund Association was merged into TRA on June 30, 2015. This also resulted in a state-provided contribution stream of $14.377 million until the system becomes fully funded.

Changes in Actuarial Assumptions:
- The cost of living adjustment was assumed to increase from 2.00% annually to 2.50% annually on July 1, 2037.

2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association
<u>General Employees Fund</u>

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- None

2021 Changes

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:

- None

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 two through five 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 100.00% Joint & Survivor option changed from 35.00% to 45.00%. The assumed number of married female new retirees electing 100.00% Joint & Survivor option changed from 15.00% to 30.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023 and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)
2018 Changes
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions:
- 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases change from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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
Changes in Actuarial Assumptions:
- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

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

2016 Changes
Changes in Actuarial Assumptions:
- The assumed annual increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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.

Changes in Plan Provisions:
- None

2015 Changes
Changes in Actuarial Assumptions:
- The assumed annual increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

2. DEFINED BENEFIT PENSION PLANS (Cont'd)
Public Employees Retirement Association (Cont'd)
General Employees Fund (Cont'd)
2015 Changes (Cont'd)
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; the State's contribution of $6 million, which meets the special funding situation definition, was due September 2015.

3. BUDGETS, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets presented for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

A. DEFICIT SPENDING

The School Board approved the fiscal year 2023 budget, which projected deficit spending in the following fund:

General Fund	$ 36,322

B. EXPENDITURES EXCEEDING APPROPRIATIONS

For the year ended June 30, 2023, the District had the following funds with expenditures exceeding the latest amended budget.

Fund	Budget	Expenditures	Excess
General Fund	$8,973,882	$ 9,156,971	$ 183,089
Food Service Fund	$ 539,656	$ 601,612	$ 61,956
Community Service Fund	$ 388,331	$ 411,512	$ 23,181

Budget revisions were last approved in April of 2023. These excesses were realized since that time and are approved by the School Board upon acceptance of this report.

OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING CONTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
REVENUES					
Other Local And County Revenues:					
Earnings From Investments	$ -	$ 34,404	$ 62,082	$ 27,678	$ 684
EXPENDITURES					
Current:					
Site, Buildings and Equipment:					
Purchased Services	-	285,332	395,660	(110,328)	530,473
Capital Outlay:					
Site, Buildings and Equipment	-	2,757,986	2,280,973	477,013	4,356,656
Debt Service:					
Other Debt Service Expenditures	-	47,002	61,401	(14,399)	-
TOTAL EXPENDITURES	-	3,090,320	2,738,034	352,286	4,887,129
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,055,916)	(2,675,952)	379,964	(4,886,445)
OTHER FINANCING SOURCES (USES)					
Bond Issuance Premium	-	127,708	127,708	-	-
Issuance of Bonds	-	1,740,000	1,740,000	-	-
	-	1,867,708	1,867,708	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(1,188,208)	(808,244)	379,964	(4,886,445)
FUND BALANCE BEGINNING OF YEAR	2,612,782	2,612,782	2,612,782	-	7,499,227
FUND BALANCE END OF YEAR	$ 2,612,782	$ 1,424,574	$ 1,804,538	$ 379,964	$ 2,612,782
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Long-Term Facilities Maintenance			$ 49,442		$ -
Building Construction			1,755,096		2,612,782
TOTAL FUND BALANCE			$ 1,804,538		$ 2,612,782

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023
(with Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023 Budgeted Amounts		2023		2022
	Original	Final	Actual	Variance	Actual
REVENUES					
Local Property Tax Levy:					
Debt Service Levy	$ 1,549,867	$ 852,822	$ 853,537	$ 715	$ 754,884
Other Local And County Revenues:					
Earnings From Investments	-	-	19,855	19,855	1,057
Revenue From State Sources:					
Homestead Market Value Credit	-	20,672	20,672	-	9,121
Disparity Aid	-	2,936	2,935	(1)	2,876
School Bond Agriculture Credit	-	673,438	673,480	42	506,287
	-	697,046	697,087	41	518,284
TOTAL REVENUES	1,549,867	1,549,868	1,570,479	20,611	1,274,225
EXPENDITURES					
Debt Service:					
Bond Principal	1,010,000	1,045,000	1,045,000	-	1,010,000
Bond Interest	455,559	495,775	495,775	-	455,559
Other Debt Service Expenditures	1,425	1,425	1,425	-	1,425
TOTAL EXPENDITURES	1,466,984	1,542,200	1,542,200	-	1,466,984
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	82,883	7,668	28,279	20,611	(192,759)
FUND BALANCE BEGINNING OF YEAR	276,737	276,737	276,737	-	469,496
FUND BALANCE END OF YEAR	$ 359,620	$ 284,405	$ 305,016	$ 20,611	$ 276,737
FUND BALANCE ANALYSIS					
RESTRICTED FUND BALANCE					
Debt Service			$ 305,016		$ 276,737

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - HISTORICAL ANALYSIS

	2019	2020	2021	2022	2023
REVENUES					
Local Property Tax Levies	$ 702,078	$ 717,712	$ 643,626	$ 788,532	$ 735,744
Other Local and County Revenues	271,942	306,247	172,255	298,551	468,002
Revenue From State Sources	6,366,137	6,456,089	6,587,851	6,765,164	7,510,231
Revenue From Federal Sources	152,504	177,542	355,962	655,863	567,929
Sales and Other Conversion of Assets	-	50,555	5,525	-	-
TOTAL REVENUES	**7,492,661**	**7,708,145**	**7,765,219**	**8,508,110**	**9,281,906**
EXPENDITURES - PROGRAMS					
District and School Administration	554,759	565,132	560,209	582,874	654,556
District Support Services	169,067	192,441	182,061	247,360	269,914
Regular Instruction	3,523,839	3,515,740	3,604,512	3,935,956	4,133,895
Vocational Instruction	202,931	217,359	215,103	189,602	258,406
Exceptional Instruction	1,235,835	1,325,525	1,397,916	1,502,815	1,629,364
Instructional Support Services	350,095	381,338	354,872	379,383	462,489
Pupil Support Services	661,360	624,743	655,060	701,112	758,671
Site, Buildings, and Equipment	672,405	683,261	1,096,980	787,179	917,294
Fiscal and Other Fixed Cost Programs	34,226	48,440	64,862	66,341	72,382
TOTAL EXPENDITURES	**7,404,517**	**7,553,979**	**8,131,575**	**8,392,622**	**9,156,971**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**88,144**	**154,166**	**(366,356)**	**115,488**	**124,935**
FUND BALANCE BEGINNING OF YEAR	**3,980,744**	**4,145,380**	**4,506,433**	**4,594,527**	**4,919,491**
OTHER FINANCING SOURCES	**76,492**	**206,887**	**454,450**	**209,476**	**171,019**
FUND BALANCE END OF YEAR	**$ 4,145,380**	**$ 4,506,433**	**$ 4,594,527**	**$ 4,919,491**	**$ 5,215,445**
ADJUSTED CASH BALANCES	**$ 3,742,889**	**$ 4,113,102**	**$ 4,199,225**	**$ 4,433,248**	**$ 4,826,801**
EXPENDITURES - OBJECT					
Salaries and Wages	$ 4,292,459	$ 4,301,395	$ 4,529,162	$ 4,725,834	$ 4,990,144
Employee Benefits	1,097,095	1,076,406	1,101,472	1,186,016	1,241,675
Purchased Services	1,405,213	1,351,362	1,299,118	1,367,386	1,588,983
Supplies and Materials	394,757	419,281	509,486	681,913	900,602
Other Expenditures	30,927	77,946	82,458	80,383	75,638
Capital Expenditures	128,406	238,970	454,450	180,811	198,965
Debt Service	55,660	88,619	155,429	170,279	160,964
TOTAL EXPENDITURES	**$ 7,404,517**	**$ 7,553,979**	**$ 8,131,575**	**$ 8,392,622**	**$ 9,156,971**

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal Control Over Financial Reporting:

Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	X Yes	___ None reported

Noncompliance material to financial statements noted?	___ Yes	X No

FEDERAL AWARDS

Internal Control Over Major Federal Programs:

Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	___ Yes	X None reported

Type of auditor's report issued on compliance for major federal programs: **Qualified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X Yes	___ No

Identification of major federal programs:

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
	COVID-19 Education Stabilization Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	Regular
10.555	Free/Reduced
10.555	COVID-19 Supply Chain Assistance
10.555	Commodities

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as a low-risk auditee?	___ Yes	X No

B. FINDINGS – FINANCIAL STATEMENTS AUDIT
INTERNAL CONTROL OVER FINANCIAL REPORTING
PREVIOUSLY REPORTED ITEMS NOT RESOLVED

2023-001 Payments for Solar Lease Began Before Project Was Completed

Condition: The District began making payments on a Solar Lease in which the production has not been fully completed to make the solar units operable. The lease payments began July 1, 2020, and the solar units are estimated to be completed and operable by January 2024. This finding was reported in the previous year as number 2022-001.

Effect: This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: The District should have requested the project to be completed and operable before beginning payments on the lease.

Criteria: The District should review agreements to determine if payments should be made prior to project completion.

Recommendation: We recommend that the District follow up with the company installing the solar units to determine when the project will be completed.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendation will be adopted.

2023-002 Audit Adjustments

Condition: During our audit, we proposed audit adjustments that resulted in a significant change to the District's financial statements. These audit adjustments were related to adjustments for OPEB, pensions, severance, right of use leases, and reclassifications. This finding was reported in the previous year as number 2022-002.

Effect: A control deficiency 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 misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the auditor of a misstatement in the financial statement not initially identified by the entity's internal controls. This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: The Service Cooperative prepared a majority of the year end entries, however all accounts were not reviewed for accuracy, requiring the auditors to propose significant journal entries for OPEB, pensions, severance, right of use leases, and reclassifications.

Criteria: The District's accounting staff should analyze activity throughout the year and at year end to ensure that it is properly classified.

Recommendation: We recommend that the District's accounting staff continue to work towards a goal of preparing all required year end adjustments. If the District determines that this plan is not attainable, the plan should be amended to reflect the attainable goal.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

2023-003 Coding of Disbursements

Condition: Of the 25 disbursements sampled, 3 of them were coded incorrectly. The policies in place were not followed as it relates to proper coding of invoices. This finding was reported in the previous year as number 2022-005.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (Cont'd)
INTERNAL CONTROL OVER FINANCIAL REPORTING (Cont'd)
PREVIOUSLY REPORTED ITEMS NOT RESOLVED (Cont'd)
2023-003 Coding of Disbursements (Cont'd)

Effect: This could affect the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause: The District overlooked the applicable guidelines noted in the UFARS Manual in regards to coding of expenditures.

Criteria: In order to ensure full accountability and propriety, coding of disbursements should follow the guidance of the UFARS Manual.

Recommendation: We recommend that the District carefully review coding of invoices to ensure proper coding according to the UFARS Manual.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendation will be adopted.

LEGAL COMPLIANCE
PREVIOUSLY REPORTED ITEM NOT RESOLVED
2023-004 Lack of Adequate Collateral Coverage

Condition: The District did not have adequate collateral coverage for the District's deposits at all times during the year. The District did have adequate coverage at the end of the year. This finding was reported in the previous year as number 2022-006.

Effect: The District was at risk of economic loss for deposit amounts in excess of collateral coverage and was in violation of Minnesota Statute §118A.03 subd. 3.

Cause: The level of deposits was not sufficiently monitored to ensure that adequate collateral coverage was in place.

Criteria: Minnesota Statute §118A.03 subd. 3 requires that all deposits be backed by pledged collateral in the amount of 110% of the excess over the FDIC insurance limit.

Recommendation: We recommend that the District personnel more closely monitor the deposit levels and the level of pledged collateral to ensure compliance with Minnesota Statutes and to minimize the risk of economic loss.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendation will be adopted.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

COVID-19 Education Stabilization Fund	
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	Assistance Listing No. 84.425D
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)	Assistance Listing No. 84.425U

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT (Cont'd)

Child Nutrition Cluster	
School Breakfast Program	Assistance Listing No. 10.553
Regular	Assistance Listing No. 10.555
Free/Reduced	Assistance Listing No. 10.555
COVID-19 Supply Chain Assistance	Assistance Listing No. 10.555
Commodities	Assistance Listing No. 10.555

PREVIOUSLY REPORTED ITEMS NOT RESOLVED

2023-005 Controls over Compliance of Federal Programs

Criteria: The District should have control procedures in place to ensure that compliance requirements applicable to federal programs are met.

Condition: The District has established internal controls over compliance for the major federal programs; however, these controls failed in regard to establishing documented procurement procedures in accordance with the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327 and obtaining approval from the state agency prior to purchasing property and equipment as required by 2 *Code of Federal Regulations* Part 225 Appendix B, section 15. The District implemented the procurement policy controls on October 17, 2022. This finding was reported in the previous year as number 2022-007.

Questioned Costs: There are no questioned costs associated with this finding.

Context: During our examination of compliance with federal programs, we noted two instances of internal controls not preventing noncompliance with the requirements of the federal programs.

Effect: The District did not comply with the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327 and Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15 for the entirety of the year ended June 30, 2023.

Cause: The District did not establish documented procurement procedures for the acquisition of property or services consistent with State, local, and tribal laws and regulations and the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327 until October 17, 2022. The District did not obtain approval from the state agency prior to purchasing property and equipment as required by Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15.

Recommendation: We recommend that the District continue to follow the appropriate controls to ensure compliance in regard to the compliance requirements of federal programs.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

2023-006 Procurement Policy

Criteria: Per Title 2 U.S. *Code of Federal Regulations* §200.318, the District must have and use documented procurement procedures for the acquisition of property or services consistent with State, local, and tribal laws and regulations and the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327.

Condition: The District did not implement a procurement policy in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327 until October 17, 2022. This finding was reported in the previous year as number 2022-008.

Questioned Costs: There are no questioned costs associated with this finding.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT (Cont'd)
PREVIOUSLY REPORTED ITEMS NOT RESOLVED (Cont'd)

2023-006 Procurement Policy (Cont'd)

Context: The District acquired property and services with federal awards prior to adopting documented procurement procedures in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327.

Effect: The District did not meet federal regulations pertaining to the requirement to have and use documented procurement procedures for the acquisition of property or services consistent with the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327, until October 17, 2022.

Cause: The District did not implement a written procurement policy in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327, until October 17, 2022.

Recommendation: We recommend that the District continue to follow the written procurement policy adopted on October 17, 2022, to ensure that the federal program compliance requirements are being followed.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendations will be adopted.

ITEM ARISING IN THE CURRENT YEAR

2023-007 Lack of Approval for School Food Authority Equipment Purchase

Criteria: Per Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15, the District should have obtained approval for the purchase of property and equipment over $5,000 in which the item was not on the Minnesota Department of Education (MDE)-approved list.

Condition: Per MDE if a school food authority chooses to purchase equipment not included on the MDE-approved list, it must submit a request for approval to the state agency prior to purchasing the item as required by Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15. The District did not receive approval before purchase due to urgent need of the water heater purchased.

Questioned Costs: There are no questioned costs associated with this finding.

Context: The District acquired an asset with federal awards without prior approval of purchase in accordance with the requirements of Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15.

Effect: The District did not meet federal regulations pertaining to the requirement to submit a request for approval to the state agency prior to purchasing the item as required by Title 2 *Code of Federal Regulations* Part 225 Appendix B, section 15.

Cause: The District should have requested approval from MDE before the water heater was purchased.

Recommendation: We recommend that the District review requirements of the school food authorities for the purchase of capital expenditures.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and the auditor's recommendation will be adopted.

LAKEVIEW INDEPENDENT SCHOOL DISTRICT #2167
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Scott Hanson | Secondary Principal | Ext. 1302
Corey Boe | Elementary Principal | Ext. 1153

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

2023-001 Payments for Solar Lease Began Before Project Was Completed

Auditor Recommendation

We recommend that the District follow up with the company installing the solar units to determine when the project will be completed.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Chris Fenske (Superintendent) will follow up with the company installing the solar units. Currently, the damaged array is being repaired and project is nearing completion.

3. Official Responsible for Insuring CAP
   Chris Fenske is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan has been and will continue to be implemented during the 2023-2024 fiscal year.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

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INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-002 Audit Adjustments

Auditor Recommendation

We recommend that the District's accounting staff continue to work towards a goal of preparing all required year end adjustments. If the District determines that this plan is not attainable, the plan should be amended to reflect the attainable goal.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Paula Geistfeld (Accounting Technician) will review accounts and transactions for propriety. The District will continue to contract with SW/WC Service Cooperative.

3. Official Responsible for Insuring CAP
   Chris Fenske (Superintendent) is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan will be implemented during the 2023-2024 fiscal year.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

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Corey Boe | Elementary Principal | Ext. 1153

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-003 Coding of Disbursements

Auditor Recommendation

We recommend that the District carefully review coding of invoices to ensure proper coding according to the UFARS Manual.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Paula Geistfeld (Accounting Technician) will more closely monitor the coding of all disbursements.

3. Official Responsible for Insuring CAP
   Chris Fenske (Superintendent) is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan will be implemented during the 2023-2024 fiscal year.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

LAKEVIEW INDEPENDENT SCHOOL DISTRICT #2167
875 Barstad Road North • Cottonwood, MN 56229
Phone: 507-423-5164 • Fax: 507-423-5568
Elementary Fax 507-423-6198

Dr. Chris Fenske | Superintendent | Ext. 1305
Scott Hanson | Secondary Principal | Ext. 1302
Corey Boe | Elementary Principal | Ext. 1153

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-004 Lack of Adequate Collateral Coverage

Auditor Recommendation

We recommend that the District personnel more closely monitor the deposit levels and the level of pledged collateral to ensure compliance with Minnesota Statutes and to minimize the risk of economic loss.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Paula Geistfeld (Accounting Technician) personnel will more closely monitor the deposit levels and the level of pledged collateral to ensure compliance with Minnesota Statutes and to minimize the risk of economic loss.

3. Official Responsible for Insuring CAP
   Chris Fenske (Superintendent) is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan has been and will continue to be implemented during the 2023-2024 fiscal year.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

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INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-005 Controls over Compliance of Federal Programs

Auditor Recommendation

We recommend that the District establish appropriate controls to ensure compliance in regard to the compliance requirements of federal programs.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Chris Fenske (Superintendent) will ensure the establishment of appropriate controls to ensure compliance regarding federal program compliance requirements.

3. Official Responsible for Insuring CAP
   Chris Fenske is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan will be implemented immediately.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

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INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

2023-006 Procurement Policy

Auditor Recommendation

We recommend that the District continue to follow the written procurement policy adopted on October 17, 2022, to ensure that the federal program compliance requirements are being followed.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Chris Fenske (Superintendent) ensured the adoption of a written procurement policy on October 17, 2022, to ensure that the federal program compliance requirements are being followed.

3. Official Responsible for Insuring CAP
   Chris Fenske is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan was implemented on October 17, 2022.

5. Plan to Monitor Completion of CAP
   Chris Fenske monitored this plan.

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INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

2023-007 Lack of Approval for School Food Authority Equipment Purchase

Auditor Recommendation

We recommend that the District review requirements of the school food authorities for the purchase of capital expenditures.

Corrective Action Plan (CAP)

1. Explanation of Disagreement with Audit Finding
   There is no disagreement with the audit finding.

2. Action Planned in Response to Finding
   Chris Fenske (Superintendent) will review requirements prior to purchases of capital expenditures being coded to food service.

3. Official Responsible for Insuring CAP
   Chris Fenske is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP
   This plan has been and will continue to be implemented during the 2023-2024 fiscal year.

5. Plan to Monitor Completion of CAP
   Chris Fenske and the School Board will be monitoring this corrective action plan.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

FINDINGS RELATIVE TO FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2022-001 Payments for Solar Lease Began Before Project Was Completed

Condition: The District began making payments on a Solar Lease in which the production has not been fully completed to make the solar units operable. The lease payments began July 1, 2020, and the solar units are estimated to be completed and operable by late December 2022 or January 2023.

Recommendation: We recommended that the District follow up with the company installing the solar units to determine when the project will be completed.

Current Status: The District has implemented this recommendation. However the project was not completed during the current year. The finding has not been resolved.

2022-002 Audit Adjustments

Condition: During our audit, we proposed audit adjustments that resulted in a significant change to the District's financial statements. These audit adjustments were related to adjustments for OPEB, pensions, and reclassifications.

Recommendation: We recommended that the District's accounting staff continue to work towards a goal of preparing all required year end adjustments. If the District determines that this plan is not attainable, the plan should be amended to reflect the attainable goal.

Current Status: The District attempted to implement the recommendation in fiscal year 2023; however, there were material adjustments proposed for the 2023 audit. The finding has not been resolved.

2022-003 Old Authorized Check Signers

Condition: During our audit, we noted that there was a bank account that had previous employees or board members still listed as authorized signers. The District did not update the signature card for the payroll checking account at First Independent Bank.

Recommendation: We recommended that the District review the authorized check signers annually to make sure they are accurate.

Current Status: The District implemented the recommendation. The finding has been resolved.

2022-004 Unauthorized Use of Tax Identification Number

Condition: During the audit, we noted a bank account had been opened using the District's Employer Identification Number, without proper authorization by the School Board.

Recommendation: We recommended that the District monitor bank accounts that are opened and report any unauthorized accounts to the School Board.

Current Status: The District implemented the recommendation. The finding has been resolved.

2022-005 Coding of Disbursements

Condition: Of the 25 disbursements sampled, 2 of them were coded incorrectly. The policies in place were not followed as it relates to proper coding of invoices.

Recommendation: We recommended that the District carefully review coding of invoices to ensure proper coding according to the UFARS Manual.

Current Status: The District attempted to implement this recommendation. However coding errors were noted during the current year. The finding has not been resolved.

FINDINGS RELATIVE TO FINANCIAL STATEMENT AUDIT (Cont'd)

LEGAL COMPLIANCE

2022-006 Lack of Adequate Collateral Coverage

Condition: The District did not have adequate collateral coverage for the District's deposits at all times during the year. The District did have adequate coverage at the end of the year.

Recommendation: We recommended that the District personnel more closely monitor the deposit levels and the level of pledged collateral to ensure compliance with Minnesota Statutes and to minimize the risk of economic loss.

Current Status: The District attempted to implement this recommendation. However, the District still had a lack of adequate collateral coverage during the current year. The finding has not been resolved.

FINDINGS RELATIVE TO FEDERAL AWARD PROGRAMS

2022-007 Controls over Compliance of Federal Programs

Condition: The District has established internal controls over compliance for the major federal programs; however, these controls failed in regard to establishing documented procurement procedures in accordance with the standards of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327. The District implemented these controls on October 17, 2022.

Recommendation: We recommended that the District continue to follow the appropriate controls to ensure compliance in regard to the compliance requirements of federal programs.

Current Status: The District did not implement this recommendation prior to the beginning of the 2023 fiscal year. This finding has not been resolved.

2022-008 Procurement Policy

Condition: The District has not implemented a procurement policy in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* §200.317 through §200.327.

Recommendation: We recommended that the District adopt a written procurement policy to ensure that the federal program compliance requirements are being followed.

Current Status: The District implemented this recommendation on October 17, 2022. However, this was after the beginning of the 2023 fiscal year. The finding has not been resolved.

HOFFMAN & BROBST PLLP
CERTIFIED PUBLIC ACCOUNTANTS

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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 THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the School Board
Independent School District No. 2167
Lakeview
Cottonwood, 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 basic financial statements of the governmental activities and each major fund of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's basic financial statements and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's basic 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 basic 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.*

Minnesota Legal Compliance

In connection with our audit, we noted that Independent School District No. 2167, Lakeview, Cottonwood, Minnesota failed to comply with the provisions of the depositories of public funds and public investments section 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 as described in the accompanying schedule of findings and questioned costs as item 2023-004. Also, in connection with our audit, nothing came to our attention that caused us to believe that Independent School District No. 2167, Lakeview, Cottonwood, Minnesota failed to comply with the provisions of contracting-bid laws, 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*, 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.

Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs corrective action plan. Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

December 14, 2023

HOFFMAN &
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the School Board
Independent School District No. 2167
Lakeview
Cottonwood, Minnesota

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's major federal programs for the year ended June 30, 2023. Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the COVID-19 Education Stabilization Fund (COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, Assistance Listing No. 84.425D and COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Assistance Listing No. 84.425U) and Child Nutrition Cluster (School Breakfast Program, Assistance Listing No. 10.553, Regular, Assistance Listing No. 10.555, Free/Reduced, Assistance Listing No. 10.555, COVID-19 Supply Chain Assistance, Assistance Listing No. 10.555, and Commodities, Assistance Listing No. 10.555)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, Independent School District No. 2167, Lakeview, Cottonwood, Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 Education Stabilization Fund (COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, Assistance Listing No. 84.425D and COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Assistance Listing No. 84.425U) and Child Nutrition Cluster (School Breakfast Program, Assistance Listing No. 10.553, Regular, Assistance Listing No. 10.555, Free/Reduced, Assistance Listing No. 10.555, COVID-19 Supply Chain Assistance, Assistance Listing No. 10.555, and Commodities, Assistance Listing No. 10.555) for the year ended June 30, 2023.

Basis for Qualified Opinion

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. 2167, Lakeview, Cottonwood, Minnesota 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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the COVID-19 Education Stabilization Fund (COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, Assistance Listing No. 84.425D and COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Assistance Listing No. 84.425U) and Child Nutrition Cluster (School Breakfast Program, Assistance Listing No. 10.553, Regular, Assistance Listing No. 10.555, Free/Reduced, Assistance Listing No. 10.555, COVID-19 Supply Chain Assistance, Assistance Listing No. 10.555, and Commodities, Assistance Listing No. 10.555)

As described in the accompanying schedule of findings and questioned costs, Independent School District No. 2167, Lakeview, Cottonwood, Minnesota did not comply with requirements regarding the COVID-19 Education Stabilization Fund (COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, Assistance Listing No. 84.425D and COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Assistance Listing No. 84.425U) and Child Nutrition Cluster (School Breakfast Program, Assistance Listing No. 10.553, Regular, Assistance Listing No. 10.555, Free/Reduced, Assistance Listing No. 10.555, COVID-19 Supply Chain Assistance, Assistance Listing No. 10.555, and Commodities, Assistance Listing No. 10.555), as described in finding number 2023-006 for Procurement, Suspension, and Debarment and finding number 2023-007 for Approval for School Food Authority Equipment Purchase.

Compliance with such requirements is necessary, in our opinion, for Independent School District No. 2167, Lakeview, Cottonwood, Minnesota to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota'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 Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-005 to be a material weakness.

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

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

Government Auditing Standards requires the auditor to perform limited procedures on Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs corrective action plan. Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities and each major fund of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's basic financial statements. We issued our report thereon dated December 14, 2023, which contained unmodified opinions on those basic financial statements. Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

December 14, 2023

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	Assistance Listing	Federal Expenditures
U.S. Department of Education		
Received Directly from the Federal Government		
Small, Rural School Achievement Program	84.358A	$ 44,731
Total Received Directly from the Federal Government		44,731
Passed Through Minnesota Department of Education		
Special Education Cluster		
Grants to States (IDEA, Part B)	84.027	102,542
COVID-19 American Rescue Plan (ARP) (IDEA, Part B)	84.027X	17,498
Preschool Grants (IDEA Preschool)	84.173	2,076
Total Special Education Cluster		122,116
Special Education - Grants for Infants and Families	84.181	1,500
Title I, Part A	84.010	62,243
Title II, Part A	84.367	10,458
Title IV	84.424	10,000
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	1,737
COVID-19 Education Stabilization Fund		
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	28,808
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	275,572
Total COVID-19 Education Stabilization Fund		304,380
Total U.S. Department of Education		**557,165**
U.S. Department of the Treasury		
Passed Through Minnesota Department of Education		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2,000
Total U.S. Department of the Treasury		**2,000**
U.S. Department of Health and Human Services		
Passed Through Minnesota Department of Education		
COVID-19 Minnesota COVID-19 Testing Program	93.323	20,000
Total U.S. Department of Health and Human Services		**20,000**
U.S. Department of Agriculture		
Passed Through Minnesota Department of Education		
Child Nutrition Cluster		
National School Lunch Program		
Free/Reduced	10.555	120,869
Regular	10.555	74,698
COVID-19 Supply Chain Assistance	10.555	32,023
Commodities	10.555	39,431
Total National School Lunch Program		267,021
School Breakfast Program	10.553	44,680
Total Child Nutrition Cluster		**311,701**
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	**628**
Total U.S. Department of Agriculture		**312,329**
TOTAL FEDERAL EXPENDITURES		**$ 891,494**

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

FOOD DISTRIBUTION
Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the District had food commodities totaling $15,281 in inventory.

PASS-THROUGH ENTITY IDENTIFYING NUMBER
The pass-through entity identifying number is unknown.

LOAN PROGRAMS AND LOAN GUARANTEE PROGRAMS
Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, did not provide loan programs or loan guarantee programs, accordingly, there are no year-end loan balances.

SUBRECIPIENTS
Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, did not provide federal awards to subrecipients.

INDEPENDENT SCHOOL DISTRICT NO. 2167
LAKEVIEW
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – REPORTING ENTITY

The schedule of expenditures of federal awards presents the activities of federal award programs expended by Independent School District No. 2167, Lakeview, Cottonwood, Minnesota. The District's reporting entity is defined in Note 1 to the basic financial statements.

NOTE B – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, under programs of the federal government for the year ended June 30, 2023. 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 the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE D – DE MINIMIS INDIRECT COST RATE

Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE E – LOAN PROGRAMS AND LOAN GUARANTEE PROGRAMS

Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, did not provide loan programs or loan guarantee programs, accordingly, there are no year-end loan balances.

NOTE F – DONATED FEDERALLY FUNDED PERSONAL PROTECTIVE EQUIPMENT

Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, did not receive any donated federally funded personal protective equipment.

HOFFMAN &
BROBST PLLP
CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

Members of the School Board
Independent School District No. 2167
Lakeview
Cottonwood, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities and each major fund of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, for the year ended June 30, 2023, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit we became aware of the following opportunity for strengthening internal controls and operating efficiency. We previously reported on the District's internal control and any related significant deficiencies and material weaknesses in our report dated December 14, 2023. This letter does not affect our report dated December 14, 2023, on the basic financial statements of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota.

COMMENT AND SUGGESTION

- Due to the limited number of office personnel within Independent School District No. 2167, Lakeview, Cottonwood, Minnesota, segregation of the accounting functions necessary to ensure adequate internal accounting control is not always possible. The District has responded to this deficiency by implementing various oversight controls by the School Board and Management. These oversight controls help to mitigate the risk to the District created by the lack of segregation of duties within the accounting function. However, the risks that are created by the lack of segregation of duties can never be completely eliminated. The School Board and Management should be diligent in their review of financial transactions, and document these procedures by initialing invoices and approving monthly revenue and expenditure reports.

If you have any questions regarding this item, please contact us.

Hoffman + Brobst, PLLP

Hoffman & Brobst, PLLP
Certified Public Accountants
Marshall, Minnesota

December 14, 2023

Fiscal Compliance Report - 6/30/2023

District: LAKEVIEW (2167-1)

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	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total Revenue	$9,281,906	$9,281,906	$0
Total Expenditures	$9,156,971	$9,156,970	$1
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$65,373	$65,373	$0
4.02 Scholarships	$27,233	$27,233	$0
4.03 Staff Development	$0	$0	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.24 Operating Capital	$289,278	$289,278	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe Schools Levy	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	$252,829	$252,829	$0
4.72 Medical Assistance	$675	$675	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$0	$0	$0
Unassigned:			
4.22 Unassigned Fund Balance	$4,580,057	$4,580,057	$0
02 FOOD SERVICES			
Total Revenue	$612,431	$612,430	$1
Total Expenditures	$601,612	$601,611	$1
Non Spendable:			
4.60 Non Spendable Fund Balance	$22,095	$22,095	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$288,870	$288,870	$0

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total Revenue	$62,082	$62,082	$0
Total Expenditures	$2,738,034	$2,738,035	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.67 LTFM	$49,442	$49,442	$0
Restricted:			
4.64 Restricted Fund Balance	$1,755,096	$1,755,096	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
07 DEBT SERVICE			
Total Revenue	$1,570,479	$1,570,479	$0
Total Expenditures	$1,542,200	$1,542,200	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$305,016	$305,016	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
08 TRUST			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0
18 CUSTODIAL			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
20 INTERNAL SERVICE			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0
25 OPEB REVOCABLE TRUST			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0

Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

Total Revenue	$433,975	$433,974	$1
Total Expenditures	$411,512	$411,511	$1
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$59,820	$59,820	$0
4.32 E.C.F.E	($14,960)	($14,960)	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$48,531	$48,531	$0
4.47 Adult Basic Education	$3,412	$3,412	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$17,737	$17,737	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

47 OPEB DEBT SERVICE

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0