LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
BOARD OF EDUCATION AND ADMINISTRATION
YEAR ENDED JUNE 30, 2022

BOARD OF EDUCATION		Term Expires
Tobin Brummer	Chairperson	January 1, 2023
Brein Maki	Vice Chairperson	January 1, 2025
Connie Meyer	Treasurer	January 1, 2023
Melissa Meisch	Clerk	January 1, 2023
David Pringle	Director	January 1, 2025
Jenny K. Koverman	Director	January 1, 2025
Sarah Sommer	Director	January 1, 2025

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ADMINISTRATION

Gwen Carman	Superintendent
Dr. Cory Hanson	High School Principal
Dave Riebel	Elementary Principal
Sheala Hall	Business Manager

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FINANCIAL SECTION

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 857
Lewiston, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lewiston-Altura Public Schools Independent School District No. 857, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 GAAS. In our opinion, the Uniform Financial Accounting and Reporting Standards Compliance Table and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Board of Education and administration but does not include the basic financial statements and our auditors' 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.

Board of Education
Independent School District No. 857

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 10, 2022

REQUIRED SUPPLEMENTARY INFORMATION

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

This section of Lewiston-Altura Public Schools – Independent School District No. 857's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

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

- Overall General Fund revenues were $9,099,312 with $9,062,177 of expenditures.
- The General Fund fund balance increased $217,959 from the prior year with revenues increasing 1% and expenditures increasing by 3.2%. The increased General Fund Balance is primarily due to a $157,452 increase in the restricted LTFM fund balance. The Unassigned Fund Balance decreased by 15.2% or $122,847 to $687,751.
- The district's business office experienced significant personnel transitions starting in February 2022. The Finance Assistant left initially, followed by the Business Manager in April. The former Business Manager continued to do payroll remotely through May, as well as provide some training and consultation. The district's current Business Manager started April 1, 2022. The current Finance Assistant worked part time hours starting in June and started full time hours in early August. In the interim, the district contracted with Region V, Bergankdv and a former business manager to assist with accounts payable, accounts receivable, payroll, federal grant budgeting and reimbursements and training of the new staff members. The superintendent has also been more involved with financial processes and reporting to support the staff and district during these transitions.
- A significant amount of revenues and expenditures were recorded in FY22 that were specific to funding received as a result of the COVID-19 pandemic.
- Football stadium lights were replaced as the result of a rain/wind weather event in October 2021. The replacement lights were paid for from Fund 06 Construction which has a balance as a result of carryover funds from the 2017 IAQ project.
- A major wind storm occurred during the early morning of April 12, 2022. This resulted in significant damage to the track/field area including bleachers, track and field equipment, fencing, the track itself, metal roofs over dugouts, roof top cooling units. These repairs and equipment replacements were entirely covered by insurance minus a $5,000 deductible.
- In order to comply with GASB regulations regarding Student Activity Accounts, the Student Activity Accounts were transitioned to district funds from a local bank savings account, which was subsequently closed.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, 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 district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and 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 district-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 services, and community education. Property taxes and state aids finance most of these activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not 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 (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

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 fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was ($2,314,783) on June 30, 2022.

Table A-1
The District's Net Position

	Governmental Activities as of June 30, 2022	Governmental Activities as of June 30, 2021	Percentage Change
Current and Other Assets	$ 4,885,197	$ 4,577,462	6.72 %
Capital and Noncurrent Assets	8,167,491	8,511,488	(4.04)
Total Assets	13,052,688	13,088,950	(0.28)
Deferred Outflows of Resources	2,474,088	2,610,618	(5.23)
Current Liabilities	1,679,421	1,425,251	17.83
Long-Term Liabilities	8,420,690	11,089,488	(24.07)
Total Liabilities	10,100,111	12,514,739	(19.29)
Deferred Inflows of Resources	7,741,448	6,049,939	27.96
Net Position:			
Net Investment in Capital Assets	3,741,600	3,709,035	0.88
Restricted	1,522,491	1,412,566	7.78
Unrestricted	(7,578,874)	(7,986,711)	(5.11)
Total Net Position	$ (2,314,783)	$ (2,865,110)	(19.21)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

The District's total 2021-2022 revenues were $10,883,328 for the year ended June 30, 2022. Property taxes and state formula aid accounted for 62% of total revenue for the year (see Figure A-1).

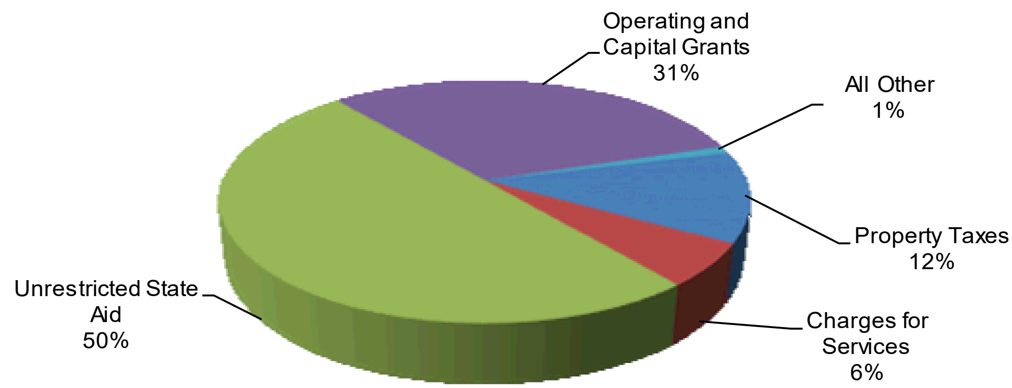
Table A-2
Change in Net Position

	Governmental Activities for the Fiscal Year Ended June 30, 2022	Governmental Activities for the Fiscal Year Ended June 30, 2021	Total % Change
Revenues			
Program Revenues			
Charges for Services	$ 626,038	$ 430,197	45.52 %
Operating Grants and Contributions	3,292,759	3,049,571	7.97
Capital Grants and Contributions	103,995	116,089	(10.42)
General Revenues			
Property Taxes	1,322,619	1,305,933	1.28
Unrestricted State Aid	5,432,243	5,542,670	(1.99)
Investment Earnings	(20,037)	2,566	(880.87)
Other	125,711	24,036	423.01
Total Revenues	10,883,328	10,471,062	3.94
Expenses			
Administration	541,660	601,180	(9.90)
District Support Services	359,372	355,522	1.08
Regular Instruction	3,831,303	4,612,176	(16.93)
Vocational Education Instruction	225,092	244,301	(7.86)
Special Education Instruction	1,461,125	1,442,114	1.32
Instructional Support Services	455,993	585,297	(22.09)
Pupil Support Services	946,475	854,832	10.72
Sites and Buildings	1,225,398	955,838	28.20
Fiscal and Other Fixed Cost Programs	86,225	69,834	23.47
Food Service	632,571	500,418	26.41
Community Service	462,104	413,354	11.79
Interest and Fiscal Charges on Long-Term Liabilities	105,683	119,388	(11.48)
Total Expenses	10,333,001	10,754,254	(3.92)
Increase (Decrease) in Net Position	550,327	(283,192)	
Net Position - Beginning	(2,865,110)	(2,581,918)	
Net Position - Ending	$ (2,314,783)	$ (2,865,110)	

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

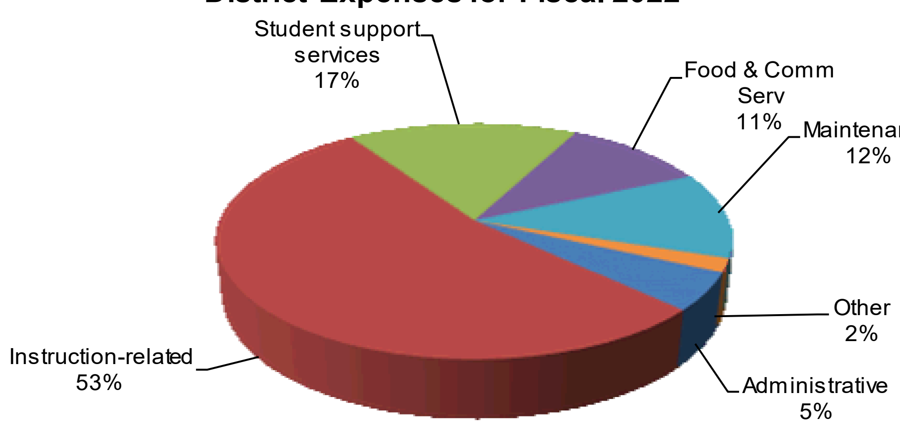
Local property taxes accounted for 12% of the total revenue for the year; 50% of the District's revenues were in the form of unrestricted state aid, and 31% were operating and capital grants. The remaining revenue came in the form of charges for services and miscellaneous revenue (7%).

Figure A-1
Sources of District's Revenues for Fiscal 2022



Typically, the District does not include an analysis of all governmental funds in a breakout of expenditures as depicted in Figure A-2. This may distort the latitude available to the District to allocate resources to instruction. All governmental funds include not only funds received for the general operation of the District, which are used for classroom instruction, but also includes resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance classroom instruction resources.

Figure A-2
District Expenses for Fiscal 2022



FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2022	2021	Change	2022	2021	Change
Administration	$ 541,660	$ 601,180	(9.90)%	$ 541,660	$ 601,180	(9.90)%
District Support Services	359,372	355,522	1.08	359,372	355,522	1.08
Regular Instruction	3,831,303	4,612,176	(16.93)	1,128,493	3,057,863	(63.10)
Vocational Education Instruction	225,092	244,301	(7.86)	219,380	244,301	(10.20)
Special Education Instruction	1,461,125	1,442,114	1.32	1,459,144	426,096	242.44
Instructional Support Services	455,993	585,297	(22.09)	332,598	392,501	(15.26)
Pupil Support Services	946,475	854,832	10.72	946,475	854,832	10.72
Sites and Buildings	1,225,398	955,838	28.20	1,136,366	922,018	23.25
Fiscal and Other Fixed Cost Programs	86,225	69,834	23.47	86,225	69,834	23.47
Food Service	632,571	500,418	26.41	(91,661)	(48,829)	87.72
Community Service	462,104	413,354	11.79	86,474	163,691	(47.17)
Interest and Fiscal Charges on Long-Term Liabilities	105,683	119,388	(11.48)	105,683	119,388	(11.48)
Total	$ 10,333,001	$ 10,754,254	(3.92)	$ 6,310,209	$ 7,158,397	(11.85)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from pre-school to kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

Approximately 83% of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local School Board having no meaningful authority to determine the level of resources. This includes special education state aid that is based upon a cost reimbursement model providing approximately 68% of salaries for special education personnel expenditures. This amount is often pro-rated and does not include benefits such as FICA, TRA, or insurance.

ENROLLMENT

Enrollment is a critical factor in determining revenue. Approximately 90% of General Fund revenue is determined by enrollment. The following chart shows that the average daily membership of students has decreased by 35 students in fiscal year 2022 from the prior year.

Table A-4
Five-Year Enrollment Trend
Average Daily Membership (ADM)

Grade	2018	2019	2020	2021	2022
Pre - Kdgt. & Kdgt.	45	52	49	41	48
1-3	140	121	119	117	108
4-6	168	161	163	143	122
7-12	378	394	377	391	379
Total K-12 ADM	731	728	708	692	657
ADM Change	(12)	(3)	(20)	(16)	(35)
Percent Change	-1.6%	-0.4%	-2.7%	-2.3%	-5.1%

GENERAL FUND (CONTINUED)

ENROLLMENT (CONTINUED)

District enrollment has consistently declined for the past few years, particularly at the elementary and intermediate levels. Kindergarten enrollment numbers are significantly fewer than the number of students graduating each spring. Enrollment drops have been happening in the Elementary School initially, and now have made their way through the Intermediate School. In the next few years, these smaller class sizes will be progressing through the High School.

The following schedule presents a summary of General Fund Revenues.

Table A-5
General Fund Revenues

	Year Ended		Change	
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	$ 1,029,158	$ 977,090	$ 52,068	5.3 %
Earnings on Investments	(20,037)	1,617	(21,654)	(1339.1)
Other	296,309	213,119	83,190	39.0
State Sources	7,090,499	7,097,775	(7,276)	(0.1)
Federal Sources	703,383	702,383	1,000	0.1
Total General Fund Revenue	$ 9,099,312	$ 8,991,984	$ 107,328	1.2

Total General Fund Revenue increased by $107,328 in fiscal year 2022. Basic general education revenue is determined by multiple state formulas that are largely enrollment driven. The revenue consists of a mix of property tax and state aid. The ratio of the local valuation per student to a state determined equalizing number determines what portion of the revenue comes in the form of local levy and what portion comes in the form of state aid. That mix of levy and aid can change each year without affecting total revenue.

The following schedule presents a summary of General Fund Expenditures.

Table A-6
General Fund Expenditures

	Year Ended			
	June 30, 2022	June 30, 2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	$ 5,438,689	$ 5,200,847	$ 237,842	4.6 %
Employee Benefits	1,356,447	1,299,291	57,156	4.4
Purchased Services	1,423,964	1,151,723	272,241	23.6
Supplies and Materials	584,827	670,534	(85,707)	(12.8)
Capital Expenditures	174,300	344,779	(170,479)	(49.4)
Other Expenditures	83,950	110,456	(26,506)	(24.0)
Total Expenditures	$ 9,062,177	$ 8,777,630	$ 284,547	3.2

GENERAL FUND (CONTINUED)

Total General Fund Expenditures increased by $284,547 from the previous year. The largest increase was in the area of Salaries. State funding per ADM has increased each year but at a much lower rate than the rising costs of wages, transportation and equipment/supplies.

General Fund Budgetary Highlights

Following approval of the budget prior to the beginning of the fiscal year, the District revises the annual operating budget in mid-year. These budget amendments fall into three categories:

- Implementing budgets for specially funded projects which include both federal and state grants as well as local projects for which the amount was not known at the time of budget adoption.
- Legislation passed for which the impact was not known at the time of budget adoption, changes necessitated by collective bargaining agreements, and increases or decreases in appropriations for significant costs.
- Due to the COVID-19 pandemic and Governor's Orders, the District's finances were impacted significantly, requiring increases and decreases in appropriations for a variety of fund areas. In FY22, the district received $580,561 in pandemic related funding which was reimbursement of expenses via grant applications.

FOOD SERVICE FUND

For the second year in a row, the Food Service Fund saw an increase in fund balance in the amount of $92,199. The Food Service program was in its second year of providing free meals to all students, without a requirement for qualifying for free meals through an application process. The meal costs were reimbursed through state and federal funds. The program also experienced some higher food prices and inconsistencies in availability of products

COMMUNITY SERVICE FUND

The Community Service Fund experienced a decrease of $42,692 during the year. The deficit in the Community Education Fund is primarily due to a deficit in the School Readiness program which had a program deficit of $47,087.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had invested $8.167 million in a broad range of capital assets, including school buildings, athletic facilities, computer, technology, maintenance equipment and additions to the elementary and high school. (Table A-7).

Table A-7
Capital Assets

	2022	2021	Percentage Change
Land	$ 13,089	$ 13,089	0.0 %
Construction in Progress	10,999	-	100.0
Land Improvements	1,054,641	1,038,756	1.5
Buildings and Improvements	13,403,597	13,395,200	0.1
Equipment	3,378,833	3,107,628	8.7
Less: Accumulated Depreciation	(9,693,668)	(9,043,185)	7.2
Total	$ 8,167,491	$ 8,511,488	(4.0)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Liabilities

At year-end, the District had $$4,260,000 in general obligation bonds. Compensated absences payable are based on future payments into health care savings plans and post retirement insurance benefits.

Table A-8
The District's Long-Term Liabilities

	2022	2021	Percentage Change
General Obligation Bonds	$ 4,260,000	$ 4,580,000	(7.0)%
Bond Premiums	165,891	222,453	(25.4)
Compensated Absences Payable	164,826	176,227	(6.5)
Total Long-Term Liabilities	$ 4,590,717	$ 4,978,680	(7.8)
Long-Term Liabilities:			
Due Within One Year	$ 390,962	$ 376,562	
Due in More Than One Year	4,199,755	4,602,118	
Total	$ 4,590,717	$ 4,978,680	

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved excess operating referendum, the District is dependent on the state of Minnesota for its revenue authority. The District has a voter-approved operating referendum in place through Fiscal Year 2026 that provides authority of $51.92 per adjusted pupil unit.

The most significant factors influencing the financial position of the District are declining enrollment and the significant facility needs for repairs, and modifications to meet the educational and security needs of the 21st Century schools. The School Board is considering closing the Altura Intermediate School which would result in a significant decrease in annual operating expenses but additional expenditure reductions will likely continue to be necessary in future years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 857, 100 County Road 25, Lewiston, Minnesota 55952.

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BASIC FINANCIAL STATEMENTS

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,936,866
Receivables:	
Property Taxes	721,574
Other Governments	902,027
Other	175,622
Prepaid Items	122,698
Inventory	26,410
Capital Assets:	
Land and Construction in Progress	24,088
Other Capital Assets, Net of Depreciation	8,143,403
Total Assets	13,052,688
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	2,417,502
Other Postemployment Benefit Related	56,586
Total Deferred Outflows of Resources	2,474,088
LIABILITIES	
Salaries and Payroll Deductions Payable	936,523
Accounts and Contracts Payable	279,417
Accrued Interest Payable	63,260
Due to Other Governmental Units	9,259
Long-Term Liabilities:	
Portion Due Within One Year	390,962
Portion Due in More Than One Year	4,199,755
Net Pension Liability	3,861,877
Other Postemployment Benefit Liability - Due Within One Year	30,605
Other Postemployment Benefit Liability - Due in More Than One Year	328,453
Total Liabilities	10,100,111
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	1,296,504
Pension Related	6,382,446
Other Postemployment Benefit Related	62,498
Total Deferred Inflows of Resources	7,741,448
NET POSITION	
Net Investment in Capital Assets	3,741,600
Restricted for:	
Operating Capital Purposes	83,394
State-Mandated Reserves	733,928
Food Service	219,575
Community Service	128,503
Capital Projects	357,091
Unrestricted	(7,578,874)
Total Net Position	$ (2,314,783)

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenue	
Functions	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities			
Administration	$ 541,660	$ -	$ -
District Support Services	359,372	-	-
Regular Instruction	3,831,303	350,212	2,347,932
Vocational Education Instruction	225,092	-	-
Special Education Instruction	1,461,125	-	1,981
Instructional Support Services	455,993	-	116,702
Pupil Support Services	946,475	-	-
Sites and Buildings	1,225,398	2,108	-
Fiscal and Other Fixed Cost Programs	86,225	-	-
Food Service	632,571	70,465	653,767
Community Service	462,104	203,253	172,377
Interest and Fiscal Charges on Long-Term Liabilities	105,683	-	-
Total School District	$ 10,333,001	$ 626,038	$ 3,292,759

General Revenues
Property Taxes Levied for:
General Purposes
Community Service
Debt Service
State Aid Not Restricted to Specific Purposes
Earnings on Investments
Miscellaneous
Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Total Governmental Activities
$ -	$ (541,660)
-	(359,372)
4,666	(1,128,493)
5,712	(219,380)
-	(1,459,144)
6,693	(332,598)
-	(946,475)
86,924	(1,136,366)
-	(86,225)
-	91,661
-	(86,474)
-	(105,683)
$ 103,995	(6,310,209)
	1,030,288
	56,077
	236,254
	5,432,243
	(20,037)
	125,711
	6,860,536
	550,327
	(2,865,110)
	$ (2,314,783)

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds		
	General	Food Service	Community Service
ASSETS			
Cash and Investments	$ 2,061,790	$ 193,181	$ 179,665
Receivables:			
Current Property Taxes	441,811	-	26,811
Delinquent Property Taxes	5,308	-	405
Due from Other Minnesota School Districts	15,179	-	-
Due from Minnesota Department of Education	547,499	46	7,856
Due from Federal through Minnesota Department of Education	269,878	22,311	-
Due from Other Governmental Units	22,686	-	-
Other Receivables	167,476	-	8,146
Prepaid Items	122,698	-	-
Inventory	-	26,410	-
Total Assets	$ 3,654,325	$ 241,948	$ 222,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Salaries and Payroll Deductions Payable	$ 878,193	$ 21,657	$ 36,673
Accounts and Contracts Payable	273,938	716	1,603
Retainages Payable	-	-	-
Due to Other Governmental Units	9,259	-	-
Unearned Revenue	-	-	-
Total Liabilities	1,161,390	22,373	38,276
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	859,856	-	56,104
Unavailable Revenue - Delinquent Property Taxes	5,308	-	405
Total Deferred Inflows of Resources	865,164	-	56,509
Fund Balances:			
Nonspendable:			
Prepaid Items	122,698	-	-
Inventory	-	26,410	-
Restricted for:			
Student Activities	146,230	-	-
Scholarships	95,731	-	-
Staff Development	136,715	-	-
Basic Skills Programs	-	-	-
Operating Capital	83,394	-	-
Safe School Crime - Crime Levy	46,873	-	-
LTFM	233,646	-	-
Medical Assistance	63,182	-	-
Community Education Programs	-	-	13,474
Early Childhood and Family Education Programs	-	-	17,984
Gifted and Talented	219	-	-
Basic Skills Extended Time	11,332	-	-
Restricted for Other Purposes	-	193,165	96,640
Unassigned	687,751	-	-
Total Fund Balances	1,627,771	219,575	128,098
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,654,325	$ 241,948	$ 222,883

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

Major Funds: Capital Projects	Major Funds: Debt Service	Total Governmental Funds
$ 360,251	$ 141,979	$ 2,936,866
-	245,696	714,318
-	1,543	7,256
-	-	15,179
-	16,572	571,973
-	-	292,189
-	-	22,686
-	-	175,622
-	-	122,698
-	-	26,410
$ 360,251	$ 405,790	$ 4,885,197
$ -	$ -	$ 936,523
3,160	-	279,417
-	-	-
-	-	9,259
-	-	-
3,160	-	1,225,199
-	380,544	1,296,504
-	1,543	7,256
-	382,087	1,303,760
-	-	122,698
-	-	26,410
-	-	146,230
-	-	95,731
-	-	136,715
-	-	-
-	-	83,394
-	-	46,873
357,001	-	590,647
-	-	63,182
-	-	13,474
-	-	17,984
-	-	219
-	-	11,332
90	23,703	313,598
-	-	687,751
357,091	23,703	2,356,238
$ 360,251	$ 405,790	$ 4,885,197

See accompanying Notes to Basic Financial Statements.

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances for Governmental Funds	$	2,356,238
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land		13,089
Construction in Progress		10,999
Land Improvements, Net of Accumulated Depreciation		744,977
Buildings and Improvements, Net of Accumulated Depreciation		6,435,356
Equipment, Net of Accumulated Depreciation		963,070
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore are reported as Deferred Inflows of Resources in the funds.		7,256
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(63,260)
The District's Net Pension Liability and related Deferred Outflows and Inflows of Resources are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability		(3,861,877)
Deferred Outflows of Resources - Pension Related		2,417,502
Deferred Inflows of Resources - Pension Related		(6,382,446)
The District's Other Postemployment Benefit Liability and related Deferred Outflows and Inflows of Resources are recorded only on the Statement of Net Position. Balances at year-end are:		
Other Postemployment Benefit Liability		(359,058)
Deferred Inflows of Resources - Other Postemployment Benefit		(62,498)
Deferred Outflows of Resources - Other Postemployment Benefit Liability		56,586
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at year-end are:		
Bonds Payable		(4,260,000)
Unamortized Premiums		(165,891)
Compensated Absences Payable		(164,826)
Total Net Position of Governmental Activities	$	(2,314,783)

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Major Funds		
	General	Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	$ 1,029,158	$ -	$ 56,060
Investment Income	(20,037)	-	-
Other	296,309	74,568	207,883
State Sources	7,090,499	21,023	113,963
Federal Sources	703,383	629,179	60,698
Total Revenues	9,099,312	724,770	438,604
EXPENDITURES			
Current:			
Administration	583,669	-	-
District Support Services	376,626	-	-
Elementary and Secondary Regular Instruction	3,873,856	-	-
Vocational Education Instruction	230,416	-	-
Special Education Instruction	1,545,176	-	-
Instructional Support Services	446,538	-	-
Pupil Support Services	933,238	-	-
Sites and Buildings	812,133	-	-
Fiscal and Other Fixed Cost Programs	86,225	-	-
Food Service	-	628,477	-
Community Service	-	-	480,547
Capital Outlay	174,300	4,094	749
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	9,062,177	632,571	481,296
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,135	92,199	(42,692)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sales of Capital Assets	7,158	-	-
Proceeds from Insurance Recoveries	173,666	-	-
Total Other Financing Sources (Uses)	180,824	-	-
Net Change in Fund Balances	217,959	92,199	(42,692)
Fund Balances - Beginning	1,409,812	127,376	170,790
Fund Balances - Ending	$ 1,627,771	$ 219,575	$ 128,098

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Major Funds		Total Governmental Funds
Capital Projects	Debt Service	2022
$ -	$ 236,018	$ 1,321,236
-	-	(20,037)
-	-	578,760
-	250,027	7,475,512
-	-	1,393,260
-	486,045	10,748,731
-	-	583,669
-	-	376,626
-	-	3,873,856
-	-	230,416
-	-	1,545,176
-	-	446,538
-	-	933,238
-	-	812,133
-	-	86,225
-	-	628,477
-	-	480,547
250,063	-	429,206
-	320,000	320,000
-	168,475	168,475
250,063	488,475	10,914,582
(250,063)	(2,430)	(165,851)
-	-	7,158
-	-	173,666
-	-	180,824
(250,063)	(2,430)	14,973
607,154	26,133	2,341,265
$ 357,091	$ 23,703	$ 2,356,238

See accompanying Notes to Basic Financial Statements.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	14,973
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays and acquisition of right-to-use assets as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense.		
Capital Outlays		306,486
Gain (Loss) on Disposal of Capital Assets		7,158
Proceeds from the Sales of Capital Assets		(7,158)
Depreciation Expense		(650,483)
Delinquent 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 unavailable in the governmental funds.		1,383
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses in the Statement of Activities are measured by the change in Net Pension Liability and the related Deferred Outflows and Inflows of Resources.		480,024
In the Statement of Activities, certain operating expenses - compensated absences payable - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).		11,401
Other postemployment benefit expenditures in the governmental funds are measured by the amount of financial resources used (amounts actually paid). Other postemployment benefit expense in the Statement of Activities are measured by the change in the total other postemployment benefit liability and related Deferred Outflows and Inflows of Resources.		3,751
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest 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. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Repayment of Bond Principal		320,000
Change in Accrued Interest Liability		6,230
Amortization of Bond Premium		56,562
Change in Net Position of Governmental Activities	$	550,327

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 857 (the District) 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 accounting principles generally accepted in the United States of America for state and local governments.

B. Financial Reporting Entity

The District is an instrumentality of the state of Minnesota established to function as an education institution. The elected School Board (the 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.

Accounting principles generally accepted in the United States of America require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate 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 and account groups 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 of school hours. The Board establishes broad policies and ensures that appropriate financial records are maintained for student activities, as well as controls and is financially accountable for these activities. Accordingly, the accounts and transactions for the student activities are included in the financial statements of the General Fund.

C. Basic Financial Statement Presentation

The District-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Depreciation expenses that can be specifically identified by function are included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the District-Wide Financial Statements.

Separate fund financial statements are provided for governmental funds. Major individual Governmental Funds are reported as separate columns in the Fund Financial Statements.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The 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 the related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts recognized in advance in accordance with a statutory “tax shift” described later in these notes. Grant and similar items are recognized when all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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 accounting principles generally accepted in the United States of America. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenue 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 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:

Major 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 Special Revenue Fund – The Food Service Special Revenue Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Special Revenue Fund are composed of user fees and reimbursements from the federal and state governments. These revenues are restricted for the Food Service Special Revenue Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds (Continued)

Major Governmental Funds (Continued)

Community Service Special Revenue Fund – The Community Service Special Revenue 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. Revenues for the Community Service Special Revenue Fund are composed of user fees, local levy dollars, state tax credits, and aid from the state government. These revenues are restricted for the Community Service Special Revenue Fund.

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

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper by November 30 or within one week of the acceptance of the final audit by the School Board each year. Reported budgeted 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments

Cash and investments consist of demand deposit accounts, time/savings accounts, and deposits in the Minnesota School District Liquid Asset Fund (MSDLAF). Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

G. Receivables

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. 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 current property taxes receivable.

H. Prepaid Items

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.

I. Inventory

Inventory is recorded using the consumption method of accounting and consists of food and other supplies on hand at June 30, 2022 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. Property Taxes

Property tax levies are established by the School Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15, and counties generally remit taxes to Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through various state tax credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as a deferred inflow of resources (property taxes levied for subsequent year). The majority of District revenue in the General Fund and Debt Service Fund (and to a lesser extent in the District's Community Service Special Revenue Fund) is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between 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."

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's combined 2000 Pay 2001 operating referendum levy (frozen at zero) for the District. Certain other portions of the District's 2021 Pay 2022 levy, normally revenue for the 2022–2023 fiscal year, are also advance recognized at June 30, 2022, as required by state statute to match revenue with the same fiscal year as the related 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 unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2022, are included in Property Taxes Levied for Subsequent Year to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

Capital assets are capitalized as historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District maintains a threshold level of $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 District-Wide Financial Statements but are not reported in the Fund Financial Statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

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 building or other improvable property.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Liabilities

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period they are incurred.

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

M. Accrued Employee Benefits

Compensated Absences Payable

The District has employee and union contracts with several different employee groups. Employee benefits under the contracts are different, but generally include provisions for sick leave and vacation leave. The District accounts for the employee benefits as follows:

Vacation leave vests and may be carried forward for up to two years, depending on the contract. A liability is recorded for earned but unpaid vacation leave.

Sick leave does not vest and is accounted for as an expenditure when paid. Employees may accrue an unlimited amount of sick days to be paid upon termination. All Certified employees receive a severance payment at a rate of $30 per day of unused sick leave. In addition, certified employees hired before the 1980–1981 school year, may convert unused sick days into paid group health insurance at the rate of 20 days for each one year of premiums. Also, certified employees hired after the 1980–1981 school year and before the 2001–2002 school year, may convert unused sick days into paid group health insurance at the rate of 30 days for each one year of premiums. Certified employees hired after the 2001–2002 school year cannot convert unused sick days into paid group health insurance. Noncertified employees receive a payment at the rate of $25 per day of unused sick leave upon reaching age 55 and having completed 15 years of service to the District. In addition, noncertified employees may convert unused sick days into paid group health insurance at the rate of 25 days for each one year of premiums. At June 30, 2022, compensated absences payable totaling $164,826 is recorded in the District-Wide Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Employee Benefits (Continued)

Other Postemployment Benefits

Under the provisions of the various employee and union contracts, the District provides health care benefits if certain age and minimum years of service requirements are met. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis.

N. Pensions

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

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

O. Deferred Outflows of Resources

In addition to assets, the financial statements reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until that time. The District has only two types of items. The first type, *pension related*, is related to differences in actual and projected earnings on plan investments, changes in assumptions, differences in expected and actual economic experience, changes in proportionate share and contributions subsequent to the measurement date. The second type, *other postemployment benefit related*, is related to contributions subsequent to the measurement date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Inflows of Resources

In addition to liabilities, the financial statements reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four types of items. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflows of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. The third type, *pension related,* is related to changes in assumptions, differences in actual and projected earnings on plan investments, differences in expected and actual economic experience and changes in proportionate share. The fourth type, *other postemployment benefit related*, is related to changes in assumptions and differences in expected and actual economic experience.

Q. Fund Balance

In the Fund Financial Statements, Governmental Funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance are related to prepaid items and inventory. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The District currently does not report any committed fund balances. The Board of Education passed a resolution authorizing the Superintendent, the Business Manager, and the Assistant Finance Clerk the ability to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts.

In accordance with the District's fund balance policy, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned and unassigned fund balance is available, it is the District's policy to use committed first, then assigned and finally unassigned fund balance.

The District has a minimum fund balance policy, which identifies a minimum Unassigned General Fund balance of 10% of the annual budgeted expenditures.

The District's liabilities for compensated absences, pension and OPEB are generally liquidated by the General Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position

Net position represents the difference between Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources in the District-Wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt or other borrowings used to build or acquire the capital assets. Net position is reported as restricted in the District-Wide Financial Statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

S. 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 deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could vary from those estimates.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2022:

	Budget	Expenditures	Excess
Special Revenue Funds:			
Food Service Fund	$ 586,185	$ 632,571	$ 46,386
Community Service Fund	479,782	481,296	1,514

The excess expenditures were covered by existing fund balance.

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned in full. The District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. The District's deposits were not exposed to custodial credit risk at June 30, 2022.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and Balance Sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the District's School Board.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

The District's deposits in financial institutions at June 30, 2022 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. Government Agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. It is required that the District sign authorizations releasing collateral once it is pledged.

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency and all of the investments have a final maturity of 13 months or less.
- General obligations rated "A" or better; Revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks, corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
- Guaranteed Investment Contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in one of the top two rating categories.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

At June 30, 2022, the District had the following investments:

	External Investment Pools
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	$ 2,012,632

The Minnesota School District Liquid Asset Fund Plus (MSDLAF+) is an external investment pool (Pool) that is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of $1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Governmental Accounting Standards Board.

The Liquid Class has no redemption requirements. The MAX Class may not be redeemed for at least 14 days, and a 24-hour hold is placed on redemption requests. Redemptions prior to 14 days may be subject to penalty.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not have a formal policy relating to this risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	12 Months or Less	Total
MSDLAF+ (Liquid Class)	$ 1,154,547	$ 1,154,547
MSDLAF+ (MAX Class)	858,085	858,085
Total	$ 2,012,632	$ 2,012,632

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2022, the District had no investments measured at fair value.

The deposits and investments are presented in the financial statements as follows:

Deposits	$	924,234
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)		2,012,632
Total Cash and Investments	$	2,936,866

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 13,089	$ -	$ -	$ 13,089
Construction in Progress	-	10,999	-	10,999
Total Capital Assets, Not Being Depreciated	13,089	10,999	-	24,088
Capital Assets, Being Depreciated:				
Land Improvements	1,038,756	15,885	-	1,054,641
Buildings and Improvements	13,395,200	8,397	-	13,403,597
Equipment	3,107,628	271,205	-	3,378,833
Total Capital Assets, Being Depreciated	17,541,584	295,487	-	17,837,071
Accumulated Depreciation for:				
Land Improvements	(261,891)	(47,773)	-	(309,664)
Buildings and Improvements	(6,533,954)	(434,287)	-	(6,968,241)
Equipment	(2,247,340)	(168,423)	-	(2,415,763)
Total Accumulated Depreciation	(9,043,185)	(650,483)	-	(9,693,668)
Total Capital Assets, Being Depreciated, Net	8,498,399	(354,996)	-	8,143,403
Governmental Activities Capital Assets, Net	$ 8,511,488	$ (343,997)	$ -	$ 8,167,491

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

Governmental Activities	
Administration	$ 668
District Support Services	89
Regular Instruction	442,620
Vocational Education Instruction	2,405
Special Education Instruction	4,986
Instructional Support Services	12,685
Pupil Support Services	79,785
Sites and Buildings	98,124
Food Service	9,121
Total Depreciation Expense, Governmental Activities	$ 650,483

NOTE 5 LONG-TERM LIABILITIES

A. Components of Long-Term Liabilities

The District has issued general obligation school building bonds to finance the construction of capital facilities or refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies, are dedicated for the retirement of these bonds. These levies are subject to reduction if fund balance amounts exceed limitation imposed by Minnesota law.

Issue Date	Interest Rate	Original Issue	Maturities	Principal Outstanding Due Within One Year	Principal Outstanding Total
2/22/2017	2.00%-3.50%	$ 3,380,000	2/1/2038	$ 310,000	$ 1,005,000
12/19/2019	5.00%	1,560,000	2/1/2025	35,000	3,255,000
Total General Obligation Bonds				345,000	4,260,000
Bond Premiums				45,962	165,891
Compensated Absences Payable				-	164,826
Total				$ 390,962	$ 4,590,717

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows:

Year Ending June 30,	Alternative Facilities Principal	Alternative Facilities Interest	Facilities Maintenance Principal	Facilities Maintenance Interest
2023	$ 310,000	$ 50,250	$ 35,000	$ 101,575
2024	335,000	34,750	35,000	100,875
2025	360,000	18,000	35,000	100,175
2026	-	-	215,000	99,475
2027	-	-	220,000	93,025
2028-2032	-	-	1,220,000	360,725
2033-2037	-	-	1,235,000	171,000
2038	-	-	260,000	9,100
Total	$ 1,005,000	$ 103,000	$ 3,255,000	$ 1,035,950

C. Description of Long-Term Liabilities

General Obligation Facilities Maintenance Bonds, Series 2017A

On February 22, 2017, the District issued $3,380,000 of General Obligation Facilities Maintenance Bonds, Series 2017A at interest rates of 2.00% to 3.50%. The bonds are due in varying annual installments each February 1 through February 1, 2038 with interest due semi-annually on February 1 and August 1.

The proceeds of this issue were used to finance the betterment of school facilities in the District. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated to retire these bonds.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Liabilities (Continued)

General Obligation Facilities Refunding Maintenance Bonds, Series 2019A

On December 19, 2019, the District issued $1,560,000 of General Obligation Facilities Refunding Maintenance Bonds, Series 2019A at interest rates of 5.00%. The bonds are due in varying annual installments each February 1 through February 1, 2025 with interest due semi-annually on February 1 and August 1.

Compensated Absences Payable

The amount of the estimated obligation at June 30, 2022 is $164,826. The District's General Fund finances compensated absences on a pay-as-you-go basis.

D. Changes in Long-Term Liabilities

	June 30, 2021	Additions	Retirements	June 30, 2022
General Obligation Bonds	$ 4,580,000	$ -	$ 320,000	$ 4,260,000
Bond Premium	222,453	-	56,562	165,891
Compensated Absences Payable	176,227	5,338	16,739	164,826
Total	$ 4,978,680	$ 5,338	$ 393,301	$ 4,590,717

NOTE 6 RESTRICTED FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. The following is a summary of the restricted fund balances for the governmental funds.

A. Restricted for Student Activities

In accordance with state statute, restricted for student activities represents available resources dedicated exclusively for student activities.

B. Restricted for Scholarships

In accordance with state statute, restricted for scholarships represents available resources dedicated exclusively for scholarships.

C. Restricted for Staff Development

In accordance with state statute, restricted for staff development represents available resources dedicated exclusively for staff development.

NOTE 6 RESTRICTED FUND BALANCES (CONTINUED)

D. Restricted for Operating Capital

This restricted fund balance represents accumulated resources available through a portion of the District's general education aid for operating capital expenditures.

E. Restricted for Safe Schools Crime - Crime Levy

The District levies taxes to be used for the costs as allowed by State Statute for crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the District. The cumulative excess of such revenues over expenditures is reported as a restriction of fund balance in the General Fund.

F. Restricted for Long-Term Facilities Maintenance (LTFM)

This restricted fund balance represents accumulated resources available to support long-term facilities maintenance projects.

G. Restricted for Medical Assistance

This restricted fund balance represents accumulated resources available to provide medical assistance.

H. Restricted for Community Education Programs

This restricted fund balance represents accumulated resources available to provide general community education programming.

I. Restricted for Early Childhood and Family Education Programs

This restricted fund balance represents accumulated resources available to provide services for early childhood and family education programming.

J. Restricted for Basic Skills Extended Time

This restricted fund balance represents accumulated resources available through a portion of the District's general education aid for basic skills extended time programs.

K. Restricted for Gifted and Talented

This restricted fund balance represents accumulated resources available through a portion of the District's general education aid for gifted and talented programs.

L. Restricted for Other Purposes

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation and includes amounts for food service of $193,165 community action of $96,640 capital projects of $90, and debt service of $23,703.

NOTE 7 DEFINED BENEFIT PENSION PLANS

A. Plan Description

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

1. General Employees Retirement Plan (GERF)

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

2. Teachers Retirement Fund (TRA)

   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 Minnesota State.

B. Benefits Provided

PERA and TRA provide 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.

1. GERF 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 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. GERF Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. 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.

2. TRA Benefits

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 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years if Service Years are up to July 1, 2006	1.2% per Year
	First Ten Years if Service Years are July 1, 2006 or After	1.4% per Year
	All Other Years of Service if Service Years are up to July 1, 2006	1.7% per Year
	All Other Years of Service if Service Years are July 1, 2006 or After	1.9% 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) 3.0% 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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7% per year for Coordinated members and 2.7% per year for Basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for Coordinated members and 2.7% 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 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.

C. Contributions

1. General Employees Plan Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Retirement Fund for the year ended June 30, 2022 were $108,505. The District's contributions were equal to the required contributions for each year as set by state statute.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Contributions (Continued)

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 contribution rates for the fiscal year for the coordinated plan were 7.5% for the employee and 8.34% for the employer. Basic plan rates were 11.00% for the employee and 12.34% for the employer. The District’s contributions to TRA for the plan’s fiscal year ended June 30, 2022 were $366,108. The District’s contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2022, the District reported a liability of $802,844 for its proportionate share of the General Employees Plan’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 nonemployer 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 was $24,550. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA’s participating employers. The District proportionate share was .0188% at the end of the measurement period and .0175% for the beginning of the period.

District's Proportionate Share of the Net Pension Liability	$	802,844
State of Minnesota's Proportionate Share of the Net Liability Associated with the District		24,550
Total	$	827,394

For the year ended June 30, 2022, the District recognized pension expense (revenue) of ($44,806) for its proportionate share of the General Employees Plan’s pension expense. In addition, the District recognized an additional $1,981 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of $16 million to the General Employees Plan.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERF Pension Costs (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 4,932	$ 24,569
Changes in Actuarial Assumptions	490,200	17,760
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	695,297
Changes in Proportion	59,302	104,670
District Contributions Subsequent to the Measurement Date	108,505	-
Total	$ 662,939	$ 842,296

The $108,505 related to the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amounts
2023	$ (76,442)
2024	(35,290)
2025	13,513
2026	(189,643)

2. TRA Pension Costs

At June 30, 2022, the District reported a liability of $3,059,033 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was .0699% at the end of the measurement period and .0686% for the beginning of the measurement period.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

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:

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	$ 3,059,033
State's Proportionate Share of the Net Pension Liability Associated with the District	257,997
Total	$ 3,317,030

For the year ended June 30, 2022, the District recognized pension expense of $39,119. It also recognized a ($24,715) decrease to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2022, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 82,852	$ 86,673
Changes in Actuarial Assumptions	1,121,021	2,759,914
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,564,991
Changes in Proportion	184,582	128,572
District Contributions Subsequent to the Measurement Date	366,108	-
Total	$ 1,754,563	$ 5,540,150

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

$366,108 reported as deferred outflows 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amounts
2023	$ (2,073,838)
2024	(1,554,993)
2025	(338,446)
2026	(423,734)
2027	239,316

3. Aggregate Pension Costs

At June 30, 2022, the District reported the following aggregate amounts related to pensions for all plans to which it contributes.

	GERF	TRA	Total
Net Pension Liability	$ 802,844	$ 3,059,033	$ 3,861,877
Deferred Outflows of Resources	662,939	1,754,563	2,417,502
Deferred Inflows of Resources	842,296	5,540,150	6,382,446
Pension Expense (Revenue)	(42,825)	14,404	(28,421)

E. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25% per Year	2.50%
Active Member Payroll Growth	3.00%	2.85% before July 1,/2028 and 3.25% to 9.25%, thereafter
Investment Rate of Return	6.50% per Year	7.00%

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

PERA salary growth assumptions were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on Pub-2010 General Employee Mortality table for General Employees Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan. The assumption for long-term rate of return on pension plan investments is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

TRA pre-retirement mortality rates were based on 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. Post-retirement mortality rates were based on 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. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2020 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the PERA General Employees Plan was completed in 2019. The assumption changes were adopted and became effective with July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions for PERA occurred in 2021:

- The investment return and single discount rates were changed from 7.50% to 6.50%.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

The following changes in actuarial assumptions for TRA occurred in 2021:

- The investment return assumption was changed from 7.5% to 7.00%.

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA and TRA, 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 and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	PERA Target Allocation	TRA Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5 %	35.5 %	5.10 %
International Equity	16.5	17.5	5.30
Private Markets	25.0	25.0	5.90
Fixed Income	25.0	20.0	0.75
Unallocated Cash	-	2.0	-
Totals	100.0 %	100.0 %	

G. Discount Rate

The discount rate used to measure the total GERF pension liability in 2021 was 6.50% (7.50% at the prior measurement date). There was no change since the prior measurement date. 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 used to measure the total TRA pension liability was 7.00% (7.50% at the prior measurement period date). There was no change 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 2020 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	5.50%	6.50%	7.50%
District's Proportionate Share of the General Employees Plan Net Pension Liability	$ 1,637,392	$ 802,844	$ 118,047
TRA Discount Rate	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	$ 6,179,396	$ 3,059,033	$ 500,087

I. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Plan's fiduciary's 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.

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

NOTE 8 DEFINED CONTRIBUTION PLAN

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amounts set forth in their respective collective bargaining agreements. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The amount of pension expense recognized by the employer in the reporting period ended June 30, 2022 and 2021 was $54,181 and $53,180, respectively.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The District operates a single-employer retiree defined benefit plan (the Plan) that provides health insurance to eligible employees and their spouses. There are 96 active participants and four retired participants. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52, *Postemployment Benefits Other than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.* Therefore, the District reports a "total OPEB liability" in accordance with GASB Statement No. 75.

B. Benefits Provided

Teachers who are at least 55 years of age upon retirement and have been employed by the District for a minimum of three years and retire prior July 1, 2017 are eligible to remain on the District's health insurance until reaching age 65. The District will pay the health insurance premiums up to a maximum of $3,600 per year.

C. Actuarial Methods and Assumptions

The District's total OPEB liability was measured as of July 1, 2021, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless specified otherwise:

Inflation	2.00%
Salary Increases	4.00%
Healthcare Cost Trend Rates	6.50% decreasing to 5.00% over six years and then to 4.00% over the next 48 years

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale (MP-2019 Generational Improvement Scale as of the previous measurement date).

<u>Discount Rate</u>

The discount rate used to measure the total OPEB liability was 2.10% (2.40% at the previous measurement date). The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at July 1, 2021	$ 369,905
Changes for the Year:	
Service Cost	32,479
Interest	9,225
Assumption Changes	12,254
Differences between Expected and Actual Experience	(28,572)
Benefit Payments	(36,233)
Net Changes	(10,847)
Balances at June 30, 2022	$ 359,058

E. Total OPEB Liability Sensitivity

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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 1.10%	Selected Discount Rate 2.10%	1% Increase 3.10%
Total OPEB Liability	$ 378,345	$ 359,058	$ 339,962

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 rate that is one percentage lower or one percentage higher than the current healthcare cost trend rate:

	1% Decrease (5.50% Decreasing to 4.0% Over 5 Years)	Selected Healthcare Trend Rate (6.50% Decreasing to 5.0% Over 5 Years)	1% Increase (7.50% Decreasing 6.0% Over 5 Years)
Total OPEB Liability	$ 322,592	$ 359,058	$ 402,162

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

F. OPEB Expense

For the year ended June 30, 2022, the District recognized OPEB expense of $30,605. At June 30, 2022, the District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 8,662	$ 57,333
Changes in Assumptions	17,319	5,165
District Payment of Benefits Subsequent to the Measurement Date	30,605	-
Total	$ 56,586	$ 62,498

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

Year Ending June 30,	OPEB Expense Amounts
2023	$ (10,950)
2024	(10,950)
2025	(10,950)
2026	(943)
2027	(2,724)

NOTE 10 FLEXIBLE BENEFIT PLAN

The District has a flexible benefit plan that is classified as a “cafeteria plan” under Section 125 of the Internal Revenue Code. All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the plan for health care and dependent care benefits.

Before the beginning of the plan year, which is from October 1 to September 30, each participant designates a total amount of pre-tax dollars to be contributed to the plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions for the health care portion of the plan, whether or not such contributions have been made.

NOTE 10 FLEXIBLE BENEFIT PLAN (CONTINUED)

Payments of health insurance premiums are made by the District directly to the designated insurance companies. These payments are made on a monthly basis and are accounted for in the General, Food Service, and Community Service Funds.

Payments for amounts withheld for medical reimbursement and dependent care are made to participating employees upon submitting a request for reimbursement of eligible expenses.

NOTE 11 JOINTLY GOVERNED ORGANIZATION

The Hiawatha Valley Education District No. 61-6013 was established by an act of the 1987 Legislature of the state of Minnesota. The primary objective of the District is to provide, by a cooperative effort, comprehensive educational programs and other related services as can be effectively operated by its 13 member districts and four-member charter schools. Each member district shares in the cost of the programming, which is paid to the education district in the form of membership fees, reimbursements and other charges for services. The education district is able to recover the cost of its programs through the previously mentioned revenue sources. The jointly governed organization's financial statements are audited and available for inspection.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Federal and State Receivables

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial. The financial assistance received is subject to audits by the grantor agency.

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; natural disasters and workers compensation. The District purchases commercial insurance coverage for such risks.

The District continues to carry commercial insurance for all other risks of loss. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 948,987	$ 1,021,116	$ 1,029,158	$ 8,042
Investment Income	2,075	2,045	(20,037)	(22,082)
Other	356,430	283,990	296,309	12,319
State Sources	7,116,193	7,127,904	7,090,499	(37,405)
Federal Sources	1,050,238	892,442	703,383	(189,059)
Total Revenues	9,473,923	9,327,497	9,099,312	(228,185)
EXPENDITURES				
Current:				
Administration	620,357	626,131	583,669	(42,462)
District Support Services	348,147	345,644	376,626	30,982
Elementary and Secondary Regular Instruction	4,019,996	4,153,101	3,873,856	(279,245)
Vocational Education Instruction	221,301	247,837	230,416	(17,421)
Special Education Instruction	1,469,037	1,639,151	1,545,176	(93,975)
Instructional Support Services	445,064	528,621	446,538	(82,083)
Pupil Support Services	968,772	1,040,051	933,238	(106,813)
Sites and Buildings	914,279	834,962	812,133	(22,829)
Fiscal and Other Fixed Cost Programs	83,300	80,348	86,225	5,877
Capital Outlay	313,127	283,406	174,300	(109,106)
Total Expenditures	9,403,380	9,779,252	9,062,177	(717,075)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	70,543	(451,755)	37,135	488,890
OTHER FINANCING SOURCES				
Proceeds from Sales of Capital Assets	-	2,950	7,158	4,208
Insurance Recovery	-	-	173,666	173,666
Total Other Financing Sources	-	2,950	180,824	177,874
NET CHANGES IN FUND BALANCE	$ 70,543	$ (448,805)	217,959	$ 666,764
FUND BALANCE				
Beginning of Year			1,409,812	
End of Year			$ 1,627,771	

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Investment Income	$ 100	$ 100	$ -	$ (100)
Other - Primarily Meal Sales	76,975	71,900	74,568	2,668
State Sources	1,200	16,237	21,023	4,786
Federal Sources	515,250	509,249	629,179	119,930
Total Revenues	593,525	597,486	724,770	127,284
EXPENDITURES				
Current:				
Food Service	556,290	581,185	628,477	47,292
Capital Outlay	-	5,000	4,094	(906)
Total Expenditures	556,290	586,185	632,571	46,386
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,235	11,301	92,199	80,898
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
NET CHANGES IN FUND BALANCE	$ 37,235	$ 11,301	92,199	$ 80,898
FUND BALANCE				
Beginning of Year			127,376	
End of Year			$ 219,575	

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 55,133	$ 56,075	$ 56,060	$ (15)
Investment Income	300	300	-	(300)
Other - Primarily Tuition and Fees	257,350	220,644	207,883	(12,761)
State Sources	78,430	93,324	113,963	20,639
Federal Sources	28,788	100,865	60,698	(40,167)
Total Revenues	420,001	471,208	438,604	(32,604)
EXPENDITURES				
Current:				
Community Service	422,295	478,282	480,547	2,265
Capital Outlay	1,250	1,500	749	(751)
Total Expenditures	423,545	479,782	481,296	1,514
NET CHANGES IN FUND BALANCE	$ (3,544)	$ (8,574)	(42,692)	$ (34,118)
FUND BALANCE				
Beginning of Year			170,790	
End of Year			$ 128,098	

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS

	2022	2021	2020	2019	2018
Measurement Date	July 01, 2021	July 01, 2020	July 01, 2019	July 01, 2018	July 01, 2017
Total OPEB Liability					
Service Cost	$ 32,479	$ 28,187	$ 24,880	$ 27,310	$ 25,919
Interest	9,225	11,470	15,237	14,602	14,810
Assumption Changes	12,254	10,661	(10,330)	-	-
Difference Between Expected and Actual Experience	(28,572)	-	(67,046)	-	-
Net Investment Return	-	-	-	20,218	-
Benefit Payments	(36,233)	(44,096)	(44,295)	(37,789)	(58,521)
Net Change in Total OPEB Liability	(10,847)	6,222	(81,554)	24,341	(17,792)
Total OPEB Liability - Beginning of Year	369,905	363,683	445,237	420,896	438,688
Total OPEB Liability - End of Year	$ 359,058	$ 369,905	$ 363,683	$ 445,237	$ 420,896
District's Covered-Employee Payroll	$ 4,986,178	$ 4,713,207	$ 4,575,929	$ 4,762,932	$ 4,624,206
District's Total OPEB Liability as a Percentage of the Covered-Employee Payroll	7.20%	7.85%	7.95%	9.35%	9.10%

The District implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

No assets are accumulated in a trust.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST EIGHT MEASUREMENT PERIODS

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
General Employees Plan								
District's Proportion of the Net Pension Liability	0.0188%	0.0175%	0.0202%	0.0214%	0.0218%	0.0225%	0.0231%	0.0246%
District's Proportionate Share of the Net Pension Liability	$ 802,844	$ 1,049,205	$ 1,116,812	$ 1,187,184	$ 1,391,698	$ 1,826,888	$ 1,197,162	$ 1,155,585
State's Proportionate Share of the Net Pension Liability Associated with the District	24,550	32,283	34,665	38,938	17,518	23,866	-	-
Total	$ 827,394	$ 1,081,488	$ 1,151,477	$ 1,226,122	$ 1,409,216	$ 1,850,754	$ 1,197,162	$ 1,155,585
District's Covered Payroll	$ 1,251,487	$ 1,205,519	$ 1,426,648	$ 1,435,466	$ 1,397,786	$ 1,363,945	$ 1,363,945	$ 1,363,945
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	64.15%	87.03%	78.28%	82.70%	100.82%	135.69%	87.77%	84.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.00%	79.06%	80.23%	79.53%	75.90%	68.90%	78.20%	78.70%
TRA								
District's Proportion of the Net Pension Liability	0.0699%	0.0686%	0.0676%	0.0682%	0.0701%	0.0717%	0.0712%	0.0736%
District's Proportionate Share of the Net Pension Liability	$ 3,059,033	$ 5,068,260	$ 4,308,838	$ 4,285,835	$ 13,993,232	$ 17,102,161	$ 4,404,424	$ 3,391,435
State's Proportionate Share of the Net Pension Liability Associated with the District	257,997	424,734	381,410	402,415	1,353,097	1,716,680	540,019	238,651
Total	$ 3,317,030	$ 5,492,994	$ 4,690,248	$ 4,688,250	$ 15,346,329	$ 18,818,841	$ 4,944,443	$ 3,630,086
District's Covered Payroll	$ 4,222,245	$ 3,987,520	$ 3,845,966	$ 3,781,245	$ 3,755,424	$ 3,611,733	$ 3,611,733	$ 3,611,733
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	72.45%	127.10%	112.04%	113.34%	372.61%	473.52%	121.95%	93.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.63%	75.48%	78.21%	78.07%	51.57%	44.88%	76.80%	81.50%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees Plan									
Contractually Required Contribution	$ 108,505	$ 97,396	$ 93,654	$ 107,000	$ 107,558	$ 104,672	$ 104,617	$ 101,056	$ 101,056
Contributions in Relation to the Contractually Required Contribution	(108,505)	(97,396)	(93,654)	(107,000)	(107,558)	(104,672)	(104,617)	(101,056)	(101,056)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,446,722	$ 1,251,487	$ 1,205,519	$ 1,426,648	$ 1,435,466	$ 1,397,786	$ 1,397,274	$ 1,363,945	$ 1,363,945
Contributions as a Percentage of Covered Payroll	7.50%	7.78%	7.77%	7.50%	7.49%	7.49%	7.49%	7.41%	7.41%
TRA									
Contractually Required Contribution	$ 366,108	$ 344,712	$ 318,042	$ 297,669	$ 284,260	$ 281,805	$ 281,792	$ 272,132	$ 272,132
Contributions in Relation to the Contractually Required Contribution	(366,108)	(344,712)	(318,042)	(297,669)	(284,260)	(281,805)	(281,792)	(272,132)	(272,132)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 4,373,949	$ 4,222,245	$ 3,987,520	$ 3,845,966	$ 3,781,245	$ 3,755,424	$ 3,730,368	$ 3,611,733	$ 3,611,733
Contributions as a Percentage of Covered Payroll	8.37%	8.16%	7.98%	7.74%	7.52%	7.50%	7.55%	7.53%	7.53%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the years ended June 30:

2021

Changes in Actuarial Assumptions

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2019

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, decreased from $31.0 million to $21.0 million per year. The State's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% 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.
- Postretirement benefit increases were changed 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 in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5 % per year thereafter.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2017 (Continued)

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was 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.

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit 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 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

- 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 $6.0 million, which meets the special funding situation definition, was due on September 2015.

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the years ended June 30:

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 7.00%, for financial reporting purposes.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020

Changes in Actuarial Assumptions

- The COLA was reduced from 2.0% each January to 1.0%, effective January 2019. Beginning January 1, 2024, the COLA will increase .01% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for first COLA changes to normal retirement age (age 65 to 66, age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next two years (8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.5% to 7.75% on July 1, 2023. The state provides funding for the contribution rate through an adjustment in the school aid formula.

2019

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- 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 Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 (Continued)

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next four years, (7.92% in 2019, 8.13% 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.

2017

Changes in Actuarial Assumptions

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustment were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the nonvested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2016

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- 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 postretirement mortality assumption was changed to the RP-2014 while 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 adjustments.
- 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 in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

- 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.

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2014

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

- The increase in the postretirement benefit adjustment (COLA) will be made once the System is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

The following changes were reflected in the valuation performed on behalf of the District's other postemployment benefits plan for the years ended June 30:

2021

Changes in Actuarial Assumptions

- The mortality tables were updated from Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.5% to 2.00%.
- The discount rate was changed from 2.40% to 2.10%.

2020

Changes in Actuarial Assumptions

- The discount rate was changed from 3.10% to 2.40%.

2019

Changes in Actuarial Assumptions

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3% per year for all employees to rates which vary by service and contract group.
- The discount rate was changed from 3.40% to 3.10%.

2018

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions.

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SINGLE AUDIT AND OTHER REQUIRED REPORTS

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture					
Pass-Through Minnesota Department of Education					
Child Nutrition Cluster:					
Noncash Assistance (Commodities):					
National School Lunch Program	10.555	1-857-0000	$ 38,145		$ -
Cash Assistance:					
National School Lunch Program	10.555	1-857-0000	423,000		-
Supply Chain Assistance	10.555	1-857-0000	16,294		-
Subtotal Assistance Listing No. 10.555			477,439		-
School Breakfast Program	10.553	1-857-0000	102,924		
Summer Food Service Program	10.559	1-857-0000	48,816		-
Total Child Nutrition Cluster				$ 629,179	
U.S. Department of Education					
Pass-Through Minnesota Department of Education					
Cash Assistance:					
Special Education Cluster:					
Special Education - Grants to States	84.027	H027A190087	15,179		-
Total Special Education Cluster				15,179	
Title I, Part A - Grants to Local Educational Agencies	84.010	S010A210023A		105,597	-
Title II, Part A - Supporting Effective Instruction State Grant	84.367	S367A210022		27,610	-
Title IV, Part A - Safe and Drug-Free Schools and Communities	84.424	S424A210024		11,211	-
COVID-19 - Governors Emergency Relief Fund	84.425C	S425C200015	26,990		-
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	S425D210045	164,750		-
COVID-19 - Elementary and Secondary School Emergency Relief Fund III	84.425D	S425D210045	295,369		
COVID-19 - Elementary and Secondary School Emergency Relief Fund II Summer Learning	84.425D	S425D210045	13,510		
COVID-19 - Elementary and Secondary School Emergency Relief Fund II Learning Loss	84.425D	S425D210045	11,086		
Total Assistance Listing No. 84.425				511,705	
U.S. Department of Health and Human Services					
Pass-Through Minnesota Department of Education					
Cash Assistance:					
COVID-19 - Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases	93.323	**		21,258	-
Pass-Through Minnesota Department of Human Services					
Cash Assistance:					
COVID-19 - Child Care Stabilization Grant	93.575	**		47,598	
Federal Communications Commission					
Direct Award:					
Emergency Connectivity Fund	32.009	not applicable		38,900	-
Total Expenditures of Federal Awards				$ 1,408,237	$ -

** Not Available

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lewiston-Altura Public Schools (the District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principals, 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 or changes in net position of the District.

NOTE 2 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 shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

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

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

Board of Education
Independent School District No. 857
Lewiston, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 857 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 10, 2022

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

Board of Education
Independent School District No. 857
Lewiston, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lewiston-Altura Public Schools Independent School District No. 857's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District'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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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 the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The District'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 10, 2022

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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education
Independent School District No. 857
Lewiston, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Independent School District No. 857 (the District) as of June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2022.

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

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 10, 2022

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LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? __X__ yes _____ no
   - Significant deficiency(ies) identified? _____ yes __X none reported
3. Noncompliance material to financial statements noted? _____ yes __X__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes __X__ no
   - Significant deficiency(ies) identified? __X__ yes ____none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? __X__ yes _____ no

Identification of Major Federal Programs

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee _____ yes __X__ no

Section II – Financial Statement Findings

2022-001 **ANNUAL FINANCIAL REPORTING UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The District engages the audit firm to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, the audit firm cannot be considered part of the District's internal control system. As part of its internal control over preparation of its financial statements, the District has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate.

Criteria or Specific Requirement: The District and management share the ultimate responsibility for the District's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Effect: The potential exists that a material disclosure could be omitted from the financial statements and not be prevented, or detected and corrected by the District's internal controls.

Cause: The District's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the District's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Repeat Finding: The finding is a repeat finding in the immediately prior year. Prior year finding number was 2021-001.

Recommendation: We recommend that the District continue to evaluate their internal staff and expertise to determine if further controls over annual financial reporting are beneficial.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the finding. The District has informed us that they will continue to engage the audit firm to prepare the financial statements and related footnote disclosures, and will review and approve these prior to the issuance of the financial statements.

Section III – Findings and Questioned Costs – Major Federal Programs

2022-002

Federal Agency: US Department of Agriculture
Federal Program Name: Child Nutrition Cluster
Assistance Listing Number: 10.553, 10.555, and 10.559
Federal Award Identification Number and Year: 212MN061N1199 - 2022
Pass-Through Agency: Minnesota Department of Education
Pass-Through Number(s): 1-0857-000
Award Period: July 1, 2021 – June 30, 2022

Type of Finding: Significant Deficiency in internal Control Over Compliance, Other Matters

Criteria or Specific Requirement: Per 2 CRF Section 180.995, the District should have controls in place to review vendors showing they are not suspended or debarred from participating in procurement transactions that use federal funds.

Condition: During suspension and debarment testing, it was noted that the review process was not operating effectively. There was no evidence of the district verifying one of the three vendors for suspension and debarment requirements prior to entering a covered transaction with the vendor.

Questioned Costs None

Context: One of three vendors tested had no review to ensure they were not suspended or debarred.

Cause: Oversight.

Effect: Lack of proper documentation of controls over compliance with suspension and debarment requirements could result in paying suspended or debarred vendors. This could ultimately results in questioned costs. After review of vendors, it was noted that no vendors used were on the suspension or debarment list.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the District implement procedures and controls to ensure vendors are not suspended or debarred.

Views of Responsible Officials: There is no disagreement with the finding.

Section IV – Findings and Questioned Costs – Minnesota Legal Compliance

Our audit did not disclose any matters required to be reported in accordance with the *Minnesota Legal Compliance Audit Guide for School Districts.*

LEWISTON-ALTURA PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 857
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
JUNE 30, 2022

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	$ 9,099,312	$ 9,099,303	$ 9
Total Expenditures	$ 9,062,177	$ 9,062,171	$ 6
Nonspendable:			
460 Nonspendable Fund Balance	$ 122,698	$ 122,698	$ -
Restricted/Reserved:			
401 Student Activities	$ 146,230	$ 146,229	$ 1
402 Scholarships	$ 95,731	$ 95,731	$ -
403 Staff Development	$ 136,715	$ 136,715	$ -
406 Health and Safety	$ -	$ -	$ -
407 Capital Projects Levy	$ -	$ -	$ -
408 Cooperative Revenue	$ -	$ -	$ -
413 Project Funded by COP	$ -	$ -	$ -
414 Operating Debt	$ -	$ -	$ -
416 Levy Reduction	$ -	$ -	$ -
417 Taconite Building Maint	$ -	$ -	$ -
424 Operating Capital	$ 83,394	$ 83,394	$ -
426 $25 Taconite	$ -	$ -	$ -
427 Disabled Accessibility	$ -	$ -	$ -
428 Learning & Development	$ -	$ -	$ -
434 Area Learning Center	$ -	$ -	$ -
435 Contracted Alt. Programs	$ -	$ -	$ -
436 State Approved Alt. Programs	$ -	$ -	$ -
438 Gifted & Talented	$ 219	$ 219	$ -
440 Teacher Development and Evaluation	$ -	$ -	$ -
441 Basic Skills Programs	$ -	$ -	$ -
445 Career Tech Programs	$ -	$ -	$ -
448 Achievement and Integration	$ -	$ -	$ -
449 Safe School Crime - Crime Levy	$ 46,873	$ 46,873	$ -
450 Pre-Kindergarten	$ -	$ -	$ -
451 QZAB Payments	$ -	$ -	$ -
452 OPEB Liab Not in Trust	$ -	$ -	$ -
453 Unfunded Sev & Retiremt Levy	$ -	$ -	$ -
459 Basic Skills Extended Time	$ 11,332	$ 11,332	$ -
467 LTFM	$ 233,646	$ 233,646	$ -
472 Medical Assistance	$ 63,182	$ 63,182	$ -
Restricted:			
464 Restricted Fund Balance	$ -	$ -	$ -
475 Title VII Impact Aid	$ -	$ -	$ -
476 Payments in Lieu of Taxes	$ -	$ -	$ -
Committed:			
418 Committed for Separation	$ -	$ -	$ -
461 Committed Fund Balance	$ -	$ -	$ -
Assigned:			
462 Assigned Fund Balance	$ -	$ -	$ -
Unassigned:			
422 Unassigned Fund Balance	$ 687,751	$ 687,751	$ -
02 FOOD SERVICES			
Total Revenue	$ 724,770	$ 724,770	$ -
Total Expenditures	$ 632,571	$ 632,570	$ 1
Nonspendable:			
460 Nonspendable Fund Balance	$ 26,410	$ 26,410	$ -
Restricted/Reserved:			
452 OPEB Liab Not in Trust	$ -	$ -	$ -
Restricted:			
464 Restricted Fund Balance	$ 193,165	$ 193,166	$ (1)
Unassigned:			
463 Unassigned Fund Balance	$ -	$ -	$ -
04 COMMUNITY SERVICE			
Total Revenue	$ 438,604	$ 438,605	$ (1)
Total Expenditures	$ 481,296	$ 481,298	$ (2)
Nonspendable:			
460 Nonspendable Fund Balance	$ -	$ -	$ -
Restricted/Reserved:			
426 $25 Taconite	$ -	$ -	$ -
431 Community Education	$ 13,474	$ 13,474	$ -
432 E.C.F.E.	$ 17,984	$ 17,984	$ -
440 Teacher Development and Evaluation	$ -	$ -	$ -
444 School Readiness	$ -	$ -	$ -
447 Adult Basic Education	$ -	$ -	$ -
452 OPEB Liab Not in Trust	$ -	$ -	$ -
Restricted:			
464 Restricted Fund Balance	$ 96,640	$ 96,639	$ 1
Unassigned:			
463 Unassigned Fund Balance	$ -	$ -	$ -

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	$ -	$ -	$ -
Total Expenditures	$ 250,063	$ 250,063	$ -
Nonspendable:			
460 Nonspendable Fund Balance	$ -	$ -	$ -
Restricted/Reserved:			
407 Capital Projects Levy	$ -	$ -	$ -
413 Project Funded by COP	$ -	$ -	$ -
467 LTFM	$ 357,001	$ 357,001	$ -
Restricted:			
464 Restricted Fund Balance	$ 90	$ 90	$ -
Unassigned:			
463 Unassigned Fund Balance	$ -	$ -	$ -
07 DEBT SERVICE			
Total Revenue	$ 486,045	$ 486,046	$ (1)
Total Expenditures	$ 488,475	$ 488,475	$ -
Nonspendable:			
460 Nonspendable Fund Balance	$ -	$ -	$ -
Restricted/Reserved:			
425 Bond Refunding	$ -	$ -	$ -
433 Maximum Effort Loan Aid	$ -	$ -	$ -
451 QZAB Payments	$ -	$ -	$ -
Restricted:			
464 Restricted Fund Balance	$ 23,703	$ 23,703	$ -
Unassigned:			
463 Unassigned Fund Balance	$ -	$ -	$ -
18 Custodial			
Total Revenue	$ 1,500	$ 1,500	$ -
Total Expenditures	$ 1,500	$ 1,500	$ -
422 Unassigned Fund Balance (Net Assets)	$ -	$ -	$ -
20 INTERNAL SERVICE			
Total Revenue	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
422 Unassigned Fund Balance (Net Assets)	$ -	$ -	$ -
25 OPEB REVOCABLE TRUST			
Total Revenue	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
422 Unassigned Fund Balance (Net Assets)	$ -	$ -	$ -
45 OPEB IRREVOCABLE TRUST			
Total Revenue	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
422 Unassigned Fund Balance (Net Assets)	$ -	$ -	$ -
47 OPEB DEBT SERVICE			
Total Revenue	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -
Nonspendable:			
460 Nonspendable Fund Balance	$ -	$ -	$ -
Restricted:			
425 Bond Refundings	$ -	$ -	$ -
464 Restricted Fund Balance	$ -	$ -	$ -
Unassigned:			
463 Unassigned Fund Balance	$ -	$ -	$ -