NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

INTRODUCTORY SECTION

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
BOARD OF EDUCATION AND ADMINISTRATION
YEAR ENDED JUNE 30, 2023

BOARD OF EDUCATION

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Corey Butler	Vice Chair
Amy Goerwitz	Clerk
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Noel Stratmoen	Director
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* *

ADMINISTRATION

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Val Mertesdorf	Director of Finance

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 659
Northfield, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northfield Public Schools Independent School District No. 659 (the District), as of and for the year ended June 30, 2023, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2022, the District adopted new accounting guidance for Subscription-Based IT Arrangements. The guidance requires district to recognize a right-to-use subscription asset and corresponding liability. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 statement of revenues, expenditures, and changes in fund balance – budget and actual – debt service fund, the schedule of changes in fund equities, 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 statement of revenues, expenditures, and changes in fund balance – budget and actual – debt service fund, the schedule of changes in fund equities, the Uniform Financial Accounting and Reporting Standards Compliance Table, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023, 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 22, 2023

REQUIRED SUPPLEMENTARY INFORMATION

This section of Independent School District No. 659's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022-23 include the following:

- The net position of governmental activities increased by $11,946,538 to $12,522,509. The change in net position is primarily related to changes in net pension related deferred inflows, deferred outflows and long-term liabilities in the state pension plans the district participates in.

- The District's governmental funds reported a combined fund balance of $16,330,779, a net decrease of $3,033,383 in comparison with the prior year. This decrease is primarily due to a planned general fund budget deficit. Approximately 47% of the total fund balance is unassigned.

- Total General Fund revenues and other financing sources were $62,883,565 and total General Fund expenditures and other financing uses were $64,810,234 for the fiscal year ended June 30, 2023. Total governmental fund revenues and other financing sources were $75,017,322 total governmental fund expenditures and other financing uses were $78,050,705.

- The General Fund Unassigned fund balance decreased by $1,317,603 to $7,587,569 or 11.7% of general fund expenditures. The District intentionally spent down a portion of the unassigned fund balance. In the spring of 2022 and 2023 the District used a priority-based budget process to reduce $6.5 million of expenditures over the next two years. The District is still in a strong financial position to be able to serve the Northfield Community.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of the following:

- Management's Discussion and Analysis;
- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to the financial statements;
- Required supplementary information; and
- Supplementary information

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- **Government-Wide Financial Statements** – The government-wide financial statements, including the Statement of Net Position and Statement of Activities, are designed to provide short-term and long-term information about the District's overall financial status, using accounting methods similar to those used by private sector companies.

- **Fund Financial Statements** – The fund financial statements focus on individual parts of the District, reporting the District's operation in more detail than the government-wide financial statements. The District maintains three groups of fund financial statements:

    Governmental Funds Statements – Governmental funds statements review how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

    Proprietary Funds Statements – Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like a business.

    Fiduciary Funds Statements – Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

GOVERNMENT-WIDE STATEMENTS

The Government-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 government-wide statements report the District's net position and how they have changed. Net Position, the difference between the District's assets 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, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

GOVERNMENT-WIDE STATEMENTS (CONTINUED)

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.

The District maintains three kinds of funds:

- **Governmental Funds** – Most of 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 explain the relationship (or differences) between them.

- **Proprietary Funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

    - The District uses proprietary funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has one proprietary fund; an internal service fund for health and dental insurance benefits.

- **Fiduciary Funds** – *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the custodial funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position from Governmental activities was a positive $12,522,509 on June 30, 2023. (See Table A-1) This represents an increase in net position of $11,946,538.

Table A-1
The District's Net Position

	Governmental Activities as of June 30,		Percentage
	2023	2022	Change
Assets:			
Current and Other Assets	$ 47,671,641	$ 50,443,753	(5.50)%
Capital Assets	96,988,061	95,672,577	1.37
Total Assets	144,659,702	146,116,330	(1.00)
Deferred Outflows of Resources	20,912,938	21,609,010	(3.22)
Liabilities:			
Current Liabilities	12,545,825	13,659,176	(8.15)
Long-Term Liabilities	106,174,072	89,133,516	19.12
Total Liabilities	118,719,897	102,792,692	15.49
Deferred Inflows of Resources	34,330,234	64,356,677	(46.66)
Net Position:			
Net Investment in Capital Assets	45,869,029	41,847,643	9.61
Restricted	4,087,384	4,369,747	(6.46)
Unrestricted	(37,433,904)	(45,641,419)	(17.98)
Total Net Position	$ 12,522,509	$ 575,971	2074.16

The District's net position reflects its net investment in capital assets (e.g. land, buildings and furniture and equipment) increased to $45,869,029. The restricted category of the District's net position represents those resources that are restricted as to how they may be used, such as state mandated reserves, capital assets acquisition and debt service payments.

You will note that our unrestricted net position increased to a negative $37,433,904 in 2022-23. The increase in the unrestricted net position is primarily due to the changes in actuarial assumptions of the Minnesota Teachers Retirement Association (TRA) pension liability.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Total revenues surpassed expenses, increasing net position $11,946,538 over the prior year.

Table A-2
Change in Net Position

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage
	2023	2022	Change
Revenues			
Program Revenues:			
Charges for Services	$ 4,605,471	$ 3,702,818	24.38 %
Operating Grants and Contributions	16,773,453	17,098,453	(1.90)
Capital Grants and Contributions	579,885	606,138	(4.33)
General Revenues:			
Property Taxes	19,767,372	20,350,767	(2.87)
Unrestricted State Aid	30,029,718	30,278,673	(0.82)
Investment Earnings	593,738	(41,925)	(1516.19)
Other	263,601	388,343	(32.12)
Total Revenues	72,613,238	72,383,267	0.32
Expenses			
Administration	1,795,647	2,228,153	(19.41)
District Support Services	1,439,231	1,619,754	(11.15)
Regular Instruction	22,438,877	33,671,513	(33.36)
Vocational Education Instruction	174,221	385,304	(54.78)
Special Education Instruction	10,306,881	11,508,317	(10.44)
Instructional Support Services	2,485,596	3,289,015	(24.43)
Pupil Support Services	4,866,087	5,162,055	(5.73)
Sites and Buildings	8,988,649	4,975,369	80.66
Fiscal and Other Fixed Cost Programs	87,294	260,360	(66.47)
Food Service	2,552,058	2,282,028	11.83
Community Service	3,735,190	3,284,997	13.70
Interest and Fiscal Charges on Long-Term Liabilities	1,796,969	1,654,191	8.63
Total Expenses	60,666,700	70,321,056	(13.73)
Change in Net Position	11,946,538	2,062,211	
Net Position - Beginning of Year	575,971	(1,486,240)	
Net Position - End of Year	$ 12,522,509	$ 575,971	

Changes in net position. The District's total revenues were $72,613,238 for the year ended June 30, 2023. Property taxes and state formula aid accounted for 69% of total revenue for the year. (See Figure A-1). Another 30% came from program revenues. Investment earnings and other general revenues accounted for 1% of total revenue for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

The total cost of all programs and services was $60,666,700. The District's total expenses are predominantly related to educating and supporting students (79%) (See Figure A-2.) The administrative activities of the District accounted for 3% of total expenses.

Figure A-1
Sources of District's Revenues for Fiscal 2023

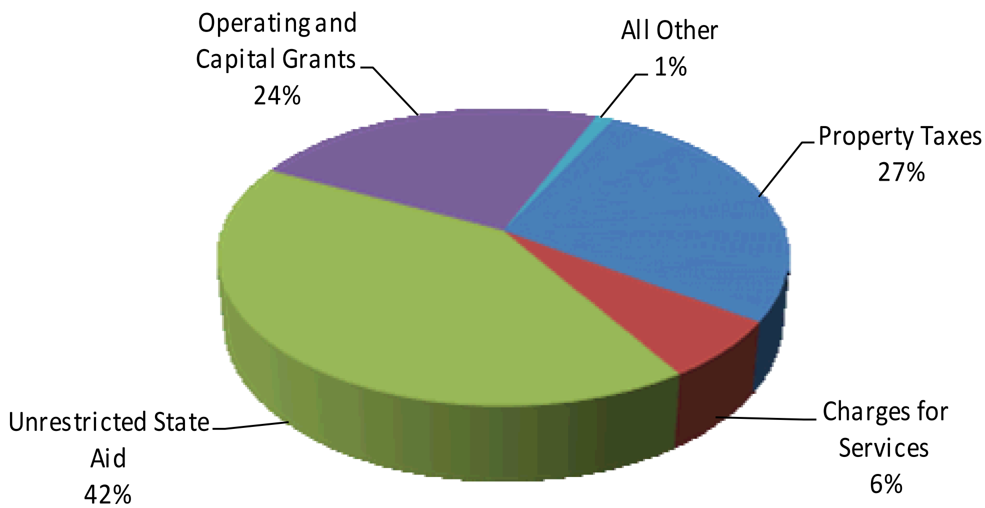
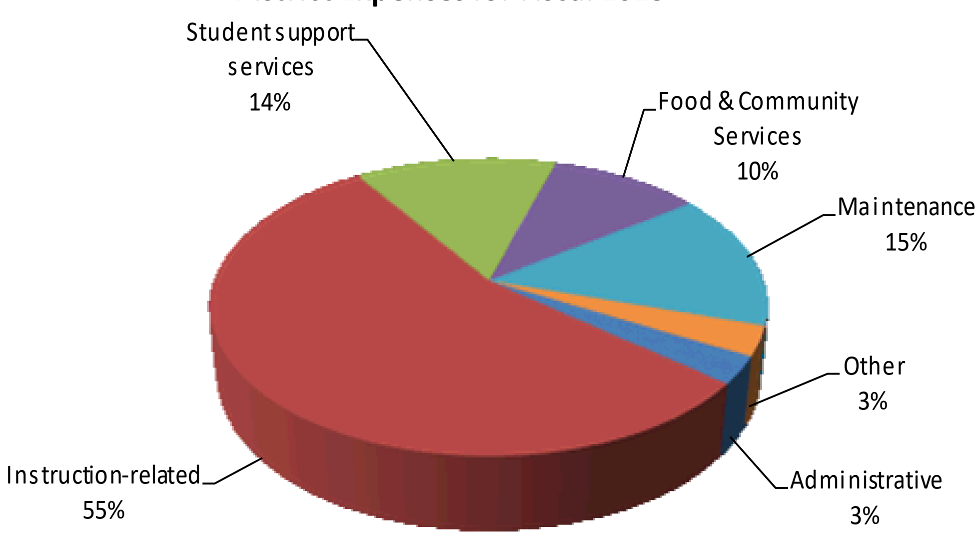


Figure A-2
District Expenses for Fiscal 2023



FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

- The cost of all governmental activities this year was $60,666,700 which is $9,654,356 or 13.73% less than the prior year.
- Some of the expenses were paid by the patrons of the District's programs $4,605,471.
- The federal and state governments subsidized certain programs with grants and contributions $17,353,338.
- Local property taxes financed $19,767,372, state aid based on legislatively authorized formulas funded $30,029,718, and investment earnings and other general revenues provided $857,339 in revenue.

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2023	2022	Change	2023	2022	Change
Administration	$ 1,795,647	$ 2,228,153	(19.41)%	$ 1,791,602	$ 2,218,278	(19.23)%
District Support Services	1,439,231	1,619,754	(11.15)	1,428,880	1,617,771	(11.68)
Regular Instruction	22,438,877	33,671,513	(33.36)	16,768,250	28,574,568	(41.32)
Vocational Education Instruction	174,221	385,304	(54.78)	173,961	380,873	(54.33)
Special Education Instruction	10,306,881	11,508,317	(10.44)	1,159,679	3,674,886	(68.44)
Instructional Support Services	2,485,596	3,289,015	(24.43)	1,924,328	2,710,314	(29.00)
Pupil Support Services	4,866,087	5,162,055	(5.73)	4,689,457	4,829,869	(2.91)
Sites and Buildings	8,988,649	4,975,369	80.66	8,204,414	3,772,218	117.50
Fiscal and Other Fixed Cost Programs	87,294	260,360	(66.47)	87,294	260,360	(66.47)
Food Service	2,552,058	2,282,028	11.83	228,792	(557,413)	(141.05)
Community Service	3,735,190	3,284,997	13.70	454,265	(222,268)	(304.38)
Interest and Fiscal Charges on Long-Term Liabilities	1,796,969	1,654,191	8.63	1,796,969	1,654,191	8.63
Total	$ 60,666,700	$ 70,321,056	(13.73)	$ 38,707,891	$ 48,913,647	(20.86)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds, reported a combined fund balance of $16,330,779 which is a decrease of $3,033,383 from the prior year ending fund balance of $19,364,162.

Revenues and other financing sources for the District's governmental funds were $75,017,322 while total expenditures and other financing uses were $78,050,705, resulting in expenditures exceeding revenues by $3,033,383. This is primarily due to a planned general fund budget deficit.

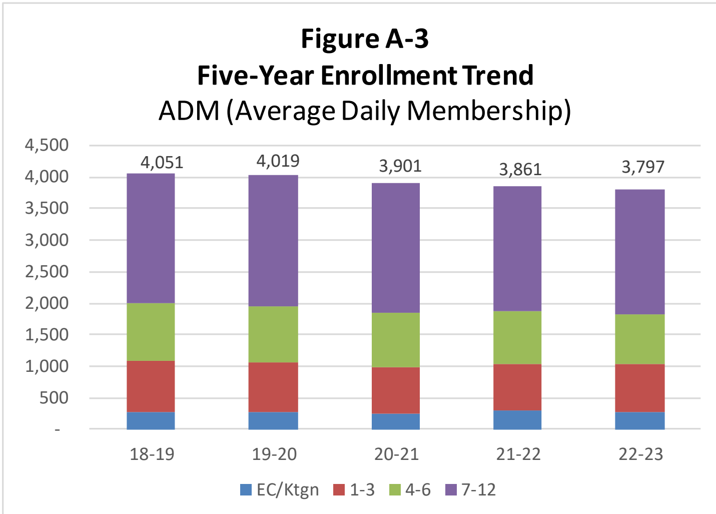
GENERAL FUND

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

Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has declined slightly in the number of students. Based on past historical trends and using a traditional cohort survival technique, the District anticipates that the total number of students will continue to decline slightly.

GENERAL FUND (CONTINUED)

The following graph shows that the number of students has been increasing slightly over the last few years.



The following schedule presents a summary of General Fund Revenues.

Table A-4
General Fund Revenues

	Year Ended		Change	
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	$ 14,428,100	$ 14,971,027	$ (542,927)	(3.6)%
Earnings on Investments	413,296	(52,123)	465,419	(892.9)
Other	1,677,802	1,870,286	(192,484)	(10.3)
State Sources	40,469,579	39,514,216	955,363	2.4
Federal Sources	4,274,807	3,485,639	789,168	22.6
Total General Fund Revenue	$ 61,263,584	$ 59,789,045	$ 1,474,539	2.5

GENERAL FUND (CONTINUED)

Total General Fund Revenues increased by $1,474,539 or 2.5% from the previous year. This increase is related to additional federal revenue received due to the pandemic as well as increased special education state revenue. Other sources decreased due to one-time revenue that we received in 2021-22. Basic general education revenue is determined by multiple state formulas, largely enrollment driven, and consists of an equalized mix of property tax and state aid revenue.

The following schedule presents a summary of General Fund expenditures.

Table A-5
General Fund Expenditures

	Year Ended June 30, 2023	Year Ended June 30, 2022	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	$ 35,631,954	$ 35,858,969	$ (227,015)	(0.6)%
Employee Benefits	13,949,778	13,520,261	429,517	3.2
Purchased Services	6,739,380	7,849,125	(1,109,745)	(14.1)
Supplies and Materials	2,289,613	2,914,936	(625,323)	(21.5)
Capital Expenditures	4,592,699	1,325,150	3,267,549	246.6
Other Expenditures	1,535,738	1,301,215	234,523	18.0
Total Expenditures	$ 64,739,162	$ 62,769,656	$ 1,969,506	3.1

Total General Fund expenditures increased $1,969,506 or 3.1%. The District facilitated a budget prioritization process during the 2021-22 and 2022-23 school year that will reduce approximately $6.5 million over two years. The District saw decreased expenditures in most categories. Employee benefits increased due to a substantial health premium increase and the phased statutory increases from TRA. The District saw increased capital expenditures related to facility projects and a new iPad lease.

In 2022-23, General Fund revenues and other financing sources were less than expenditures and other financing uses by $1,926,669 or 3.0% of total expenditures. After deducting statutory restrictions, the unassigned fund balance decreased from $8,905,172 at June 30, 2022 to $7,587,569 at June 30, 2023, a decrease of $1,317,603. The unassigned fund balance represents 11.7% of general fund expenditures less student activity, scholarship, operating capital and long-term facility maintenance expenditures. The Board of Education designated a minimum of 14%. The implementation of GASB 96 had required a change in the way we were processing long term software agreements. This is reflected in the fund balance decline. The District, as planned, used its fund balance to offset an approved deficit budget. We ran a priority-based budget reduction process that will reduce $6.5 million dollars between the 2022-23 and 2023-24 school years. The adopted budget shows a modest budget surplus for 2023-24, a testament to the difficult choices the priority-based budget committee, leadership team and Board of Education made.

General Fund Budgetary Highlights

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1), referred to as the preliminary budget. Over the course of the year, the District chose to revise the preliminary budget to account for changes in estimates that were used in planning the preliminary budget.

GENERAL FUND (CONTINUED)

General Fund Budgetary Highlights (Continued)

General Fund Budgetary Highlights (Continued)

The District's final budget for the General Fund anticipated that revenues and other financing sources would be less than expenditures and other financing uses by $1,832,604. The actual results show expenditures and other financing uses being more than revenues and other financing sources by $1,926,669.

- Actual revenues and other financing sources were $1,248,805 more than expected. This was primarily related to operations returning to pre-pandemic levels and additional federal pandemic revenue.

- Actual expenditures and other financing uses were $1,342,870 more than expected. This was primarily related to operations returning to pre-pandemic levels and additional federal pandemic expenditures.

Table A-6
General Fund Budget to Actual

	Final Budget	Actual	Over (Under) Final Budget	Percent Over (Under)
Revenue and Other Financing Sources	$ 61,634,760	$ 62,883,565	$ 1,248,805	2.0 %
Expenditures and Other Financing Uses	63,467,364	64,810,234	1,342,870	2.1
Total	$ (1,832,604)	$ (1,926,669)	$ (94,065)	

FOOD SERVICE FUND

The Food Service Fund accounts for the activities related to providing nutrition services to the Pre-K-12 academic program. The fund operates on the principle of revenues exceeding expenditures on day-to-day operations so that the excess can be used to systematically replace and upgrade kitchen equipment around the district. By operating in this manner, the Child Nutrition Services program is self-contained and does not pull resources away from direct Pre-K-12 instruction. The District served 360,640 lunches and 71,388 breakfasts to students, in addition to a la carte sales and summer programming meals during the 2022-23 school year.

The fund balance decreased by $188,775 to $937,462 during 2022-23. This was due to planned capital purchases to bring our fund balance level down to the federal requirement.

Food Service Fund Revenues for 2022-23 totaled $2,363,283. This was a decrease of $479,044 or approximately 17% from 2021-22. The reimbursement rate for meals from the federal government was higher in 2021-22. Operations in 2022-23 returned to pre-pandemic levels and reimbursement.

Food Service Fund Expenditures for 2022-23 totaled $2,552,058. This was an increase of $270,030 or 12.0% from 2021-22. The Child Nutrition department had planned capital expenditures to reduce the fund balance to the federally required level.

COMMUNITY SERVICE FUND

The Community Service Fund accounts for the activities related to providing lifelong learning, recreation, and community involvement. They provide programming for all ages. The fund is self-sustaining and helps support many District programs and initiatives.

Community Service Fund Revenues for 2022-23 totaled $3,823,776. This was a decrease of $102,292 or 3% from 2021-22. The Community Education department received less federal childcare stabilization funding in 2022-23.

Community Service Fund Expenditures for 2022-23 totaled $3,826,367. This was an increase of $458,796 or 14% from 2021-22. The Community Education department offered expanded programming and implemented a new software program.

The fund balance decreased from $780,179 on June 30, 2022 to $777,588 on June 30, 2023. The majority of the fund balance is reserved for specific purposes based on state requirements.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for revenues and expenditures related to the school district's long-term capital and facility projects that are funded by the sale of bonds or capital loans. The Capital Project Fund includes activity related to our 2022A Long Term Facilities Maintenance Bonds that were issued to replace the Middle School roof.

Capital Projects Fund Revenues and other financing sources for 2022-23 totaled $8,537. This was a decrease of $3,245,590 or 100% from 2021-22.

Capital Projects Fund Expenditures and other financing uses for 2022-23 totaled $936,043. This was a decrease of $1,390,578 or 60% from 2021-22.

The fund balance decreased from $927,506 on June 30, 2022 to $0 on June 30, 2023. The project was completed in September 2022.

DEBT SERVICE FUND

The Debt Service Fund exists to service the principal and interest payments on long-term debt issued by the district to construct school facilities or acquire school equipment. Annual levies will provide revenue at a rate of 105% of pending debt service payments for a fiscal year. This rate is specified in statute to ensure that principal and interest payments can be made as scheduled even if there are late property tax payments or delinquencies that may arise.

The Debt Service Fund Balance increased by $12,158 in 2022-23. The Minnesota Department of Education monitors fund balances in the Debt Service Fund and limits the amount of funds that can be carried forward. If the fund balance gets too high, future levy authority will be reduced in order to reduce the debt service fund balance to a reasonable level. The June 30, 2023, fund balance of $1,349,182 plus future levies that include an additional 5% levy to cover late or delinquent property tax payments will provide adequate cash flow for timely payment of principal and interest.

The District's current general obligation bond rating from Standard and Poor's is AA+. There are only three school districts in the state of Minnesota with a higher rating.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the District had invested $157,231,052 in a broad range of capital assets, including school buildings; land, technology equipment, and other equipment for various instructional programs (see Table A-7). The capital assets for Right-to-Use Equipment assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* in fiscal year 2021-22. The change in capital assets for Right-to-Use Software assets and accumulated amortization relates to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* in fiscal year 2022-23. Total accumulated depreciation and amortization as of June 30, 2023 was $60,242,991. The current year depreciation and amortization expense for Governmental Activities totaled $4,249,018. More detailed information about capital assets can be found in Note 3 to the financial statements.

Table A-7
Capital Assets

	2023	2022	Percentage Change
Land	$ 1,147,910	$ 1,147,910	- %
Construction in Progress	-	2,596,551	(100.0)
Land Improvements	4,871,243	4,710,736	3.4
Buildings and Improvements	140,856,299	136,083,117	3.5
Equipment	7,925,608	6,699,066	18.3
Less: Accumulated Depreciation	(59,817,365)	(55,897,895)	7.0
Right-to-Use Equipment	2,117,560	897,091	136.0
Right-to-Use Software	312,432	-	-
Less: Accumulated Amortization	(425,626)	(563,999)	(24.5)
Total District Capital Assets	$ 96,988,061	$ 95,672,577	1.4

Long-Term Liabilities

For the fiscal year ended June 30, 2023, the District had $51,762,522 in long-term liabilities outstanding. This is a decrease of 6.6% from the prior year (see Table A-8). More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

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

	2023	2022	Percentage Change
General Obligation Bonds	$ 46,530,000	$ 50,485,000	(7.8)%
Net Bond Premium and Discount	2,195,153	2,602,438	(15.7)
Certificates of Participation Payable	584,844	770,006	(24.0)
Leases Payable	1,788,372	858,120	108.4
Severance Payable	446,907	461,753	(3.2)
Compensated Absences Payable	217,246	228,013	(4.7)
Total Long-Term Liabilities	$ 51,762,522	$ 55,405,330	(6.6)
Long-Term Liabilities:			
Due Within One Year	$ 4,783,366	$ 4,702,881	
Due in More Than One Year	46,979,156	50,702,449	
Total	$ 51,762,522	$ 55,405,330	

OTHER SELECTED INFORMATION

The government-wide financial statements now recognize liabilities for severance pay, compensated absences, pensions and other postemployment benefits. This liability does include an amount for future health benefit costs to employees who have not retired as of June 30, 2023. The District continues to assign funds as available to meet future obligations. A total of $3,750,000 has been classified as Assigned Fund Balance from the Unassigned Fund Balance over the last several years to begin to address this long-term liability.

Under the pay-as-you-go method, the recent annual cost of severance, compensated absences, and retiree health benefits for retired employees remains consistently at approximately 2.0% of the General Fund expenditures. The costs are budgeted and funded out of current revenues of the General Fund.

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 please visit our website at www.northfieldschools.org or contact the Finance Department, Independent School District No. 659, 201 Orchard Street South, Northfield, Minnesota 55057.

BASIC FINANCIAL STATEMENTS

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and Investments	$ 27,187,539
Receivables:	
Property Taxes	10,417,671
Other Governments	9,526,127
Other	355,844
Prepaid Items	111,783
Inventories	72,677
Capital Assets:	
Land and Construction in Progress	1,147,910
Other Capital Assets, Net of Depreciation	93,835,785
Other Capital Assets, Net of Amortization	2,004,366
Total Assets	144,659,702
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	19,155,363
Other Postemployment Benefits Related	1,757,575
Total Deferred Outflows	20,912,938
LIABILITIES	
Salaries Payable	5,502,038
Accounts Payable	1,147,959
Accrued Interest	739,795
Due to Other Governmental Units	143,921
Unearned Revenue	228,746
Long-Term Liabilities:	
Long-Term Liabilities - Due Within One Year	4,783,366
Long-Term Liabilities - Due in More Than One Year	46,979,156
Net Pension Liability	46,012,949
Other Postemployment Benefits Liability - Due Within One Year	1,444,431
Other Postemployment Benefits Liability - Due in More Than One Year	11,737,536
Total Liabilities	118,719,897
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	20,715,616
Gains on Debt Refunding	20,663
Pension Related	11,728,998
Other Postemployment Benefits Related	1,864,957
Total Deferred Inflows of Resources	34,330,234
NET POSITION	
Net Investment in Capital Assets	45,869,029
Restricted for:	
Operating Capital Purposes	164,274
State-Mandated Reserves	1,565,195
Food Service	937,462
Community Service	780,142
Debt Service	640,311
Unrestricted	(37,433,904)
Total Net Position	$ 12,522,509

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Change in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
Administration	$ 1,795,647	$ 1,920	$ 2,125	$ -	$ (1,791,602)
District Support Services	1,439,231	-	3,613	6,738	(1,428,880)
Regular Instruction	22,438,877	517,954	4,750,915	401,758	(16,768,250)
Vocational Education Instruction	174,221	-	260	-	(173,961)
Special Education Instruction	10,306,881	506,572	8,640,630	-	(1,159,679)
Instructional Support Services	2,485,596	-	549,934	11,334	(1,924,328)
Pupil Support Services	4,866,087	6,736	169,894	-	(4,689,457)
Sites and Buildings	8,988,649	34,854	589,326	160,055	(8,204,414)
Fiscal and Other Fixed Cost Programs	87,294	-	-	-	(87,294)
Food Service	2,552,058	1,014,650	1,308,616	-	(228,792)
Community Service	3,735,190	2,522,785	758,140	-	(454,265)
Interest and Fiscal Charges on Long-Term Liabilities	1,796,969	-	-	-	(1,796,969)
Total School District	$ 60,666,700	$ 4,605,471	$ 16,773,453	$ 579,885	(38,707,891)
	GENERAL REVENUES				
	Property Taxes Levied for:				
	General Purposes				14,426,226
	Community Service				424,676
	Debt Service				4,916,470
	State Aid Not Restricted to Specific Purposes				30,029,718
	Earnings on Investments				593,738
	Miscellaneous				263,601
	Total General Revenues				50,654,429
	CHANGE IN NET POSITION				11,946,538
	Net Position - Beginning of Year				575,971
	NET POSITION - END OF YEAR				$ 12,522,509

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Major Funds		
	General	Food Service	Community Service
ASSETS			
Cash and Investments	$ 17,116,288	$ 992,688	$ 1,006,075
Receivables:			
Current Property Taxes	7,249,914	-	211,089
Delinquent Property Taxes	82,936	-	2,554
Accounts Receivable	75,244	159	164,394
Due from Other Minnesota School Districts	322,632	-	8,090
Due from Minnesota Department of Education	5,115,918	3,499	35,070
Due from Federal through Minnesota Department of Education	3,722,757	38,169	36,287
Due from Other Governmental Units	63,614	-	96,501
Inventory	38,129	34,548	-
Prepaids	143,553	1,170	2,350
Total Assets	$ 33,930,985	$ 1,070,233	$ 1,562,410
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Salaries and Payroll Deductions Payable	$ 5,344,414	$ 3,310	$ 154,314
Accounts and Contracts Payable	280,893	32,719	54,928
Due to Other Governmental Units	110,922	-	32,999
Unearned Revenue	32,309	96,742	99,695
Total Liabilities	5,768,538	132,771	341,936
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes Levied for Subsequent Year	14,812,964	-	440,332
Unavailable Revenue - Delinquent Property Taxes	82,936	-	2,554
Total Deferred Inflows of Resources	14,895,900	-	442,886
FUND BALANCE			
Nonspendable:			
Inventory	38,129	34,548	-
Prepaids	143,553	1,170	2,350
Restricted for:			
Student Activity	236,719	-	-
Scholarships	224,349	-	-
Operating Capital	164,274	-	-
Community Education	-	-	362,568
Early Childhood and Family Education	-	-	359,370
Area Learning Center	510,637	-	-
Teacher Development and Evaluation	11,828	-	-
School Readiness	-	-	6,248
Achievement and Integration Revenue	15,381	-	-
Long-Term Facilities Maintenance	566,281	-	-
Restricted for Other Purposes	-	901,744	47,052
Assigned for:			
Tobacco Settlement	17,827	-	-
Severance - Insurance Premiums	3,750,000	-	-
Unassigned	7,587,569	-	-
Total Fund Balance	13,266,547	937,462	777,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 33,930,985	$ 1,070,233	$ 1,562,410

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Major Funds		Total
Capital Projects	Debt Service	Total Governmental Funds
$ -	$ 3,887,658	$ 23,002,709
-	2,840,254	10,301,257
-	30,924	116,414
-	-	239,797
-	-	330,722
-	83,590	5,238,077
-	-	3,797,213
-	-	160,115
-	-	72,677
-	-	147,073
$ -	$ 6,842,426	$ 43,406,054
$ -	$ -	$ 5,502,038
-	-	368,540
-	-	143,921
-	-	228,746
-	-	6,243,245
-	5,462,320	20,715,616
-	30,924	116,414
-	5,493,244	20,832,030
-	-	72,677
-	-	147,073
-	-	236,719
-	-	224,349
-	-	164,274
-	-	362,568
-	-	359,370
-	-	510,637
-	-	11,828
-	-	6,248
-	-	15,381
-	-	566,281
-	1,349,182	2,297,978
-	-	17,827
-	-	3,750,000
-	-	7,587,569
-	1,349,182	16,330,779
$ -	$ 6,842,426	$ 43,406,054

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance for Governmental Funds	$	16,330,779
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		1,147,910
Land Improvements, Net of Accumulated Depreciation		1,727,664
Buildings and Improvements, Net of Accumulated Depreciation		88,841,404
Equipment, Net of Accumulated Depreciation		3,266,717
Right-to-Use Asset, Net of Accumulated Amortization		2,004,366
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 unearned revenue in the funds.		116,414
Payments on subscriptions which are paid prior to it becoming due is recorded as a prepaid item in the governmental funds, but for the government-wide purposes is a capital asset.		(35,290)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(739,795)
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability		(46,012,949)
Deferred Outflows of Resources - Pensions		19,155,363
Deferred Inflows of Resources - Pensions		(11,728,998)
The District's Other Postemployment Benefits 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 Benefits Liability		(13,181,967)
Deferred Outflows of Resources - Other Postemployment Benefits		1,757,575
Deferred Inflows of Resources - Other Postemployment Benefits		(1,864,957)
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		(46,530,000)
Unamortized Premiums		(2,195,153)
Certificates of Participation Payable		(584,844)
Lease Liability		(1,788,372)
Unamortized Gain on Bond Refunding		(20,663)
Severance and Health Benefits Payable		(446,907)
Compensated Absences Payable		(217,246)
Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end are:		3,521,458
Total Net Position of Governmental Activities	$	12,522,509

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Major Funds		
	General	Food Service	Community Service
REVENUES			
Local Sources:			
Property Taxes	$ 14,428,100	$ -	$ 424,735
Investment Income	413,296	35,132	23,250
Other	1,677,802	1,023,165	2,744,031
State Sources	40,469,579	97,980	394,463
Federal Sources	4,274,807	1,207,006	237,297
Total Revenues	61,263,584	2,363,283	3,823,776
EXPENDITURES			
Current:			
Administration	2,257,679	-	-
District Support Services	1,393,996	-	-
Elementary and Secondary Regular Instruction	29,691,044	-	-
Vocational Education Instruction	194,979	-	-
Special Education Instruction	12,574,538	-	-
Instructional Support Services	2,825,507	-	-
Pupil Support Services	5,202,669	-	-
Sites and Buildings	4,813,863	-	-
Fiscal and Other Fixed Cost Programs	272,456	-	-
Food Service	-	2,422,560	-
Community Service	-	-	3,810,006
Capital Outlay	4,592,699	129,498	16,361
Debt Service:			
Principal	870,650	-	-
Interest and Fiscal Charges	49,082	-	-
Total Expenditures	64,739,162	2,552,058	3,826,367
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,475,578)	(188,775)	(2,591)
OTHER FINANCING SOURCES (USES)			
Insurance Recovery	4,241	-	-
Right-to-Use Lease Proceeds	1,615,740	-	-
Transfers In	-	-	-
Transfers Out	(71,072)	-	-
Total Other Financing Sources (Uses)	1,548,909	-	-
NET CHANGE IN FUND BALANCES	(1,926,669)	(188,775)	(2,591)
Fund Balances - Beginning of Year	15,193,216	1,126,237	780,179
FUND BALANCES - END OF YEAR	$ 13,266,547	$ 937,462	$ 777,588

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Major Funds		Total
Capital Projects	Debt Service	Total Governmental Funds
$ -	$ 4,917,608	$ 19,770,443
8,537	113,523	593,738
-	-	5,444,998
-	835,958	41,797,980
-	-	5,719,110
8,537	5,867,089	73,326,269
-	-	2,257,679
-	-	1,393,996
-	-	29,691,044
-	-	194,979
-	-	12,574,538
-	-	2,825,507
-	-	5,202,669
-	-	4,813,863
-	-	272,456
-	-	2,422,560
-	-	3,810,006
936,043	-	5,674,601
-	3,955,000	4,825,650
-	1,971,003	2,020,085
936,043	5,926,003	77,979,633
(927,506)	(58,914)	(4,653,364)
-	-	4,241
-	-	1,615,740
-	71,072	71,072
-	-	(71,072)
-	71,072	1,619,981
(927,506)	12,158	(3,033,383)
927,506	1,337,024	19,364,162
$ -	$ 1,349,182	$ 16,330,779

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balance - Total Governmental Funds	$ (3,033,383)
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	5,564,502
Gain (Loss) on Disposal of Capital Assets	-
Proceeds from the Sales of Capital Assets	-
Depreciation Expense	(3,992,120)
Amortization Expense	(256,898)
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 unearned in the governmental funds.	(3,071)
The use of some capital assets are structured as leases. In governmental funds, a lease arrangement is considered a source of financing, and in the statement of net position, the lease liability is reported. Repayment of lease principal is an expenditure in the government funds, but repayment reduces the lease liability in the statement of net position.	
Other Financing Sources - Lease	(1,615,740)
Repayment of Lease Principal	685,488
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	8,729,740
Other postemployment benefits expenditures in the governmental funds are measured by current year benefit payments. Other postemployment benefits expense on the statement of activities is measured by the change in the total OPEB liability and the related deferred inflows and outflows of resources.	967,624
In the statement of activities, certain operating expenses - severance benefits, and compensated absences - 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).	25,613
The governmental funds report payments for multi-year subscriptions as prepaid expenses; however, on a government wide basis, payments for multi-year subscriptions are reported as capital assets and amortized accordingly. The net effect of these differences in the prepaid expenditures is as follows:	
Change in Prepaid Expenditure	(35,290)
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 when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds 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	3,955,000
Change in Accrued Interest Liability	(15,220)
Repayment of Certificates of Participation Payable	185,162
Amortization of Bond Premium	407,285
Amortization of Deferred Charges on Refunding Bonds	16,213
Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	361,633
Change in Net Position of Governmental Activities	$ 11,946,538

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Governmental Activities - Internal Service Funds
ASSETS	
Cash and Investments	$ 4,184,830
Accounts Receivable	116,047
Total Assets	4,300,877
LIABILITIES	
Accounts Payable	779,419
NET POSITION	
Unrestricted	$ 3,521,458

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for Services:	
Health Insurance Premiums	$ 9,782,968
Dental Insurance Premiums	634,777
Total Operating Revenues	10,417,745
OPERATING EXPENSES	
Health Insurance Claims	8,330,923
Dental Insurance Claims	649,440
General Administration Fees	1,195,703
Total Operating Expenses	10,176,066
OPERATING INCOME	241,679
NONOPERATING INCOME	
Earnings on Investments	119,954
CHANGE IN NET POSITION	361,633
Net Position - Beginning of Year	3,159,825
NET POSITION - END OF YEAR	$ 3,521,458

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	$ 10,369,030
Payments for Health and Dental Insurance Claims	(8,807,708)
Payments for Administrative Fees	(1,195,703)
Net Cash Provided by Operating Activities	365,619
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	119,954
Net Cash Provided by Investing Activities	119,954
NET INCREASE IN CASH AND CASH EQUIVALENTS	485,573
Cash and Cash Equivalents - Beginning of Year	3,699,257
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,184,830
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 241,679
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	(48,715)
Increase in Accounts Payable	172,655
Total Adjustments	123,940
Net Cash Provided by Operating Activities	$ 365,619

See accompanying Notes to Basic Financial Statements.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

ASSETS		
Cash and Investments	$	-
LIABILITIES		
Accounts and Contracts Payable		-
NET POSITION		
Held In Trust	$	-

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023

ADDITIONS		
Miscellaneous Local Revenue	$	14,895
DEDUCTIONS		
Other Expenses		14,895
CHANGE IN NET POSITION		-
Net Position - Beginning of Year		-
NET POSITION - END OF YEAR	$	-

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. 659 (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 educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the board and is responsible for administrative control of the District.

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

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 are included in the financial statements within the General Fund.

C. Basic Financial Statement Presentation

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statement of fiduciary net position and statement of changes in fiduciary net position at the Fund Financial Statement level.

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

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is 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 Government-wide financial statements.

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

The fiduciary funds are presented in the fiduciary fund financial statements by type (trust). Since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the Government-wide statements. The District has one fiduciary fund that is considered a custodial fund.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District’s governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the District’s internal service fund is charges to customers for service. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, as are proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory “tax shift” described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and 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 eligible expenditures are made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

<u>Description of Funds</u>

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:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds (Continued)

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 Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund come from user fees, and reimbursements from the federal and state governments.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs or other similar services. Revenues for the Community Service Special Revenue Fund are composed of user fees, local levy dollars, and state credits.

Capital Projects Fund

Accounts for financial resources from the bonds issued for the addition/renovation of District buildings.

Debt Service Fund

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

Proprietary Funds

Internal Service Funds

The Internal Service Fund accounts for the financing of a self-insured health and dental plan provided for the District’s employees on a cost reimbursement basis.

Fiduciary Funds

Custodial Fund

The Custodial Fund is established to account for cash and other assets held by the District as the agent for others.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, and Debt Service Funds. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

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

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

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

F. Cash and Investments

Cash of the individual funds is combined for investment purposes. Investments consist primarily of certificates of deposit, and money market funds. Investments with an original maturity of less than one year are recorded at amortized cost, which approximates fair value. Investments with an original maturity of more than one year are recorded at fair value based on quoted market prices. Interest earned as a result of these investments and the combined deposit account is distributed to the appropriate funds based on average cash and investment balances of each fund.

G. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers all demand accounts, savings accounts, certificates of deposits, and money market funds, to be cash and cash equivalents while all deposits in the MN Trust and Minnesota School District Liquid Asset Fund (MSDLAF) are considered investments.

H. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Inventories

Inventories are recorded using the consumption method of accounting and consist of fuel, food, and other supplies on hand at year end, 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the periods benefited.

K. 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. The County spreads all levies over taxable property. Such taxes become a lien on January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District 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 (and to a lesser extent the 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.”

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District’s 2000 Pay 2001 operating referendum levy which is frozen at $374,466. Starting in fiscal year 2011, the shift was expanded to include all other general and community service fund levies. State aids are then reduced by this expanded shift amount, making this portion of the tax shift revenue neutral to school districts. Certain other portions of the District’s 2022 pay 2023 levy, normally revenue for the 2023-23 fiscal year, are also advance recognized at June 30, 2023, as required by state statute to match revenue with the same fiscal year as the related expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Taxes (Continued)

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 classified as a deferred inflow of resources 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, 2023, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

L. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of $5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statement 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, 5 to 15 years for equipment and furnishings, and 1 to 5 years for the right-to-use assets.

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 buildings or other improvable property.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract mad to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalized implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset.

M. 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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense) until that time. The District has two types of items that qualify as this reporting element, pension related, and other postemployment benefit related.

N. 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.

O. Accrued Employee Benefits

Compensated Absences

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, vacation leave, and termination benefits. The District accounts for the employee benefits as follows:

Vacation leave vests and may be carried forward but must be used by the end of the following contract year. A liability of $217,246 is included in long-term debt for earned but unpaid vacation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accrued Employee Benefits (Continued)

Sick Pay

Sick leave does not vest and is accounted for as an expenditure when paid, except as discussed below.

Severance

Severance pay is available for certain eligible employees. The maximum benefit is generally based on accumulated unused sick leave. The total amounts cannot exceed certain contract limits.

Other Postemployment Benefits Payable

Under the provisions of the various employee and union contracts the District provides Health and Dental Care coverage until age 65 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. This amount was actuarially determined, in accordance with GASB 75, at June 30, 2023.

P. 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 Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association in 2015.

PERA has a special funding situation created by direct aid contributions made by the state of Minnesota for the merger of the Minneapolis Employees Retirement Fund into GERF in fiscal year 2015.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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 or resources (revenue) until that time. The District has five types of deferred inflows. Two types occur related to revenue recognition. 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 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 of deferred inflow is related to refunding of debt. The fourth type of deferred inflow is pension related. The fifth type of deferred inflow is other postemployment benefit related.

R. Unearned Revenue

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for General, Food and Community Service accounts, grants, and 2023-2024 school year deposits.

S. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable portions of fund balance relate to prepaids and inventories. 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 board of education passed a resolution authorizing the Director of Finance the ability to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts, usually in the General Fund only.

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

T. Self-Insurance Claims

This liability represents an estimate of health and dental claims incurred but not reported as of June 30, 2023. These claims are included in accounts payable in the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

V. Adoption of New Accounting Standards

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This standard requires the recognition of certain subscription assets and liabilities for agreements that previously were classified as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for subscription accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. Under this standard, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscriber asset.

The District adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 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 will 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 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 combined 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 Board.

Minnesota Statutes require that all 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 banks at June 30, 2023 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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 receives the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen 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 corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories
- Repurchase or reverse purchase agreements and securities lending agreements 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, 2023, the District’s investment balances were as follows:

External Investment Pools:	
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	$ 11,571,028
MN Trust Investment Shares Portfolio	3,758,703
MN Trust Term Series	11,766,545
Total District Investments	$ 27,096,276

The Minnesota Municipal Money Market Fund Trust (MN Trust) is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota Statutes as described above.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The Investment Shares Portfolio and Term Series are external investment pools. Investments in these external investment pools are valued at amortized cost. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of investments. Redemption prior to the maturity date of the Term Series may result in a penalty.

The Limited Term Duration Series investments are valued at net asset value, the fair value established by the series. The MN Trust Limited Term Duration Series maintains a quarterly redemption frequency requirement with a 30-day redemption notice.

The MSDLAF+ is an external investment 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 MSDLAF+ elects to measure its investments at amortized cost.

The District’s investment in the MSDLAF+ is included in two share classes, as follows:

Class	Amount
MSDLAF Liquid Class	$ 11,532,776
MSDLAF Max Class	38,252
Total MSDLAF+	$ 11,571,028

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.

<u>Interest Rate Risk.</u>

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 market interest rates. The District’s investment policies do not limit the maturities of investments. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk. (Continued)

The following table summarizes interest rate risk of the District's investments at June 30, 2023:

		Maturity Duration in Years			
Type	Total	Less Than 1	1 to 2	2 to 5	5 to 10
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	$ 11,571,028	$ 11,571,028	$ -	$ -	$ -
MN Trust	15,525,248	15,525,248	-	-	-
Total	$ 27,096,276	$ 27,096,276	$ -	$ -	$ -

Custodial Credit Risk.

For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy requires insurance of all balances held with each investment account. As of June 30, 2023, the investment balances were fully covered by insurance for each brokerage firm.

Credit Risk.

Generally, 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's investment policies do not limit the amount that the District may invest in any one issuer. The following chart summarizes year-end ratings for the District's investments:

Investment	Rated by	Credit Rating
MSDLAF+ Liquid Class and Max Class	S&P	AAAm
MN Trust Investment Shares Portfolio	S&P	AAAm
MN Trust Term Series		Not rated
MN Trust Limited Term Duration Series		Not rated

Concentration of Credit Risk.

The District's investment policies place no limit on the amount the District may invest in any one issuer. The District had no investments at June 30, 2023 which individually comprised more than 5% of total investments.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Balance Sheet Presentation

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

Deposits	$ 90,313
Cash on Hand	950
Minnesota School District Liquid Asset Fund Plus (MSDLAF+)	11,571,028
MN Trust	15,525,248
Total Cash and Investments	$ 27,187,539
Cash and Investments - Statement of Net Position	$ 27,187,539
Cash and Investments - Statement of Fiduciary Net Position	-
Total Cash and Investments	$ 27,187,539

D. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 1,147,910	$ -	$ -	$ -	$ 1,147,910
Construction in Progress	2,596,551	-	-	(2,596,551)	-
Total Capital Assets, Not Being Depreciated	3,744,461	-	-	(2,596,551)	1,147,910
Capital Assets, Being Depreciated:					
Land Improvements	4,710,736	160,507	-	-	4,871,243
Buildings and Improvements	136,083,117	2,176,631	-	2,596,551	140,856,299
Equipment	6,699,066	1,299,192	(72,650)	-	7,925,608
Total Capital Assets, Being Depreciated	147,492,919	3,636,330	(72,650)	2,596,551	153,653,150
Accumulated Depreciation for:					
Land Improvements	(2,981,166)	(162,413)	-	-	(3,143,579)
Buildings and Improvements	(48,628,351)	(3,386,544)	-	-	(52,014,895)
Equipment	(4,288,378)	(443,163)	72,650	-	(4,658,891)
Total Accumulated Depreciation	(55,897,895)	(3,992,120)	72,650	-	(59,817,365)
Total Capital Assets, Being Depreciated, Net	91,595,024	(355,790)	-	2,596,551	93,835,785
Capital Assets, Being Amortized:					
Intangible Asset: Equipment Lease Asset	897,091	1,615,740	(395,271)	-	2,117,560
Intangible Asset: Software Asset		312,432	-	-	312,432
Total Capital Assets, Being Amortized	897,091	1,928,172	(395,271)	-	2,429,992
Accumulated Amortization for:					
Intangible Asset: Equipment Lease Asset	(563,999)	(168,728)	395,271	-	(337,456)
Intangible Asset: Software Asset	-	(88,170)	-	-	(88,170)
Total Accumulated Amortization	(563,999)	(256,898)	395,271	-	(425,626)
Total Capital Assets, Being Amortized, Net	333,092	1,671,274	-	-	2,004,366
Governmental Activities Capital Assets, Net	$ 95,672,577	$ 1,315,484	$ -	$ -	$ 96,988,061

NOTE 3 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
District Support Services	$ 55,135
Regular Instruction	2,505,949
Special Education Instruction	1,255
Instructional Support Services	36,289
Pupil Support Services	16,350
Sites and Buildings	1,537,861
Food Service	19,854
Community Service	76,325
Total Depreciation and Amortization Expense, Governmental Activities	$ 4,249,018

NOTE 4 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 limitations imposed by Minnesota law.

					Principal Outstanding	
Issue Date	Interest Rate	Series Number	Original Issue	Maturities	Due Within One Year	Total
5/13/2014	2.0 - 3.0%	2014A	$ 1,525,000	2/1/2025	$ 160,000	$ 325,000
3/23/2017	3.0%	2017A	1,325,000	2/1/2027	140,000	575,000
1/31/2019	3.0 - 5.0%	2019A	39,255,000	2/1/2039	480,000	37,955,000
10/9/2020	5.0%	2020A	9,665,000	2/1/2025	3,350,000	4,555,000
2/17/2022	2.0 - 4.0%	2022A	3,120,000	2/1/2030	-	3,120,000
Total General Obligation Bonds					4,130,000	46,530,000
Bond Premiums					-	2,195,153
Certificates of Participation Payable					193,283	584,844
Lease Payable					460,083	1,788,372
Severance and Health Benefits Payable					-	446,907
Compensated Absences Payable					-	217,246
Total					$ 4,783,366	$ 51,762,522

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Minimum annual principal and interest payments necessary to retire long-term debt, not including certificate of participation, compensated absences payable and severance and health benefits payable are as follows:

	General Obligation Bonds Payable		Lease Liability	
Year Ending June 30,	Principal	Interest	Principal	Interest
2024	$ 4,130,000	$ 1,775,509	$ 460,083	$ 3,386
2025	2,445,000	1,575,009	519,845	20,395
2026	2,085,000	1,458,859	401,213	12,127
2027	2,230,000	1,357,509	407,231	6,108
2028	2,360,000	1,249,009	-	-
2029-2033	13,390,000	4,613,868	-	-
2034-2038	15,720,000	2,291,519	-	-
2039-2042	4,170,000	168,123	-	-
Total	$ 46,530,000	$ 14,489,405	$ 1,788,372	$ 42,016

C. Description of Long-Term Liabilities

General Obligation Bonds

On May 13, 2014, the District issued $1,525,000 of General Obligation Capital Facilities Bonds, Series 2014A. The proceeds of this issue were used to finance certain capital improvements to school facilities.

On March 23, 2017, the District issued $1,325,000 of General Obligation Facilities Maintenance Bonds, Series 2017A. The proceeds of this issue were used to finance the roof replacement project at Bridgewater Elementary School.

On January 31, 2019, the District issued $39,255,000 of General Obligation School Building Bonds, Series 2019A. The proceeds of this issue were used to finance the acquisition and betterment of school sites and facilities, including construction and equipping of a new elementary school and improvements and additions at the Bridgewater and Sibley Elementary Schools sites, construction and renovations and improvements to the Longfellow School, and the construction of renovations and improvements to the Greenvale Park Elementary School to convert the facility for use as an early childhood center.

On October 9, 2020, the District issued $9,665,000 of General Obligation School Building Refunding Bonds, Series 2020A. The proceeds of this issue were used for a current refunding of the 2022 through 2024 maturities and 2022 through 2025 maturities of the District's General Obligation School Building Refunding Bonds, Series 2011A and 2012A, respectively.

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

C. Description of Long-Term Liabilities (Continued)

General Obligation Bonds (Continued)

On February 14, 2022, the District issued $3,120,000 of General Obligation Facilities Maintenance Bonds, Series 2022A. The proceeds of this issue were used to finance the roof replacement project at Northfield Middle School.

Compensated Absences Payable

The amount of the estimated obligation at June 30, 2023 is $217,246 The District's General Fund finances compensated absences on a pay-as-you-go basis.

Severance Payable

Severance pay is available for certain eligible employees. The maximum benefit is generally based on accumulated unused sick leave, and years of service. The amount of the estimated obligation at June 30, 2023 is $446,907. The District's General Fund finances severance benefits on a pay-as-you-go basis.

Certificate of Participation

On December 1, 2009, the District raised funds through the issuance of a loan payable. The maximum amount that could be drawn on the loan was $1,495,000 and was used to finance capital improvements made to an elementary school. The loan was structured as a lease purchase agreement.

On July 23, 2019, the District raised funds through the issuance of a loan payable. The maximum amount that could be drawn on the loan was $606,403 and was used to purchase an existing property used for storage of building and grounds equipment and supplies. The loan was structured as a lease purchase agreement.

Leases

The District entered into leases for the use of copy machines and iPads.

D. Changes in Long-Term Liabilities

	June 30, 2022	Additions	Retirements	June 30, 2023
General Obligation Bonds	$ 50,485,000	$ -	$ 3,955,000	$ 46,530,000
Bond Premiums	2,602,438	-	407,285	2,195,153
Certificates of Participation Payable	770,006	-	185,162	584,844
Lease Payable	858,120	1,615,740	685,488	1,788,372
Severance Payable	461,753	-	14,846	446,907
Compensated Absences Payable	228,013	-	10,767	217,246
Total	$ 55,405,330	$ 1,615,740	$ 5,258,548	$ 51,762,522

NOTE 5 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. Student Activities

In accordance with state statute, the fund balance represents available resources dedicated exclusively for student activities.

B. Scholarships

In accordance with state statute, the fund balance represents available resources dedicated exclusively for scholarships.

C. Operating Capital

The fund balance restriction represents available resources in the General Fund to be used to purchase equipment and facilities.

D. Area Learning Center

The fund balance restriction represents available resources to be expended for area learning center programs.

E. Teacher Development and Evaluation

The fund balance restriction represents available resources to be expended for teacher development and evaluation programs.

F. Long-Term Facilities Maintenance (LTFM)

The fund balance restriction represents accumulated resources available to be used for LTFM projects in accordance with the District's 10-year plan.

H. Achievement and Integration Revenue

The fund balance restriction represents accumulated resources available to be used for achievement and integration purposes.

I. Early Childhood and Family Education Programs

The fund balance restriction represents accumulated resources available to provide services for early childhood family education programming.

J. School Readiness

The fund balance restriction represents accumulated resources available to provide school readiness programming in accordance with funding made available for that purpose.

NOTE 5 RESTRICTED FUND BALANCES (CONTINUED)

K. Restricted for Other Purposes

The fund balance restriction represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

	Restricted Fund Balances
Food Service	$ 901,744
Community Service	47,052
Debt Service	1,349,182
Total	$ 2,297,978

NOTE 6 DEFINED BENEFIT PENSION PLANS

A. Plan Description

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

1. General Employees Retirement Plan (GERF)

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

2. Teachers Retirement Fund (TRA)

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

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

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

   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.

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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.

<u>Tier I Benefits</u>

Tier I	Step Rate Formula	Percentage
Basic	First 10 Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First 10 Years if Service Years Are Up to July 1, 2006	1.2% per Year
	First 10 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

<u>Tier II Benefits</u>

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% per year for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier II Benefits (Continued)

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. GERF 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 6.5% of their annual covered salary in fiscal year 2022 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2023 were $724,994. The District's contributions were equal to the required contributions for each year as set by state statute.

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% for the employee and 12.34% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2023 were $2,374,819. The District's contributions were equal to the required contributions for each year as set by state statute.

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At June 30, 2023, the District reported a liability of $9,971,322 for its proportionate share of the GERF'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 $292,124. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was .1259% at the end of the measurement period and .1186% for the beginning of the period.

District's Proportionate Share of the Net Pension Liability	$ 9,971,322
State of Minnesota's Proportionate Share of the Net Liability Associated with the District	292,124
Total	$ 10,263,446

For the year ended June 30, 2023, the District recognized pension expense of $1,379,129 for its proportionate share of GERF's pension expense. It also recognized $43,650 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 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERF Pension Costs (Continued)

At June 30, 2023, the District reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 83,289	$ 106,517
Changes in Actuarial Assumptions	2,256,689	40,556
Net Difference Between Projected and Actual Earnings on Plan Investments	172,958	-
Changes in Proportion	369,725	179,424
District Contributions Subsequent to the Measurement Date	724,994	-
Total	$ 3,607,655	$ 326,497

The $724,994 related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows and deferred inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ 948,568
2025	922,128
2026	(216,288)
2027	901,756

2. TRA Pension Costs

At June 30, 2023, the District reported a liability of $36,041,627 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, city of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.4501% at the end of the measurement period and 0.4351% for the beginning of the period.

NOTE 6 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	$ 36,041,627
State's Proportionate Share of the Net Pension Liability Associated with the District	2,672,806
Total	$ 38,714,433

A change in benefit provisions that affected the measurement of the total pension liability since the prior measurement date was an increase of the contribution rates for both the member and employer.

For the year ended June 30, 2023, the District recognized a decrease in pension expense of $7,016,856. It also recognized $757,851 as a decrease to pension expense for the support provided by direct aid.

At June 30, 2023, 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	$ 527,185	$ 316,623
Changes in Actuarial Assumptions	5,773,776	7,627,133
Net Difference Between Projected and Actual Earnings on Plan Investments	1,006,778	-
Changes in Proportion	5,865,150	3,458,745
District Contributions Subsequent to the Measurement Date	2,374,819	-
Total	$ 15,547,708	$ 11,402,501

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

Of the resources related to pensions resulting from the District contributions to TRA subsequent to the measure date, $2,374,819 is reported as deferred outflows and will be recognized as a reduction in the net pension liability in the year ending June 30, 2024. 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 Amount
2024	$ (6,522,113)
2025	1,322,238
2026	619,660
2027	6,065,299
2028	285,304

3. Aggregate Pension Costs

At June 30, 2023, the District reported the following aggregate amounts related to pensions for all plans to which it contributes:

	TRA	GERF	Total
Net Pension Liability	$ 36,041,627	$ 9,971,322	$ 46,012,949
Deferred Outflows of Resources	15,547,708	3,607,655	19,155,363
Deferred Inflows of Resources	11,402,501	326,497	11,728,998
Pension Expense	(7,774,707)	1,422,779	(6,351,928)

E. Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25% per year	2.50%
Active Member Payroll Growth	10.25% after one year of service to 3.00 after 27 years of service	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Investment Rate of Return	6.50%	7.00%

NOTE 6 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. The tables are adjusted slightly 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. Postretirement 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 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Actuarial assumptions used in the June 30, 2022 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 2022:

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

NOTE 6 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. The target allocation and best estimates of arithmetic 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	33.5 %	33.5 %	5.10%
International Equity	16.5	16.5	5.30%
Private Markets	25.0	25.0	5.90%
Fixed Income	25.0	25.0	0.75%
Total	100.0 %	100.0 %	

G. Discount Rate

The discount rate used to measure the total GERF pension liability in 2022 was 6.50%. 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%. 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 2022 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

NOTE 6 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 paragraphs, 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:

Description	1% Decrease	Current Discount Rate	1% Increase
GERF Discount Rate:	5.50%	6.50%	7.50%
District's Proportionate Share of the GERF Net Pension Liability	$ 15,750,225	$ 9,971,322	$ 5,231,729
TRA Discount Rate:	6.00%	7.00%	8.00%
District's Proportionate Share of the TRA Net Pension Liability	$ 56,817,662	$ 36,041,627	$ 19,011,756

I. Pension Plan Fiduciary Net Position

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

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, 55103-2088; or by calling (651) 296-2409 or 1-800-657-3669.

NOTE 7 DEFINED CONTRIBUTION BENEFIT PLAN

The District has a retirement plan qualifying under the Internal Revenue Code 403(b) for the benefit of employees hired on or after July 1, 2002. For qualifying employees, the District's annual maximum contribution is based contractual requirements for the employee class. Maximum career contribution limits range from $25,000 to no limit depending on the employee class.

The District contributions for the year ended June 30, 2023 were $554,791. The related employee contributions were $1,363,588 for the year ended June 30, 2023.

NOTE 8 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 through the District's health insurance plan. There are 560 active participants and 83 retired participants. Benefit and eligibility provisions are established through negotiations between the District and various unions representing the District's employees and are renegotiated each bargaining period. There are no assets accumulated in a trust and the plan is currently being funded on a pay as you go basis.

B. Benefits Provided

Teachers hired before July 1, 2009, who are at least 55 years of age upon retirement and have been employed by the District for a minimum of 10 years are also eligible, along with their spouses, to remain on the District's dental insurance for six years (nine years if hired before September 1, 1987). The District will pay dental insurance at the same rate as active employees.

Certain other nonteaching staff who are at least 55 years of age upon retirement and have been employed by the District for a minimum of 10 years are eligible to remain on the District's health and dental insurance for three to nine years, depending on their contract group. The District will pay the health insurance premiums up to 80% of $1,000 CMM health plan premium rate, limited to $400 per month toward the Medicare supplement after age 65. The District will pay dental insurance at the same rate as active employees.

C. Actuarial Methods and Assumptions

The District's total OPEB liability was measured as of July 1, 2022, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to periods included in the measurement date, unless specified otherwise.

Inflation	0.03 %
Salary Increases	Varies by service and contract group
Healthcare Cost Trend Rates	6.50% Decreasing to 5.00% over 6 years and then to 4% over the next 54 years
Dental Trend Rate	4.00 %

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale (MP-2021 Generational Improvement Scale as of the previous measurement date.

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

C. Actuarial Methods and Assumptions (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.80% (2.10% at the prior measurement date). The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at July 1, 2022	$ 14,325,039
Changes for the Year:	
Service Cost	548,922
Interest on the Total OPEB Liability	301,047
Differences Between Expected and Actual Experience	55,920
Changes of assumptions	(966,514)
Benefit Payments	(1,082,447)
Net Changes	(1,143,072)
Balances at July 1, 2023	$ 13,181,967

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

	1% Decrease 2.80 %	Discount Rate 3.80 %	1% Increase 4.80 %
Total OPEB Liability	$ 13,853,745	$ 13,181,967	$ 12,531,086

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 health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate:

	1% Decrease	Selected Trend Rates	1% Increase
		Healthcare Cost Trend Rate	
	5.50% Decreasing to 3.00%	6.50% Decrease to 4.00%	7.50% Decreasing to 5.00%
	Dental Trend Rate 3%	Dental Trend Rate 4%	Dental Trend Rate 5%
Total OPEB Liability	$ 12,488,689	$ 13,181,967	$ 13,965,932

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

F. OPEB Expense

For the year ended June 30, 2023, the District recognized OPEB expense of $476,807. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 47,931	$ 1,023,264
Changes of Assumptions	265,213	841,693
District Payment of Benefits Subsequent to the Measurement Date	1,444,431	-
Total	$ 1,757,575	$ 1,864,957

District payment of benefits of $1,444,431 were made subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Year Ending June 30,	Amount
2024	$ (373,163)
2025	(373,162)
2026	(263,934)
2027	(306,569)
2028	(104,901)
2029	(130,084)

NOTE 9 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 January 1 to December 31, 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 9 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 10 SELF-INSURED HEALTH AND DENTAL PLAN

The District has elected to self-insure their employee dental insurance program and their health insurance program. The District established an internal service fund to account for contributions from other funds for health and dental insurance. Contributions during the year were based on claims history. The amounts charged to expenses include administrative fees, claims paid, and accruals for claims incurred but not paid at year-end. The District recorded total expenses of $10,176,066 for the year ended June 30, 2023.

The liability for unpaid claims is included in the Internal Service Fund as accounts payable.

	2023	2022
Beginning Liability - July 1	$ 606,764	$ 855,214
Incurred Claims	8,980,363	8,779,222
Claims Payments	8,807,708	9,027,672
Ending Liability - June 30	$ 779,419	$ 606,764

NOTE 11 COMMITMENTS AND CONTINGENCIES

Federal and State Programs

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 fund. 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.

NOTE 12 JOINTLY GOVERNED ORGANIZATIONS

The Cannon Valley Special Education Cooperative (CVSEC) was established by a joint powers agreement pursuant to Minnesota Statutes section 471.59. The purpose of the agreement was to optimize resources and increase efficiencies by creating a special education cooperative to serve children with low incidence disabilities. CVSEC is comprised of four member districts. Each member district shares in the costs of providing all off-site special education programs.

NOTE 13 INTERFUND TRANSACTIONS

Transfer from/to other funds between the General Fund and the Debt Service Fund of $71,072 was made during fiscal year ending June 30, 2023 for Long-term Facility Maintenance Bonds.

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers' compensation. The District purchases commercial insurance coverage for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The District self-insures for health and dental insurance offered to its employees. The District is covered by a specific stop-loss policy for health claims in excess of $125,000 and dental claims in excess of $1,500.

NOTE 15 STEWARDSHIP

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds:

	Budget	Expenditures	Excess
General Fund	$ 63,467,364	$ 64,739,162	$ 1,271,798
Special Revenue Funds:			
Food Service Fund	2,491,863	2,552,058	60,195
Community Service Fund	3,445,819	3,826,367	380,548

These excess expenditures were funded with higher than anticipated revenues and existing fund balances.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 14,359,850	$ 14,359,850	$ 14,428,100	$ 68,250
Investment Income	10,000	10,000	413,296	403,296
Other	1,154,051	1,164,862	1,677,802	512,940
State Sources	40,036,598	40,040,698	40,469,579	428,881
Federal Sources	4,220,677	4,210,778	4,274,807	64,029
Total Revenues	59,781,176	59,786,188	61,263,584	1,477,396
EXPENDITURES				
Current:				
Administration	2,250,553	2,254,753	2,257,679	2,926
District Support Services	1,524,841	1,524,841	1,393,996	(130,845)
Elementary and Secondary Regular Instruction	29,548,475	28,986,136	29,691,044	704,908
Vocational Education Instruction	216,366	490,931	194,979	(295,952)
Special Education Instruction	12,063,010	12,167,017	12,574,538	407,521
Instructional Support Services	2,579,025	2,653,113	2,825,507	172,394
Pupil Support Services	4,936,993	5,131,807	5,202,669	70,862
Sites and Buildings	4,350,184	4,618,232	4,813,863	195,631
Fiscal and Other Fixed Cost Programs	251,100	251,100	272,456	21,356
Capital Outlay	2,414,542	4,341,704	4,592,699	250,995
Debt Service:				
Principal	1,047,730	1,047,730	870,650	(177,080)
Interest and Fiscal Charges	-	-	49,082	49,082
Total Expenditures	61,182,819	63,467,364	64,739,162	1,271,798
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,401,643)	(3,681,176)	(3,475,578)	205,598
OTHER FINANCING SOURCES				
Insurance Recovery	-	-	4,241	4,241
Right-to-Use Lease Proceeds	-	1,848,572	1,615,740	(232,832)
Transfers Out	-	-	(71,072)	(71,072)
Total Other Financing Sources	-	1,848,572	1,548,909	(299,663)
NET CHANGE IN FUND BALANCE	$ (1,401,643)	$ (1,832,604)	(1,926,669)	$ (94,065)
Fund Balance - Beginning of Year			15,193,216	
FUND BALANCE - END OF YEAR			$ 13,266,547	

See accompanying Notes to Required Supplementary Information.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Investment Income	$ 100	$ 100	$ 35,132	$ 35,032
Other - Primarily Meal Sales	1,201,900	1,201,900	1,023,165	(178,735)
State Sources	111,487	111,487	97,980	(13,507)
Federal Sources	922,532	922,532	1,207,006	284,474
Total Revenues	2,236,019	2,236,019	2,363,283	127,264
EXPENDITURES				
Current:				
Food Service	2,465,363	2,465,363	2,422,560	(42,803)
Capital Outlay	26,500	26,500	129,498	102,998
Total Expenditures	2,491,863	2,491,863	2,552,058	60,195
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (255,844)	$ (255,844)	(188,775)	$ 67,069
Fund Balance - Beginning of Year			1,126,237	
FUND BALANCE - END OF YEAR			$ 937,462	

See accompanying Notes to Required Supplementary Information.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 428,563	$ 428,563	$ 424,735	$ (3,828)
Investment Income	5,000	700	23,250	22,550
Other - Primarily Tuition and Fees	2,355,327	2,642,103	2,744,031	101,928
State Sources	304,452	302,952	394,463	91,511
Federal Sources	-	209,975	237,297	27,322
Total Revenues	3,093,342	3,584,293	3,823,776	239,483
EXPENDITURES				
Current:				
Community Service	3,293,316	3,383,922	3,810,006	426,084
Capital Outlay	3,900	61,897	16,361	(45,536)
Total Expenditures	3,297,216	3,445,819	3,826,367	380,548
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (203,874)	$ 138,474	(2,591)	$ (141,065)
Fund Balance - Beginning of Year			780,179	
FUND BALANCE - END OF YEAR			$ 777,588	

See accompanying Notes to Required Supplementary Information.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX MEASUREMENT PERIODS

Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability:						
Service Cost	$ 548,922	$ 824,321	$ 766,224	$ 730,675	$ 666,600	$ 718,218
Interest	301,047	344,127	477,609	516,743	515,935	503,567
Changes of Benefit Terms	-	-	-	-	-	(845,157)
Difference Between Expected and Actual Experience	55,920	-	(1,431,607)	298,446	(718,209)	-
Changes of Assumptions	(966,514)	176,287	19,928	-	(46,383)	-
Benefit Payments	(1,082,447)	(1,061,683)	(854,835)	(1,020,426)	(766,961)	-
Net Change in Total OPEB Liability	(1,143,072)	283,052	(1,022,681)	525,438	(349,018)	376,628
Total OPEB Liability - Beginning	14,325,039	14,041,987	15,064,668	14,539,230	14,888,248	14,511,620
Total OPEB Liability - Ending	$ 13,181,967	$ 14,325,039	$ 14,041,987	$ 15,064,668	$ 14,539,230	$ 14,888,248
Covered-Employee Payroll	$ 34,581,461	$ 35,292,327	$ 34,264,395	$ 32,658,560	$ 31,707,340	$ 28,953,340
District's Net OPEB Liability as a Percentage of the Covered-Employee Payroll	38.12%	40.59%	40.98%	46.13%	45.85%	51.42%

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.

No assets are accumulated in a trust.

See accompanying Notes to Required Supplementary Information.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST NINE MEASUREMENT PERIODS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
PERA									
District's Proportion of the Net Pension Liability	0.1259%	0.1186%	0.1245%	0.1204%	0.1211%	0.1306%	0.1171%	0.1188%	0.1183%
District's Proportionate Share of the Net Pension Liability	$ 9,971,322	$ 5,064,751	$ 7,464,344	$ 6,656,646	$ 6,718,131	$ 8,337,418	$ 9,507,939	$ 6,156,833	$ 5,567,224
State's Proportionate Share of the Net Pension Liability Associated with District	292,124	230,104	230,104	206,991	220,416	104,856	124,147	-	-
Total	$ 10,263,446	$ 5,294,855	$ 7,694,448	$ 6,863,637	$ 6,938,547	$ 8,442,274	$ 9,632,086	$ 6,156,833	$ 5,567,224
District's Covered Payroll	$ 9,427,509	$ 8,534,878	$ 8,875,532	$ 8,076,280	$ 8,479,931	$ 7,264,732	$ 6,969,875	$ 6,211,247	$ 6,211,247
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	108.87%	62.04%	86.69%	84.99%	81.82%	116.21%	138.20%	99.12%	89.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.67%	87.00%	79.10%	79.50%	79.50%	75.90%	68.90%	78.20%	78.70%
TRA									
District's Proportion of the Net Pension Liability	0.4501%	0.4351%	0.3742%	0.4373%	0.4314%	0.4442%	0.4014%	0.3928%	0.4172%
District's Proportionate Share of the Net Pension Liability	$ 36,041,627	$ 19,041,277	$ 27,646,397	$ 27,873,594	$ 27,093,120	$ 88,670,378	$ 95,743,477	$ 24,298,565	$ 19,224,276
State's Proportionate Share of the Net Pension Liability Associated with District	2,672,806	1,605,932	2,317,082	2,466,730	2,545,572	8,570,788	9,610,363	2,980,581	1,333,077
Total	$ 38,714,433	$ 20,647,209	$ 29,963,479	$ 30,340,324	$ 29,638,692	$ 97,241,166	$ 105,353,840	$ 27,279,146	$ 20,557,353
District's Covered Payroll	$ 27,979,220	$ 26,108,674	$ 25,295,798	$ 24,810,810	$ 23,651,122	$ 23,885,558	$ 20,803,603	$ 19,836,024	$ 18,972,883
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	128.82%	72.93%	109.29%	112.34%	114.55%	371.23%	460.23%	122.50%	101.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.17%	86.63%	75.48%	78.07%	78.07%	51.57%	44.88%	76.80%	81.50%

See accompanying Notes to Required Supplementary Information.

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PERA										
Statutorily Required Contribution	$ 724,994	$ 707,018	$ 640,117	$ 665,666	$ 639,117	$ 605,674	$ 635,996	$ 544,855	$ 514,948	$ 450,316
Contributions in Relation to the Statutorily Required Contribution	(724,994)	(707,018)	(640,117)	(665,666)	(639,117)	(605,674)	(635,996)	(544,855)	(544,855)	(514,948)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (29,907)	$ (64,632)
District's Covered Payroll	$ 9,666,573	$ 9,427,509	$ 8,534,878	$ 8,875,532	$ 8,521,586	$ 8,076,280	$ 8,479,931	$ 7,264,732	$ 6,969,875	$ 6,211,247
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.39%	7.25%
TRA										
Statutorily Required Contribution	$ 2,374,819	$ 2,341,434	$ 2,130,249	$ 2,010,880	$ 1,912,879	$ 1,773,835	$ 1,791,417	$ 1,560,272	$ 1,487,706	$ 1,328,100
Contributions in Relation to the Statutorily Required Contribution	(2,374,819)	(2,341,434)	(2,130,249)	(2,010,880)	(1,773,835)	(1,791,417)	(1,560,272)	(1,487,706)	(1,487,706)	(1,328,100)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ 139,044	$ (17,582)	$ 231,145	$ 72,566	$ -	$ -
District's Covered Payroll	$ 27,686,453	$ 27,979,220	$ 26,108,674	$ 25,295,798	$ 24,810,810	$ 23,651,122	$ 23,885,558	$ 20,803,603	$ 19,836,024	$ 18,972,883
Contributions as a Percentage of Covered-Employee Payroll	8.58%	8.37%	8.16%	7.95%	7.71%	7.50%	7.50%	7.50%	7.50%	7.00%

See accompanying Notes to Required Supplementary Information.

NOTE 1 CHANGES IN SIGNIFICANT 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 year ended June 30:

2022

Changes in Actuarial Assumptions
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021

Changes in Actuarial Assumptions
- The investment return and single discount rates were changed from 7.5 % 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.

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

2020

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.

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 Assumption

- 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.

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

2017

Changes in Actuarial Assumption

- 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.

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 September 2015.

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

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

2022

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions for financial reporting purposes.

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 7.00%, for financial reporting purposes.

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 zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 2 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.

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

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.

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 4 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.

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

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.
- Adjustments 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.

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 6 years, and female rates set back 5 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 3 years and female rates set back 3 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.

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

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.

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 year ended June 30:

2022

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount Weighted Mortality Tables (General, Teachers) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 2.10% to 3.80%.

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

2021

Changes in Plan Provisions

- There were no changes in plan provisions.

Changes in Actuarial Assumptions

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

2020

Changes in Plan Provisions

- There were no changed in plan provisions.
- Mortality rates were updated from MP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Headcount-Weighted Mortality Tables (General Teachers) with MP-2019 Generational Improvement Scales.

Changes in Actuarial Assumptions

- The discount rate was changed from 3.10% to 2.40%.note 1 changes in significant pension plan provisions, actuarial methods, and assumptions (continued)

2019

Changes in Actuarial Assumptions

- The discount rate was changed from 3.50% to 3.10%.

2018

Changes in Plan Provisions

- Postemployment subsidized payments for all head custodians are now paid for three years.

Changes in Actuarial Assumptions

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The discount rate was changed from 3.40% to 3.50%.

2017

Changes in Actuarial Assumptions

- The discount rate was changed from 3.00% to 3.40%.

SUPPLEMENTARY INFORMATION

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
REVENUES				
Local Sources:				
Property Taxes	$ 5,324,717	$ 5,324,717	$ 4,917,608	$ (407,109)
Earnings and Investments	3,000	3,000	113,523	110,523
State Sources	949,034	949,034	835,958	(113,076)
Total Revenues	6,276,751	6,276,751	5,867,089	(409,662)
EXPENDITURES				
Debt Service:				
Bond Principal	3,955,000	3,955,000	3,955,000	-
Bond Interest	1,964,053	1,964,053	1,964,053	-
Paying Agent Fees and Other	7,000	7,000	6,950	(50)
Total Expenditures	5,926,053	5,926,053	5,926,003	(50)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	350,698	350,698	(58,914)	(409,612)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	71,072	71,072
Total Other Financing Sources (Uses)	-	-	71,072	71,072
NET CHANGE IN FUND BALANCE	$ 350,698	$ 350,698	12,158	$ (338,540)
Fund Balance - Beginning of Year			1,337,024	
FUND BALANCE - END OF YEAR			$ 1,349,182	

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF CHANGES IN FUND EQUITIES
YEAR ENDED JUNE 30, 2023

	Fund Equities June 30, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Transfers	Fund Equities June 30, 2023
GOVERNMENTAL FUNDS					
General Fund:					
Nonspendable	$ 140,344	$ -	$ -	$ 41,338	$ 181,682
Restricted for Student Activities	247,165	241,272	251,718	-	236,719
Restricted for Scholarships	211,223	79,410	66,284	-	224,349
Restricted for Staff Development	-	574,649	574,849	200	-
Restricted for Capital Project Levy	-	744,481	871,381	-	(126,900)
Restricted for Operating Capital	256,739	1,189,732	1,282,197	-	164,274
Restricted for Learning and Development	-	762,613	762,613	-	-
Restricted for Area Learning Center	-	1,500,666	989,894	(135)	510,637
Restricted for Gifted and Talented	-	54,480	54,480	-	-
Restricted for Teacher Development and Evaluation	25,703	-	13,875	-	11,828
Restricted for Basic Skills	-	800,881	1,213,309	412,428	-
Reserved for Achievement and Integration	19,866	246,753	251,238	-	15,381
Restricted for Safe Schools	-	151,708	151,708	-	-
Restricted for LTFM	1,075,377	1,401,654	1,910,750	-	566,281
Restricted for Medical Assistance	-	505,856	505,856	-	-
Assigned for Severance	4,000,000	-	-	(250,000)	3,750,000
Assigned for Security System Camera Upgrades	293,800	-	-	(293,800)	-
Assigned for Tobacco Settlement	17,827	-	-	-	17,827
Assigned for Carry-Over Funds	(1,519)	10,536	-	-	9,017
Unassigned	8,906,691	54,618,874	55,910,082	89,969	7,705,452
Total General Fund	15,193,216	62,883,565	64,810,234	-	13,266,547
Food Service Fund:					
Nonspendable	22,012	-	-	13,706	35,718
Restricted for Other Purposes	1,104,225	2,363,283	2,552,058	(13,706)	901,744
Total Food Service Fund	1,126,237	2,363,283	2,552,058	-	937,462
Community Service Fund:					
Nonspendable	100	-	-	2,250	2,350
Restricted for Community Education	369,636	2,796,167	2,803,235	-	362,568
Restricted for E.C.F.E.	297,925	271,576	210,131	-	359,370
Restricted for School Readiness	92,001	416,413	502,166	-	6,248
Reserved for Achievement and Integration	-	84,815	84,815	-	-
Restricted for Other Purposes	20,517	254,805	226,020	(2,250)	47,052
Unassigned	-	-	-	-	-
Total Community Service Fund	780,179	3,823,776	3,826,367	-	777,588
Capital Projects Fund					
Restricted for Other Purposes		8,537	-	(8,537)	-
Restricted LTFM	927,506	-	936,043	8,537	-
Total Capital Projects Fund	927,506	8,537	936,043	-	-
Debt Service Fund:					
Restricted for Other Purposes	1,337,024	5,938,161	5,926,003	-	1,349,182
Total Debt Service Fund	1,337,024	5,938,161	5,926,003	-	1,349,182
TOTAL GOVERNMENT FUNDS	19,364,162	75,017,322	78,050,705	-	16,330,779
FIDUCIARY FUNDS					
Custodial Fund:					
Unassigned	-	14,895	14,895	-	-
Total Trust Fund	-	14,895	14,895	-	-
TOTAL FIDUCIARY FUNDS	-	14,895	14,895	-	-
PROPRIETARY FUNDS					
Internal Service Fund:					
Unassigned	3,159,825	10,537,699	10,176,066	-	3,521,458
Total Internal Service Fund	3,159,825	10,537,699	10,176,066	-	3,521,458
TOTAL PROPRIETARY FUNDS	3,159,825	10,537,699	10,176,066	-	3,521,458
GRAND TOTAL	$ 22,523,987	$ 85,569,916	$ 88,241,666	$ -	$ 19,852,237

SINGLE AUDIT AND OTHER REQUIRED REPORTS

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	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	1-0659-000	$ 181,953		
Cash Assistance:					
National School Lunch Program	10.555	1-0659-000	730,678		
Supply Chain Assistance	10.555	1-0659-000	145,869		
After School Snack	10.555	1-0659-000	7,748		
Subtotal Assistance Listing No. 10.555				$ 1,066,248	$ -
School Breakfast Program	10.553	1-0659-000		98,725	-
Summer Program	10.559	1-0659-000		41,405	-
Total Child Nutrition Cluster				1,206,378	-
COVID-19 - Pandemic EBT	10.659			628	-
Total U.S. Department of Agriculture				1,207,006	-
U.S. Department of Education					
Pass-Through Minnesota Department of Education					
Title I, Part A - Grants to Local Educational Agencies	84.010	S010A210023		262,289	-
Title II, Part A - Supporting Effective Instruction State Grant	84.367	S367A210022		56,624	-
Title III, Part A - English Language Acquisition Grants	84.365	S365A210023		56,691	-
Title IV, Part A - Safe and Drug-Free Schools and Communities	84.186	S186A210024		7,203	-
Title IV, Part A - Student Support and Academic Enrichment Grants	84.181	H181A210029		18,597	-
Title IV, Part B - Twenty-First Century Community Learning Centers	84.287	S287C190023		129,654	-
Rural and Low-Income School Program	84.351	**		200	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund 2	84.425D	S425D200045	213,188		
COVID-19 - Expanded Summer Programming	84.425D	S425D200045	336,715		
COVID-19 - Elementary and Secondary School Emergency Relief Fund 3	84.425U	**	1,867,822		
COVID-19 - Elementary and Secondary School Fund 3: Learning Recovery	84.425U	**	256,375		
Total Assistance Listing 84.425				2,674,100	-
				3,205,358	-
Special Education Cluster:					
Multi-Tiered Systems of Support	84.027	H027A210087	52,030		
Special Education - Grants to States	84.027	H027A210087	818,022		
COVID-19 American Rescue Plan - Individuals with Disabilities Education Act	84.027	H027X210087	70,258		
Subtotal Assistance Listing No. 84.027				940,310	-
Special Education - Preschool Grants	84.173	H173A210086	2,198		
COVID-19 American Rescue Plan - Preschool Incentive	84.173	H173X210086	10,144		
Subtotal Assistance Listing No. 84.173				12,342	-
Total Special Education Cluster				952,652	-
Pass-Through Independent School District #917					
Total U.S. Department of Education				4,158,010	-
U.S. Department of Treasury					
Pass-Through Minnesota Department of Education					
COVID-19 Summer Preschool	21.027	**	6,875		
COVID-19 Pandemic Enrollment Loss	21.027	**	29,412		
COVID-19 ICAP Grant	21.027	**	34,907		
COVID-19 Subtotal Assistance Listing No. 21.027C				71,194	-
COVID-19 - Farm to School Grant	21.019	**		5,380	-
Total U.S. Department of Treasury				76,574	-
U.S. Department of Health and Human Services					
Pass-Through Minnesota Department of Education					
COVID 19 Testing	93.323	**		93,975	-
Childcare Development Fund Cluster:					
Childcare Stabilization	93.575	**	201,010		
Total Childcare Development Fund Cluster and Assistance Listing No. 93.575				201,010	-
Total Federal Awards Expended				$ 5,736,575	$ -

** 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 Northfield Public Schools (the District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position 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% de minimis indirect cost rate as allowed under the Uniform Guidance.

CliftonLarsonAllen LLP
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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. 659
Northfield, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 659 (the District), as of and for the year ended June 30, 2023, 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 22, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Education
Independent School District No. 659

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*.

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 22, 2023

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. 659
Northfield, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Northfield Public Schools Independent School District No. 659'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, 2023. 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, 2023.

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.

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 22, 2023

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Education
Independent School District No. 659
Northfield, 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, each major fund, and the aggregate remaining fund information of Independent School District No. 659 (the District) as of and for the year ended June 30, 2023 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 22, 2023.

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 report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Rochester, Minnesota
November 22, 2023

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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? ______ yes ___x___ 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? ______ yes ___x___ 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 2 CFR 200.516(a)? ______ yes ___x___ no

Identification of Major Federal Programs

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	COVID-19 – Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ___x___ yes ______ no

Section II –Findings Related to Basic Financial Statements

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III –Findings and Questioned Costs – Major Federal Awards Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV –Findings and Questioned Costs – Minnesota Legal Compliance

None

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 659
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2023

	Audit	UFARS	Difference
01 GENERAL FUND			
Total Revenue	$ 61,263,584	$ 61,263,582	$ 2
Total Expenditures	64,739,162	64,739,161	1
Nonspendable:			
460 Nonspendable Fund Balance	181,682	181,682	-
Restricted/Reserved:			
401 Student Activity	236,719	236,719	-
402 Scholarships	224,349	224,349	-
403 Staff Development	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	(126,900)	(126,900)	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	164,274	164,274	-
426 $25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	510,637	510,637	-
435 Contracted Alternative Programs	-	-	-
436 State Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	11,828	11,828	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	15,381	15,381	-
449 Safe Schools Crime Levy	-	-	-
450 Pre-Kindergarten	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
459 Basic Skills Extended Time	-	-	-
467 LTFM	566,281	566,281	-
472 Medical Assistance	-	-	-
Restricted:			
464 Restricted Fund Balance	-	-	-
Committed:			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
Assigned:			
462 Assigned Fund Balance	3,776,844	3,776,845	(1)
Unassigned:			
422 Unassigned Fund Balance	7,705,452	7,705,453	(1)
02 FOOD SERVICE			
Total Revenue	2,363,283	2,363,279	4
Total Expenditures	2,552,058	2,552,054	4
Nonspendable:			
460 Nonspendable Fund Balance	35,718	35,718	-
Restricted/Reserved:			
452 OPEB Liability Not Held in Trust	-	-	-
Restricted:			
464 Restricted Fund Balance	901,744	901,744	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	3,823,776	3,823,772	4
Total Expenditures	3,826,367	3,826,363	4
Nonspendable:			
460 Nonspendable Fund Balance	2,350	2,350	-
Restricted/Reserved:			
426 $25 Taconite	-	-	-
431 Community Education	362,568	362,568	-
432 E.C.F.E.	359,370	359,369	1
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	6,248	6,248	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
Restricted:			
464 Restricted Fund Balance	47,052	47,053	(1)

	Audit	UFARS	Difference
06 BUILDING CONSTRUCTION			
Total Revenue	$ 8,537	$ 8,537	$ -
Total Expenditures	936,043	936,043	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted/Reserved:			
407 Capital Projects Levy	-	-	-
413 Projects Funded by COP	-	-	-
467 LTFM	-	-	-
Restricted:			
464 Restricted Fund Balance	-	-	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	5,867,089	5,867,089	-
Total Expenditures	5,926,003	5,926,003	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted/Reserved:			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
Restricted:			
464 Restricted Fund Balance	1,349,182	1,349,182	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
422 Net Position	-	-	-
18 CUSTODIAL			
Total Revenue	14,895	14,895	-
Total Expenditures	14,895	14,895	-
Net Position:			
422 Net Position	-	-	-
20 INTERNAL SERVICE			
Total Revenue	10,537,699	10,537,699	-
Total Expenditures	10,176,066	10,176,066	-
Net Position:			
422 Net Position	3,521,458	3,521,458	-
25 OPEB REVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
422 Net Position	-	-	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Net Position:			
422 Net Position	-	-	-
47 OPEB DEBT SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
Nonspendable:			
460 Nonspendable Fund Balance	-	-	-
Restricted:			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	-	-	-
Unassigned:			
463 Unassigned Fund Balance	-	-	-