

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023



**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

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INDEPENDENT AUDITORS' REPORT

To the School Committee
Minuteman Regional Vocational Technical School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Minuteman Regional Vocational Technical School District (the District), as of and for the year ended June 30, 2023 (except for the Minuteman Regional School District Contributory Retirement System, which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Minuteman Regional Vocational Technical School District, as of June 30, 2023 (and the Minuteman Regional School District Contributory Retirement System as of December 31, 2022), and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Minuteman Regional School District Contributory Retirement System were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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.

Marcum LLP

Andover, MA
March 28, 2024

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

As management of the Minuteman Regional Vocational Technical School District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are reported in two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support District programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$17,469,075, a change of \$1,398,626.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$4,712,534, a change of \$1,222,123 in comparison to the prior year, primarily from an overall increase in the District's revolving fund balances and capital project expenditures less than transfers in.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,267,530, a change of \$948,791 in comparison to the prior year.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year.

Net Position
(Amounts in thousands)

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 9,998	\$ 11,524
Capital assets	138,631	141,928
Total Assets	148,629	153,452
Deferred Outflows of Resources	5,608	5,160
Liabilities		
Other liabilities	6,157	6,878
Long-term liabilities	121,625	121,509
Total Liabilities	127,782	128,387
Deferred Inflows of Resources	8,985	14,154
Net Position		
Net investment in capital assets	38,658	38,710
Restricted	1,711	1,000
Unrestricted	(22,900)	(23,639)
Total Net Position	\$ 17,469	\$ 16,071

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the close of the most recent fiscal year, total net position was \$17,469,075, a change of \$1,398,626 from the prior year.

The largest portion of net position, \$38,657,776, reflects our investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, and construction in progress); less any related debt used to acquire those assets that is still outstanding.

**MINUTEMAN REGIONAL VOCATIONAL
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

These capital assets are used to provide services; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$1,711,141, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is in a deficit of \$(22,899,842), primarily resulting from the unfunded OPEB liability.

Change in Net Position
(Amounts in thousands)

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services	\$ 2,968	\$ 3,462
Operating grants and contributions	5,622	3,970
General revenues:		
Assessments to members	22,642	19,679
Capital fee revenue	679	812
Grants and contributions not restricted to specific programs	3,302	2,807
Investment income	187	15
Other	442	230
Total Revenues	35,842	30,975
Expenses		
Administration	1,569	1,703
Instruction	13,784	12,721
Other school services	2,827	2,361
Operation and maintenance	1,916	2,155
Fixed charges	6,095	4,262
Community services	85	155
Other	437	310
Interest	3,480	3,654
Depreciation	4,251	3,694
Total Expenses	34,444	31,015
Change in Net Position	1,398	(40)
Net Position - Beginning of Year	16,071	16,111
Net Position - End of Year	\$ 17,469	\$ 16,071

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$1,398,626, primarily from the results of operations in the Capital Projects Fund (a major fund) and Nonmajor Governmental Funds.

Financial Analysis of the District’s Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,267,530, while total fund balance was \$5,438,513. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Refer to the table below.

	June 30, 2023	June 30, 2022	Change	% of Total General Fund Expenditures *
Unassigned fund balance	\$ 2,267,530	\$ 1,318,739	\$ 948,791	8%
Total fund balance	\$ 5,438,513	\$ 5,291,981	\$ 146,532	20%

*Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts to the Massachusetts Teachers Retirement System of \$2,648,563.

**MINUTEMAN REGIONAL VOCATIONAL
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MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2023

The total fund balance of the General Fund changed by \$146,532 during the current fiscal year. Key factors in this change are as follows:

Use of assigned fund balance from prior year tuition	\$ (1,367,364)
Use of E&D for operating budget	(650,000)
Revenues in excess of budget	409,655
Expenditures less than budget	946,487
Fiscal year 2023 tuition revenue assigned to fiscal year 2024	825,385
Other	<u>(17,631)</u>
Total	<u>\$ 146,532</u>

Included in the total General Fund committed fund balance is the District’s building stabilization fund with a balance of \$1,715,166 at June 30, 2023, a change of \$(240,712) from the prior year.

Other Major Funds

The Capital Projects Fund is used to account for the activities related to school construction projects.

Nonmajor Governmental Funds

The fund balance of nonmajor governmental funds changed by \$710,977 primarily from timing differences between the receipt and disbursement of grants and an increase in revolving fund balances.

General Fund Budgetary Highlights

During fiscal year 2023, there was no overall change to the original budget; however, there were line-item transfers throughout the fiscal year that were voted by the School Committee.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets at year-end amounted to \$138,631,444 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and furniture and equipment.

Additional information on capital assets can be found in the Notes to Financial Statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Long-Term Debt

At the end of the current fiscal year, total long-term debt (including unamortized premium) was \$97,536,548, all of which was backed by the full faith and credit of the District.

The District maintained its "AA" rating from Standard and Poor's for general obligation debt.

Additional information on long-term debt can be found in the Notes to Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the Minuteman Regional Vocational Technical School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Minuteman Regional Vocational
Technical School District
758 Marrett Road
Lexington, Massachusetts 02421

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and short-term investments	\$ 7,201,661
Intergovernmental receivables	<u>2,795,901</u>
Total Current Assets	<u>9,997,562</u>
Noncurrent Assets	
Capital assets:	
Nondepreciable capital assets	1,123,785
Other capital assets, net of accumulated depreciation	<u>137,507,659</u>
Total Noncurrent Assets	<u>138,631,444</u>
Total Assets	<u>148,629,006</u>
Deferred Outflows of Resources	
Related to pension	981,000
Related to OPEB	<u>4,626,600</u>
Total Deferred Outflows of Resources	<u>5,607,600</u>
Liabilities	
Current Liabilities	
Accounts payable	788,367
Accrued payroll and withholdings	1,696,661
Notes payable	2,800,000
Accrued interest on bonds payable	872,371
Current portion of noncurrent liabilities:	
Bonds and loans payable	<u>2,900,073</u>
Total Current Liabilities	<u>9,057,472</u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

Noncurrent Liabilities

Bonds and loans payable, net of current portion	94,636,475
Net pension liability	847,000
Net OPEB liability	23,109,498
Compensated absences liability	132,214

Total Noncurrent Liabilities 118,725,187

Total Liabilities 127,782,659

Deferred Inflows of Resources

Related to pension	24,000
Related to OPEB	8,960,872

Total Deferred Inflows of Resources 8,984,872

Net Position

Net investment in capital assets	38,657,776
Restricted for:	
Capital fees	374,099
Other purposes	1,337,042
Unrestricted	<u>(22,899,842)</u>

Total Net Position \$ 17,469,075

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues			Net (Expenses) Revenues
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administration	\$ 1,569,252	\$ --	\$ --	\$ (1,569,252)
Instruction	13,784,408	2,478,173	2,500,827	(8,805,408)
Other school services	2,827,326	115,678	440,804	(2,270,844)
Operation and maintenance	1,915,689	374,362	--	(1,541,327)
Fixed charges	6,095,356	--	2,679,959	(3,415,397)
Community services	84,617	--	--	(84,617)
Other	435,566	--	--	(435,566)
Interest	3,479,575	--	--	(3,479,575)
Depreciation	4,251,476	--	--	(4,251,476)
Total Governmental Activities	<u>\$ 34,443,265</u>	<u>\$ 2,968,213</u>	<u>\$ 5,621,590</u>	(25,853,462)
General Revenues				
Assessments to members				22,641,832
Capital fee revenue				678,610
Grants and contributions not restricted to specific programs				3,302,474
Investment income				187,261
Other				<u>441,911</u>
Total General Revenues				<u>27,252,088</u>
Change in Net Position				1,398,626
Net Position				
Beginning of Year				<u>16,070,449</u>
End of Year				<u>\$ 17,469,075</u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**BALANCE SHEET
GOVERNMENT FUNDS**

JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 6,634,704	\$ 395,793	\$ 171,164	\$ 7,201,661
Intergovernmental receivables	<u>930,654</u>	<u>--</u>	<u>1,865,247</u>	<u>2,795,901</u>
Total Assets	<u><u>\$ 7,565,358</u></u>	<u><u>\$ 395,793</u></u>	<u><u>\$ 2,036,411</u></u>	<u><u>\$ 9,997,562</u></u>
Liabilities				
Accounts payable	\$ 517,403	\$ 32,913	\$ 238,051	\$ 788,367
Accrued payroll and withholdings	1,609,442	--	87,219	1,696,661
Notes payable	<u>--</u>	<u>2,800,000</u>	<u>--</u>	<u>2,800,000</u>
Total Liabilities	<u>2,126,845</u>	<u>2,832,913</u>	<u>325,270</u>	<u>5,285,028</u>
Fund Balances				
Restricted	--	--	1,711,141	1,711,141
Committed	1,715,166	--	--	1,715,166
Assigned	1,455,817	--	--	1,455,817
Unassigned	<u>2,267,530</u>	<u>(2,437,120)</u>	<u>--</u>	<u>(169,590)</u>
Total Fund Balances	<u>5,438,513</u>	<u>(2,437,120)</u>	<u>1,711,141</u>	<u>4,712,534</u>
Total Liabilities and Fund Balances	<u><u>\$ 7,565,358</u></u>	<u><u>\$ 395,793</u></u>	<u><u>\$ 2,036,411</u></u>	<u><u>\$ 9,997,562</u></u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION**

JUNE 30, 2023

<i>Total Governmental Fund Balances</i>	\$ 4,712,534
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	138,631,444
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	981,000
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	4,626,600
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(872,371)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds and loans payable and unamortized premium	(97,536,548)
Net pension liability	(847,000)
Net OPEB liability	(23,109,498)
Compensated absences liability	(132,214)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(24,000)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	<u>(8,960,872)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$ 17,469,075</u></u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Assessments to members	\$ 22,395,743	\$ --	\$ 246,089	\$ 22,641,832
Intergovernmental revenues	5,951,037	--	2,941,631	8,892,668
Charges for services	1,775,385	--	1,871,438	3,646,823
Investment income	183,207	3,742	312	187,261
Other	71,846	--	297,092	368,938
Total Revenues	<u>30,377,218</u>	<u>3,742</u>	<u>5,356,562</u>	<u>35,737,522</u>
Expenditures				
Current:				
Administration	1,556,377	--	12,875	1,569,252
Instruction	11,650,764	--	2,444,118	14,094,882
Other school services	2,140,297	--	687,029	2,827,326
Operation and maintenance	1,923,528	--	12,323	1,935,851
Fixed charges	6,331,313	--	184,873	6,516,186
Community services	--	--	84,617	84,617
Other	62,014	--	31,246	93,260
Debt service:				
Principal	2,822,229	--	--	2,822,229
Interest	3,510,742	--	--	3,510,742
Capital acquisitions	306,168	378,795	376,091	1,061,054
Total Expenditures	<u>30,303,432</u>	<u>378,795</u>	<u>3,833,172</u>	<u>34,515,399</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>73,786</u>	<u>(375,053)</u>	<u>1,523,390</u>	<u>1,222,123</u>
Other Financing Sources (Uses)				
Transfer in	812,413	739,667	--	1,552,080
Transfer out	(739,667)	--	(812,413)	(1,552,080)
Total Other Financing Sources (Uses)	<u>72,746</u>	<u>739,667</u>	<u>(812,413)</u>	<u>--</u>
Change in Fund Balance	146,532	364,614	710,977	1,222,123
Fund Balances, at Beginning of Year	<u>5,291,981</u>	<u>(2,801,734)</u>	<u>1,000,164</u>	<u>3,490,411</u>
Fund Balances, at End of Year	<u>\$ 5,438,513</u>	<u>\$ (2,437,120)</u>	<u>\$ 1,711,141</u>	<u>\$ 4,712,534</u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2023

Net Changes in Fund Balances - Governmental Funds \$ 1,222,123

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	955,129
Depreciation	(4,251,476)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction; however, has any effect on net position.

Repayment of general obligation bonds and loans	2,822,229
---	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in pension expense related to GASB 68	317,000
Decrease in OPEB expense related to GASB 75	135,226
Change in compensated absences liability	94,255
Bond premium amortization	72,973
Change in accrued interest on bonds payable	<u>31,167</u>

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 1,398,626</u></u>
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The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2023

	Pension and OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and short-term investments	\$ 389,690	\$ 162,930	\$ 76,810
Investments:			
Equity mutual funds	413,907	--	--
External investment pool	15,022,290	--	--
Fixed income mutual funds	162,447	--	--
Receivables	17,130	--	--
Total Assets	<u>16,005,464</u>	<u>162,930</u>	<u>76,810</u>
Liabilities			
Other liabilities	--	--	3,423
Net Position			
Restricted for pension purposes	15,429,110	--	--
Restricted for OPEB purposes	576,354	--	--
Restricted for individuals and organizations	--	162,930	73,387
Total Net Position	<u>\$ 16,005,464</u>	<u>\$ 162,930</u>	<u>\$ 73,387</u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	Pension and OPEB Trust Fund	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer	\$ 1,187,028	\$ --	\$ --
Plan members	278,802	--	--
Other systems and Commonwealth of Massachusetts	70,896	--	--
Fees collected for students	--	--	88,997
Miscellaneous	--	32,410	--
Total Contributions	<u>1,536,726</u>	<u>32,410</u>	<u>88,997</u>
Investment Income (Loss):			
Interest	14,221	--	113
Decrease in fair value of investments	(1,864,453)	--	--
Less: Management fees	(79,951)	--	--
Net Investment Income (Loss)	<u>(1,930,183)</u>	<u>--</u>	<u>113</u>
Total Additions	<u>(393,457)</u>	<u>32,410</u>	<u>89,110</u>
Deductions			
Benefit payments to plan members, beneficiaries, and other systems	1,881,157	--	--
Refunds to plan members	14,073	--	--
Transfers to other systems	10,979	--	--
Administrative expenses	67,550	--	--
Payments on behalf of students	--	--	72,957
Scholarships and other	--	19,824	--
Total Deductions	<u>1,973,759</u>	<u>19,824</u>	<u>72,957</u>
Change in Net Position	(2,367,216)	12,586	16,153
Restricted Net Position			
Beginning of Year	<u>18,372,680</u>	<u>150,344</u>	<u>57,234</u>
End of Year	<u>\$ 16,005,464</u>	<u>\$ 162,930</u>	<u>\$ 73,387</u>

The accompanying notes are an integral part of these financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Minuteman Regional Vocational Technical School District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the District:

REPORTING ENTITY

The District is a municipal corporation governed by an appointed School Committee. As required by GAAP, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. In fiscal year 2023, it was determined that no entities met the component unit requirements of GASB Statement No. 14, *The Financial Reporting Entity* (as amended), other than as described below.

Fiduciary Component Unit

The Minuteman Regional School District Contributory Retirement System (the MMCRS) was established to provide retirement benefits to employees and their beneficiaries. The MMCRS is presented using the accrual basis of accounting and is reported as part of the Pension and OPEB Trust Fund in the fiduciary fund financial statements. Additional financial information of the MMCRS can be obtained by contacting the MMCRS located at 758 Marrett Road, Lexington, Massachusetts.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements.

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 (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member assessments and other items not properly included among program revenues are reported instead as *general revenues*.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

***MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT
PRESENTATION***

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Typically, revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, pension, and OPEB are recorded as expenditures only when payment is due.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)***

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Projects Fund* is used to segregate activities related to the District's major capital projects.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The District reports the following fiduciary funds:

- The *Pension and OPEB Trust Fund* includes retirement trust fund accounts for the activities of the MMCRS, which accumulates resources for pension benefit payments to qualified employees, and other postemployment benefits trust funds used to accumulate resources for health benefits for retired employees.
- The *Private Purpose Trust Funds* are used to account for trust arrangements, other than those properly reported in the pension trust fund, under which principal and investment income exclusively benefit individuals and private organizations.
- The *Custodial Funds* account for fiduciary assets held by the District in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include fees collected on behalf of students.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND INVESTMENTS

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash and investments, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, savings accounts, and money market accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments."

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, furniture and equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Furniture and equipment	3 - 20

COMPENSATED ABSENCES

It is the District's policy to permit certain employees to accumulate earned, but unused vacation benefits. All vested vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

FUND EQUITY

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes various special revenue funds.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY (CONTINUED)

Fund Balance (Continued)

- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. This fund balance classification includes the building stabilization fund.
- *Assigned* represents amounts that are constrained by the District's intent to use these resources for a specific purpose. This fund balance classification includes surplus set aside to be used in the subsequent year's budget.
- *Unassigned* represents amounts that are available to be spent in future periods and deficit funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the District uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

USE OF ESTIMATES

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The School Committee annually determines the amount to be raised (after deducting the amount of anticipated revenue the District expects to receive) to maintain and operate the District during the next fiscal year. The District then calculates the assessments to each member community based on its approved budget and seeks an appropriation in the amount of that assessment from each community. After assessments are appropriated by each member community that are consistent with the School Committee's budget (either its initial budget or a budget revised to be consistent with the member's appropriations), the District Treasurer certifies the assessments to the treasurers of the member communities.

Formal budgetary integration is employed as a management control device during the year for the General Fund. Effective budgetary control is achieved for all other funds through provisions of Massachusetts General Laws (MGL).

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances, which will be honored during the subsequent year.

ASSESSMENTS OF MEMBER COMMUNITIES (EXCLUDING CAPITAL)

Most capital and operating costs of the District in excess of each member's net minimum contribution are apportioned to the members on the basis of their respective pupil enrollments in the District on October 1 of the preceding year. Certain costs, such as transportation and debt service, are outside of the net school spending requirements established by the Commonwealth of Massachusetts. These costs are apportioned to the members based on either a percentage or on a member-specific basis.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

ASSESSMENTS OF MEMBER COMMUNITIES (EXCLUDING CAPITAL) (CONTINUED)

For the year ended June 30, 2023, the assessments were as follows:

Member Community	Operating Assessment	Debt Assessment	Total Assessment
Town of Acton	\$ 2,179,666	\$ 661,657	\$ 2,841,323
Town of Arlington	5,806,237	2,141,701	7,947,938
Town of Belmont	--	37,959	37,959
Town of Bolton	650,350	243,364	893,714
Town of Boxborough	--	4,314	4,314
Town of Carlisle	--	4,314	4,314
Town of Concord	1,011,487	497,057	1,508,544
Town of Dover	92,710	104,717	197,427
Town of Lancaster	1,555,661	629,849	2,185,510
Town of Lexington	2,206,747	1,017,151	3,223,898
Town of Lincoln	--	6,902	6,902
Town of Needham	948,296	419,443	1,367,739
Town of Stow	1,615,949	529,154	2,145,103
Town of Sudbury	--	18,980	18,980
Town of Wayland	--	6,039	6,039
Town of Weston	--	6,039	6,039
	<u>\$ 16,067,103</u>	<u>\$ 6,328,640</u>	<u>\$ 22,395,743</u>

DEFICIT FUND EQUITY

Certain individual funds reflected deficit balances as of June 30, 2023. It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS - DISTRICT (EXCLUDING THE OPEB TRUST FUND AND MMCRS)

Massachusetts General Laws (MGL) Chapter 44, Section 55 places a certain limitation on the nature of deposits and investments available to the District. Deposits, including demand deposits, money markets, and certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations having maturities of a year or less from the date of purchase or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2023, none of the District's bank balance of \$2,693,411 was exposed to custodial credit risk as uninsured and/or uncollateralized. Additionally, \$5,305,593 was invested in MMDT, which is not subject to this disclosure.

NOTE 4 - INVESTMENTS - OPEB TRUST FUND

The following is a summary of the OPEB Trust Fund's investments as of June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>
Equity mutual funds	\$ 413,907
Fixed income mutual funds	<u>162,447</u>
	<u>\$ 576,354</u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS - OPEB TRUST FUND (CONTINUED)

CUSTODIAL CREDIT RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The OPEB Trust Fund does not have formal investment policies related to custodial credit risk.

As of June 30, 2023, all of the OPEB Trust Fund's investments were subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and/or held by the OPEB Trust Fund's brokerage firm, which is also the counterparty to these securities.

CREDIT RISK - INVESTMENTS IN DEBT SECURITIES

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The OPEB Trust Fund does not have formal investment policies related to credit risk.

As of June 30, 2023, the credit quality rating as rated by Moody's Investors Service inc., of the OPEB Trust Funds' fixed income mutual funds were as follows:

Investment Type	Amount	Rating as of Year End				
		AAA	AA	A	BBB	Unrated
Fixed income mutual funds	<u>\$ 162,447</u>	<u>\$ 6,005</u>	<u>\$ 5,193</u>	<u>\$ 20,449</u>	<u>\$ 21,748</u>	<u>\$ 109,052</u>

The OPEB Trust Fund's remaining investments were in equity mutual funds which are not subject to credit risk disclosure.

CONCENTRATION OF CREDIT RISK

The OPEB Trust Fund places no limit on the amount that may be invested in any one issuer and does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2023, the OPEB Trust Fund did not have an investment in one issuer greater than 5% of total investments.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS - OPEB TRUST FUND (CONTINUED)

INTEREST RATE RISK

Interest rate risk is the risk that changes in market 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 OPEB Trust Fund does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2023, the investment maturities of the OPEB Trust Fund's fixed income mutual funds were unknown. The remaining OPEB Trust Fund investments were in equity mutual funds, which are not subject to interest rate risk disclosure.

FAIR VALUE

The OPEB Trust Fund categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 2 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 - inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 - inputs other than quoted prices that are observable for an asset or liability either directly or indirectly including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar, but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 - unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS - OPEB TRUST FUND (CONTINUED)

FAIR VALUE (CONTINUED)

The OPEB Trust Fund had the following fair value measurements as of June 30, 2023:

Investment Type	Amount	Fair Value Measurements Using		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity mutual funds	\$ 413,907	\$ 413,907	\$ --	\$ --
Fixed income mutual funds	<u>162,447</u>	<u>--</u>	<u>162,447</u>	<u>--</u>
	<u>\$ 576,354</u>	<u>\$ 413,907</u>	<u>\$ 162,447</u>	<u>\$ --</u>

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call, features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

NOTE 5 - INVESTMENTS - PENSION TRUST FUND

At December 31, 2022, the MMCRS had \$15,022,290 invested in the Pension Reserves Investment Trust (PRIT), an external investment pool. The PRIT was created under Massachusetts General Laws, Chapter 32, Section 22, in December 1983. The PRIT is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INVESTMENTS - PENSION TRUST FUND (CONTINUED)

CUSTODIAL CREDIT RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the MMCRS will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The MMCRS does not have formal investment policies related to custodial credit risk.

As of December 31, 2022, all of the MMCRS's investments totaling \$15,022,290 were held in PRIT.

CREDIT RISK - INVESTMENTS IN DEBT SECURITIES

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. MGL Chapter 32, Section 23, limit the investment of the MMCRS's funds, to the extent not required for current disbursements, in PRIT or in securities, other than mortgages or collateral loans, which are legal for the investment of funds in savings banks under the laws of the Commonwealth of Massachusetts, provided that no more than the established percentage of assets, is invested in any one security.

Due to their nature, none of the MMCRS's investments were subject to credit risk disclosure.

CONCENTRATION OF CREDIT RISK

MGL Chapter 32, Section 23 limit the amount the MMCRS may invest in any one issuer or security type, with the exception of investments in PRIT.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

At December 31, 2022, all of the MMCRS's investments were invested in PRIT, which is exempt from concentration of credit risk disclosure.

INTEREST RATE RISK

Interest rate risk is the risk that changes in market 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 MMCRS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INVESTMENTS - PENSION TRUST FUND (CONTINUED)

INTEREST RATE RISK (CONTINUED)

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

Information about the sensitivity of the fair value of the MMCRS's investments to market interest rate fluctuations is not applicable as all of the MMCRS's investments are immediately liquid.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The MMCRS does not have policies for foreign currency risk at December 31, 2022.

FAIR VALUE

The MMCRS' investments are in PRIT, which are measured at net asset value (NAV) and are not subject to fair value measurement. The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

Investment Type	Amount	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
External investment pool - PRIT	\$ <u>15,022,290</u>	\$ <u> --</u>	Monthly	30 Days

NOTE 6 - RECEIVABLES

Receivables are comprised primarily of reimbursements requested from federal, state, and local agencies for expenditures incurred in fiscal year 2023.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Convert CIP	Ending Balance
Capital Assets, Being Depreciated					
Buildings and improvements	\$ 143,456	\$ 40	\$ --	\$ 8,390	\$ 151,886
Furniture and equipment	<u>2,649</u>	<u>529</u>	<u>--</u>	<u>--</u>	<u>3,178</u>
Total Capital Assets, Being Depreciated	<u>146,105</u>	<u>569</u>	<u>--</u>	<u>8,390</u>	<u>155,064</u>
Less: Accumulated Depreciation For:					
Buildings and improvements	(11,906)	(3,982)	--	--	(15,888)
Furniture and equipment	<u>(1,399)</u>	<u>(269)</u>	<u>--</u>	<u>--</u>	<u>(1,668)</u>
Total Accumulated Depreciation	<u>(13,305)</u>	<u>(4,251)</u>	<u>--</u>	<u>--</u>	<u>(17,556)</u>
Total Capital Assets, Being Depreciated, Net	<u>132,800</u>	<u>(3,682)</u>	<u>--</u>	<u>8,390</u>	<u>137,508</u>
Capital Assets, Being Depreciated					
Land	669	--	--	--	669
Construction in progress (CIP)	<u>8,459</u>	<u>386</u>	<u>--</u>	<u>(8,390)</u>	<u>455</u>
Total Capital Assets, Not Being Depreciated	<u>9,128</u>	<u>386</u>	<u>--</u>	<u>(8,390)</u>	<u>1,124</u>
Governmental Activities Capital Assets, Net	<u>\$ 141,928</u>	<u>\$ (3,296)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 138,632</u>

NOTE 8 - DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net assets by the District that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - NOTES PAYABLE

The District had the following note outstanding at June 30, 2023:

Purpose	Issue Date	Maturity Date	Interest Rate	Amount
School Construction Project	04/12/23	01/17/24	4.62%	<u>\$ 2,800,000</u>

The only activity in notes payable during fiscal year 2023 was the paydown and re-issue of a note for the same purpose and amount as the prior year.

NOTE 10 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND LOANS

The District issues general obligation bonds and loans to provide funds for the acquisition and construction of major capital facilities. General obligation bonds outstanding were as follows at June 30, 2023:

Purpose	Original Issue Amount	Serial Maturities Through	Interest Rate(s) %	Amount
General Obligation Bonds - Public Offerings				
School construction	\$ 6,300,000	04/15/41	2-5%	\$ 5,860,000
School construction	36,000,000	09/15/47	3-5%	33,410,000
School construction	46,000,000	10/15/48	3-5%	44,010,000
School construction	12,000,000	01/15/50	2-5%	<u>11,330,000</u>
				94,610,000
Loan from Direct Borrowing				
ESCO financing	5,000,000	07/15/24	5.08%	<u>1,066,732</u>
				<u>\$ 95,676,732</u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - LONG-TERM DEBT (CONTINUED)

FUTURE DEBT SERVICE

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2023, were as follows:

Fiscal Year	Bonds - Public Offerings		Loans - Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 2,315,000	\$ 3,316,438	\$ 512,100	\$ 54,190
2025	2,585,000	3,194,563	554,632	28,175
2026	2,700,000	3,063,188	--	--
2027	2,880,000	2,929,163	--	--
2028	3,085,000	2,800,463	--	--
2029 - 2033	20,030,000	12,026,628	--	--
2034 - 2038	18,780,000	8,950,538	--	--
2039 - 2043	19,750,000	5,721,275	--	--
2044 - 2048	19,230,000	2,297,235	--	--
Thereafter	3,255,000	88,806	--	--
Total	<u>\$ 94,610,000</u>	<u>\$ 44,388,297</u>	<u>\$ 1,066,732</u>	<u>\$ 82,365</u>

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2023, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
Bonds payable						
Public offerings	\$ 96,960	\$ --	\$ (2,350)	\$ 94,610	\$ (2,315)	\$ 92,295
Direct borrowing	1,539	--	(472)	1,067	(512)	555
Unamortized premium	1,933	--	(73)	1,860	(73)	1,787
	100,432	--	(2,895)	97,537	(2,900)	94,637
Net pension liability (asset)	(2,059)	2,906	--	847	--	847
Net OPEB liability	20,851	2,258	--	23,109	--	23,109
Compensated absences liability	226	--	(94)	132	--	132
	<u>\$ 119,450</u>	<u>\$ 5,164</u>	<u>\$ (2,989)</u>	<u>\$ 121,625</u>	<u>\$ (2,900)</u>	<u>\$ 118,725</u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT SUPPORTING GOVERNMENTAL ACTIVITIES

Bonds and loans issued by the District for various projects are approved by the School Committee and repaid with revenues recorded in the General Fund. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund.

NOTE 11 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the District that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

NOTE 12 - GOVERNMENTAL FUNDS - FUND BALANCES

The District's fund balances at June 30, 2023, were comprised of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted				
Grants and revolving funds	\$ --	\$ --	\$ 1,337,042	\$ 1,337,042
Debt service (capital fees)	--	--	374,099	374,099
Total Restricted	<u>--</u>	<u>--</u>	<u>1,711,141</u>	<u>1,711,141</u>
Committed				
Building stabilization	<u>1,715,166</u>	<u>--</u>	<u>--</u>	<u>1,715,166</u>
Total Committed	<u>1,715,166</u>	<u>--</u>	<u>--</u>	<u>1,715,166</u>
Assigned				
Tuition	805,817	--	--	805,817
Operating budget	<u>650,000</u>	<u>--</u>	<u>--</u>	<u>650,000</u>
Total Assigned	<u>1,455,817</u>	<u>--</u>	<u>--</u>	<u>1,455,817</u>
Unassigned				
General Fund	2,267,530	--	--	2,267,530
Deficits	<u>--</u>	<u>(2,437,120)</u>	<u>--</u>	<u>(2,437,120)</u>
Total Unassigned	<u>2,267,530</u>	<u>(2,437,120)</u>	<u>--</u>	<u>(169,590)</u>
	<u>\$ 5,438,513</u>	<u>\$ (2,437,120)</u>	<u>\$ 1,711,141</u>	<u>\$ 4,712,534</u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - TRANSFERS

The District reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The sum of all transfers presented in the table below agrees with the sum of transfers presented in the governmental fund financial statements.

	Transfers In	Transfer Out
General Fund	\$ 812,413	\$ (739,667)
Special Revenue Fund (capital fees)	--	(812,413)
Capital Projects Fund	739,667	--
	\$ 1,552,080	\$ (1,552,080)

NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM (MMCRS)

The District follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, with respect to employees' retirement funds.

PLAN DESCRIPTION

Substantially all employees of the District (except teachers) are members of the MMCRS, a cost-sharing, multiple-employer Public Employee Retirement System (PERS). Eligible employees must participate in the MMCRS. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of MGL establishes the authority of the MMCRS, contribution percentages and benefits paid.

The MMCRS Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the MMCRS's annual financial reports publicly available from the MMCRS located at 758 Marret Road, Lexington, Massachusetts 02421.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

PARTICIPANT CONTRIBUTIONS

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the MMCRS. In addition, all employees hired on or after January 1, 1979, contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering the MMCRS on or after April 2, 2012, in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

PARTICIPANT RETIREMENT BENEFITS

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The MMCRS provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012, and the highest 5-year average annual rate of regular compensation for those first becoming members of the MMCRS on or after that date.

However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

PARTICIPANT RETIREMENT BENEFITS (CONTINUED)

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 - General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 - Certain specified hazardous duty positions.
- Group 4 - Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The MMCRS also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978, and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements; however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012, is eligible for a retirement allowance upon 10 years of creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A - Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.
- Option B - A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member—provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump-sum to the retiree's beneficiary or beneficiaries of choice.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

METHODS OF PAYMENT (CONTINUED)

- Option C - A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the MMCRS has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

PARTICIPANT REFUNDS

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

EMPLOYER CONTRIBUTIONS

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The District's contribution to the MMCRS for the year ended June 30, 2023, was \$359,370, which was equal to its annual required contribution.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the MMCRS and additions to/deductions from System's fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS***

At June 30, 2023, the District reported a liability of \$847,000 representing the total net pension liability of the MMCRS. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

For the year ended June 30, 2023, the District recognized total pension expense of \$41,000. In addition, the District reported deferred outflows and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ (24,000)
Net difference between the projected and actual earnings on pension investments	963,000	--
Changes in assumptions	18,000	--
	\$ 981,000	\$ (24,000)

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized as increase (decrease) in pension expense as follows:

Year Ended June 30,	Amount
2024	\$ (86,000)
2025	139,000
2026	260,000
2027	644,000
Total	\$ 957,000

ACTUARIAL ASSUMPTIONS

The total pension liability in the latest actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2023
Actuarial cost method	Entry age normal cost
Actuarial assumptions	
Investment rate of return	7.00%
Projected salary increases	
Group 1	4.25%
Group 4	4.75%
Inflation rate	2.50%
Post-retirement cost-of-living adjustment	3% on first \$14,000

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

ACTUARIAL ASSUMPTIONS (CONTINUED)

- Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with scale MP-2021 (gender distinct).
- Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with scale MP-2021 (gender distinct).
- For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with scale MP-2021 (gender distinct).

TARGET ALLOCATIONS

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building-block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense, and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.20%	1.51%
International equity	12.20%	0.84%
Emerging markets equity	4.70%	0.45%
Hedged funds/ PCS	8.60%	0.56%
Core fixed income	13.80%	0.65%
Value-added fixed income	7.00%	0.55%
Private equity	17.70%	1.81%
Real estate	11.20%	0.64%
Timberland	3.20%	0.22%
Overlay	0.40%	0.00%
	100.00%	

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 14 - MINUTEMAN REGIONAL SCHOOL DISTRICT CONTRIBUTORY RETIREMENT SYSTEM
(MMCRS) (CONTINUED)**

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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.

***SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TO CHANGES IN THE DISCOUNT RATE***

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 2,494,000	\$ 847,000	\$ (550,000)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the MMCRS's fiduciary net position is available in the separately issued financial report.

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS)

PLAN DESCRIPTION

The Massachusetts Teachers' Retirement System (MTRS) is a PERS that administers a cost-sharing, multi-employer defined benefit plan, as defined in GASB Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

The Commonwealth is a non-employer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth of Massachusetts' reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

BENEFITS PROVIDED

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. MGL establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined MMCRS after April 1, 2012, cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the Plan are funded out of Plan assets.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

CONTRIBUTIONS

Member contributions for MTRS vary depending on the most recent date of membership:

Membership Date	% of Compensation
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

In addition, members who join MTRS on or after April 2, 2012, will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

ACTUARIAL ASSUMPTIONS

The net pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022. This valuation used the following assumptions:

- (a) 2.5% inflation rate; (b) 7.00% rate of return, (c) 3.50% interest rate credited to the annuity savings fund, and (d) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience, but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014, and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012-2020.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

- Mortality rates were as follows:
 - Pre-retirement - reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Post-retirement - reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Disability - assumed to be in accordance with the Pub-2010 Teachers Retirees Mortality Table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

TARGET ALLOCATIONS

Investment assets of the MTRS are with the PRIT Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	38.00%	4.20%
Core fixed income	15.00%	0.50%
Private equity	15.00%	7.30%
Portfolio completion strategies	10.00%	2.70%
Real estate	10.00%	3.30%
Value added fixed income	8.00%	3.70%
Timber/natural resources	4.00%	3.90%
	100.00%	

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position 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.

SENSITIVITY ANALYSIS

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 32,734,080	\$ 25,888,138	\$ 20,094,302

SPECIAL FUNDING SITUATION

The Commonwealth of Massachusetts is a non-employer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth of Massachusetts is a non-employer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

DISTRICT PROPORTIONS

In fiscal year 2022 (the most recent measurement period), the District's proportionate share of the MTRS' collective net pension liability was approximately \$32.6 million based on a proportionate share of 0.1258%.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

DISTRICT PROPORTIONS (CONTINUED)

As required by GASB 68, the District has recognized its portion of the Commonwealth of Massachusetts' contribution of approximately \$2.6 million as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and its portion of the collective pension expense of approximately \$2.7 million as both a revenue and expense on the Statement of Activities.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2017, the District established a single employer defined benefit OPEB Trust Fund to provide funding for future employee healthcare costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2023.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The District provides postemployment healthcare benefits for retired employees through the District's plan. The District provides health insurance coverage through the Massachusetts Bay Health Care Trust Fund. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of MGL.

**MINUTEMAN REGIONAL VOCATIONAL
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

Benefits Provided

The District provides medical insurance to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria will receive these benefits.

Funding Policy

The District's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget authorizations.

Plan Membership

As of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	111
Active employees	<u>126</u>
	<u><u>237</u></u>

INVESTMENTS

The OPEB Trust Fund's assets consisted of equity mutual funds and fixed income mutual funds at June 30, 2023.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The net OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50% annually
Investment rate of return	6.19% net of OPEB plan investment expense
Municipal bond rate	3.68% - June 30, 2023 Bond Buyer's 20 Bond Index
Discount rate	3.68%
Healthcare cost trend rates	6.5% for 2023 fluctuating to an ultimate rate of 5.0% in 2026 and later
Retiree's share of benefit-related costs	40% medical, 50% life
Participation rate	80% of active employees

Mortality rates for non-teachers were based on the RP-2014 adjusted to 2006 blue collar mortality table set forward 1 year for females with projection scale MP-2021. Mortality rates for teachers were based on the Pub-2010 Teachers headcount-weighted mortality table with project scale MP-2021.

CONTRIBUTIONS

In addition to the implicit subsidy contribution, the District's policy is to contribute the amounts provided annually by the budget.

DISCOUNT RATE

The discount rate used to measure the net OPEB liability was 3.68% and was based on the Bond Buyer's 20 Bond Index as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**MINUTEMAN REGIONAL VOCATIONAL
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

NET OPEB LIABILITY

The components of the net OPEB liability, measured as of June 30, 2023, were as follows:

Total OPEB liability	\$ 23,685,852
Plan fiduciary net position	<u>576,354</u>
Net OPEB Liability	<u>\$ 23,109,498</u>

Plan fiduciary net position as a percentage of the total OPEB liability	2.43%
--	-------

The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

CHANGES IN THE NET OPEB LIABILITY

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, Beginning of Year	\$ 21,252,474	\$ 401,731	\$ 20,850,743
Changes for the year			
Service cost	918,460	--	918,460
Interest	839,582	54,623	784,959
Contributions - employer	--	827,658	(827,658)
Differences between expected and actual experience	1,772,968	--	1,772,968
Changes in assumptions and other inputs	(389,974)	--	(389,974)
Benefit payments	<u>(707,658)</u>	<u>(707,658)</u>	<u>--</u>
Net changes	<u>2,433,378</u>	<u>174,623</u>	<u>2,258,755</u>
Balances, End of Year	<u>\$ 23,685,852</u>	<u>\$ 576,354</u>	<u>\$ 23,109,498</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of June 30, 2022 to 3.68% as of June 30, 2023.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that was one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
\$ 27,163,974	\$ 23,109,498	\$ 19,865,754

SCHEDULE OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATE

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that was one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease (5.50% decreasing to 4.0%)	Current Healthcare Trend Rate (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
\$ 19,300,562	\$ 23,109,498	\$ 28,064,078

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$692,432. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,484,680	\$ (2,380,585)
Changes in assumptions	3,141,920	(6,555,006)
Net difference between projected and actual earnings on OPEB investment	--	(25,281)
	\$ 4,626,600	\$ (8,960,872)

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as increase (decrease) in OPEB expense as follows:

Year Ended June 30,	Amount
2024	\$ (895,220)
2025	(918,431)
2026	(2,006,139)
2027	(755,554)
2028	207,340
Thereafter	33,732
	\$ (4,334,272)

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 17 - CONSOLIDATION OF PENSION AND OPEB TRUST FUNDS

The MMCRS and the District's OPEB Trust Fund are presented in a single column in the accompanying fiduciary fund statements. Details of the financial position and changes in net position are as follows:

	<u>Fiduciary Net Position</u>		
	Pension Trust Fund (12/31/22)	Other Post- Employment Benefits Trust Fund	Pension and OPEB Trust Fund
Assets			
Cash and short-term investments	\$ 389,690	\$ --	\$ 389,690
Investments:			
Equity mutual funds	--	413,907	413,907
External investment pool	15,022,290	--	15,022,290
Fixed income mutual funds	--	162,447	162,447
Receivables	<u>17,130</u>	<u>--</u>	<u>17,130</u>
Total Assets	<u>15,429,110</u>	<u>576,354</u>	<u>16,005,464</u>
Net Position			
Restricted for pension purposes	15,429,110	--	15,429,110
Restricted for OPEB purposes	<u>--</u>	<u>576,354</u>	<u>576,354</u>
Total Net Position	<u>\$ 15,429,110</u>	<u>\$ 576,354</u>	<u>\$ 16,005,464</u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 17 - CONSOLIDATION OF PENSION AND OPEB TRUST FUNDS (CONTINUED)

	<u>Changes in Fiduciary Net Position</u>		
	Pension Trust Fund (12/31/22)	Other Post- Employment Benefits Trust Fund	Pension and OPEB Trust Fund
Additions			
Contributions:			
Employer	\$ 359,370	\$ 827,658	\$ 1,187,028
Plan members	278,802	--	278,802
Other systems and Commonwealth of Massachusetts	<u>70,896</u>	<u>--</u>	<u>70,896</u>
Total Contributions	709,068	827,658	1,536,726
Investment Income (Loss):			
Interest	--	14,221	14,221
Increase (decrease) in fair value of investments	(1,904,855)	40,402	(1,864,453)
Less: Management fees	<u>(79,951)</u>	<u>--</u>	<u>(79,951)</u>
Net Investment Income (Loss)	<u>(1,984,806)</u>	<u>54,623</u>	<u>(1,930,183)</u>
Total Additions	(1,275,738)	882,281	(393,457)
Deductions			
Benefit payments to plan members and beneficiaries, and other systems	1,173,499	707,658	1,881,157
Refunds to plan members	14,073	--	14,073
Transfers to other systems	10,979	--	10,979
Administrative expenses	<u>67,550</u>	<u>--</u>	<u>67,550</u>
Total Deductions	<u>1,266,101</u>	<u>707,658</u>	<u>1,973,759</u>
Change in Net Position	(2,541,839)	174,623	(2,367,216)
Restricted Net Position			
Beginning of Year	<u>17,970,949</u>	<u>401,731</u>	<u>18,372,680</u>
End of Year	<u><u>\$ 15,429,110</u></u>	<u><u>\$ 576,354</u></u>	<u><u>\$ 16,005,464</u></u>

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 18 - COMMITMENTS AND CONTINGENCIES

OUTSTANDING LEGAL ISSUES

There are several pending legal issues in which the District is involved. The District's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

GRANTS

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

NOTE 19 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2024, which is the date the financial statements were available to be issued.

DEBT

Subsequent to June 30, 2023, the District issued the following debt:

<u>Purpose</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bond anticipation note - School Construction	\$ 2,800,000	4.25%	01/17/24	06/18/24

NOTE 20 - NEW PRONOUNCEMENTS

GASB has issued Statement No. 101, *Compensated Absences*, effective for the District beginning with its fiscal year ending June 30, 2025. This statement establishes new reporting and disclosure requirements, including removing the requirement that compensated absences are only recognized as a liability when fully vested. The District has not evaluated the effect this statement will have on the financial statements.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) – BUDGET AND ACTUAL – GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2023

(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Assessments to members	\$ 22,395,743	\$ 22,395,743	\$ 22,395,743	\$ --
Intergovernmental revenues	3,058,184	3,058,184	3,302,474	244,290
Charges for services	950,000	950,000	950,000	--
Investment income	--	--	93,519	93,519
Other	--	--	71,846	71,846
Total Revenues	<u>26,403,927</u>	<u>26,403,927</u>	<u>26,813,582</u>	<u>409,655</u>
Expenditures				
Administration	1,760,850	1,672,932	1,556,377	116,555
Instruction	11,919,613	11,980,295	11,650,764	329,531
Other school services	2,379,086	2,228,189	2,140,297	87,892
Operation and maintenance	2,200,365	2,263,382	1,923,528	339,854
Fixed charges	3,737,738	3,771,916	3,682,750	89,166
Community services	80,000	--	--	--
Other	30,000	30,000	62,014	(32,014)
Debt service	6,332,971	6,332,971	6,332,971	--
Capital acquisitions	70,000	230,938	215,435	15,503
Total Expenditures	<u>28,510,623</u>	<u>28,510,623</u>	<u>27,564,136</u>	<u>946,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,106,696)</u>	<u>(2,106,696)</u>	<u>(750,554)</u>	<u>1,356,142</u>
Other Financing Sources (Uses)				
Transfer from capital fee	589,332	589,332	589,332	--
Transfer from middle school program	--	--	223,081	223,081
Stabilization funding	(500,000)	(500,000)	(500,000)	--
Use of fund balance - prior year tuition	1,367,364	1,367,364	1,367,364	--
Use of fund balance - operations	650,000	650,000	650,000	--
Total Other Financing Sources (Uses)	<u>2,106,696</u>	<u>2,106,696</u>	<u>2,329,777</u>	<u>223,081</u>
Overall Budgetary Excess	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,579,223</u>	<u>\$ 1,579,223</u>

See independent auditors' report and notes to required supplementary information.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR GENERAL FUND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2023

BUDGETARY BASIS

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

BUDGET/GAAP RECONCILIATIONS

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

	Revenues	Expenditures	Other Financing Sources (Uses)
GAAP Basis	\$ 30,377,218	\$ 30,303,432	\$ 72,746
Current year tuition received - assigned to fiscal year 2024 budget	(825,385)	--	--
Recognize use of fund balance as funding source - prior year tuition	--	--	1,367,364
Recognize use of E&D for operations	--	--	650,000
Remove effect of combining stabilization and General Fund	(89,688)	(90,733)	239,667
Reverse effect of non-budgeted State contributions (MTRS)	<u>(2,648,563)</u>	<u>(2,648,563)</u>	<u>--</u>
Budgetary Basis	<u>\$ 26,813,582</u>	<u>\$ 27,564,136</u>	<u>\$ 2,329,777</u>

See independent auditors' report.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTION SHARE OF THE NET PENSION LIABILITY (ASSET)
(Unaudited)**

Minuteman Regional School District Contributory Retirement Plan						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability (Asset)
June 30, 2023	December 31, 2022	100%	\$ 847,000	\$ 2,075,000	40.8%	94.8%
June 30, 2022	December 31, 2021	100%	\$ (2,059,000)	\$ 2,029,000	-101.5%	112.9%
June 30, 2021	December 31, 2020	100%	\$ (75,000)	\$ 2,029,000	-3.7%	100.5%
June 30, 2020	December 31, 2019	100%	\$ 1,665,000	\$ 2,264,000	73.5%	89.9%
June 30, 2019	December 31, 2018	100%	\$ 2,540,000	\$ 2,209,000	115.0%	84.1%
June 30, 2018	December 31, 2017	100%	\$ 1,201,000	\$ 2,209,000	54.4%	92.3%
June 30, 2017	December 31, 2016	100%	\$ 2,752,000	\$ 2,745,000	100.3%	82.5%
June 30, 2016	December 31, 2015	100%	\$ 2,367,000	\$ 2,745,000	86.2%	84.3%
June 30, 2015	December 31, 2014	100%	\$ 310,000	\$ 2,338,000	13.3%	97.7%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTION SHARE OF THE NET PENSION LIABILITY (ASSET) (CONTINUED)**
(Unaudited)

Massachusetts Teachers' Retirement System									
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the District		Total Net Pension Liability Associated with the District	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	June 30, 2022	0.125846%	\$ --	\$ 32,579,223	\$ 32,579,223	\$ 10,358,399	0.00%	57.75%	
June 30, 2022	June 30, 2021	0.125604%	\$ --	\$ 28,520,721	\$ 28,520,721	\$ 9,741,831	0.00%	62.03%	
June 30, 2021	June 30, 2020	0.130708%	\$ --	\$ 37,310,529	\$ 37,310,529	\$ 9,903,441	0.00%	50.67%	
June 30, 2020	June 30, 2019	0.133657%	\$ --	\$ 33,700,373	\$ 33,700,373	\$ 9,726,418	0.00%	53.95%	
June 30, 2019	June 30, 2018	0.135695%	\$ --	\$ 32,174,938	\$ 32,174,938	\$ 9,329,177	0.00%	58.84%	
June 30, 2018	June 30, 2017	0.137544%	\$ --	\$ 31,477,463	\$ 31,477,463	\$ 9,157,556	0.00%	54.25%	
June 30, 2017	June 30, 2016	0.145840%	\$ --	\$ 32,606,846	\$ 32,606,846	\$ 9,292,274	0.00%	52.73%	
June 30, 2016	June 30, 2015	0.151304%	\$ --	\$ 31,001,679	\$ 31,001,679	\$ 9,308,132	0.00%	55.38%	
June 30, 2015	June 30, 2014	0.150000%	\$ --	\$ 23,845,878	\$ 23,845,878	\$ 7,722,908	0.00%	61.64%	

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS**

(Unaudited)

Massachusetts Teachers' Retirement System						
Fiscal Year	Measurement Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	June 30, 2022	\$ 2,648,563	\$ 2,648,563	\$ --	\$ 10,358,399	25.6%
June 30, 2022	June 30, 2021	\$ 2,196,163	\$ 2,196,163	\$ --	\$ 9,741,831	22.5%
June 30, 2021	June 30, 2020	\$ 2,030,469	\$ 2,030,469	\$ --	\$ 9,903,441	20.5%
June 30, 2020	June 30, 2019	\$ 1,929,621	\$ 1,929,621	\$ --	\$ 9,726,418	19.8%
June 30, 2019	June 30, 2018	\$ 1,784,090	\$ 1,784,090	\$ --	\$ 9,329,177	19.1%
June 30, 2018	June 30, 2017	\$ 1,699,376	\$ 1,699,376	\$ --	\$ 9,157,556	18.6%
June 30, 2017	June 30, 2016	\$ 1,640,094	\$ 1,640,094	\$ --	\$ 9,292,274	17.7%
June 30, 2016	June 30, 2015	\$ 1,546,222	\$ 1,546,222	\$ --	\$ 9,308,132	16.6%
June 30, 2015	June 30, 2014	\$ 1,406,148	\$ 1,406,148	\$ --	\$ 7,722,908	18.2%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)**

(Amounts in thousands) (Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 308	\$ 295	\$ 339	\$ 324	\$ 321	\$ 307	\$ 353	\$ 338	\$ 291
Interest	1,097	1,076	1,175	1,138	1,134	1,144	1,125	1,004	999
Changes of benefit terms	87	--	--	--	--	--	--	--	--
Differences between expected and actual experience	(46)	--	(1,478)	(316)	--	(767)	--	397	--
Changes of assumptions	35	--	245	444	--	217	--	730	--
Benefit payments, including refunds/transfers of member contributions	<u>(1,117)</u>	<u>(1,066)</u>	<u>(1,086)</u>	<u>(1,091)</u>	<u>(1,071)</u>	<u>(1,057)</u>	<u>(866)</u>	<u>(880)</u>	<u>(816)</u>
Net Change in Total Pension Liability	364	305	(805)	499	384	(156)	612	1,589	474
Total Pension Liability - Beginning	<u>15,912</u>	<u>15,607</u>	<u>16,412</u>	<u>15,913</u>	<u>15,529</u>	<u>15,685</u>	<u>15,073</u>	<u>13,484</u>	<u>13,010</u>
Total Pension Liability - Ending (a)	<u>16,276</u>	<u>15,912</u>	<u>15,607</u>	<u>16,412</u>	<u>15,913</u>	<u>15,529</u>	<u>15,685</u>	<u>15,073</u>	<u>13,484</u>
Plan Fiduciary Net Position									
Contributions - employer	359	327	297	270	250	200	185	170	150
Contributions - member	268	96	131	217	223	196	49	194	268
Contributions - other additions	--	--	3	--	--	--	4	--	(5)
Net investment income (loss)	(1,984)	2,993	1,650	2,045	(305)	2,093	889	88	933
Benefit payments, including refunds/transfers of member contributions	<u>(1,117)</u>	<u>(1,066)</u>	<u>(1,086)</u>	<u>(1,091)</u>	<u>(1,069)</u>	<u>(1,057)</u>	<u>(866)</u>	<u>(880)</u>	<u>(816)</u>
Administrative expense	<u>(68)</u>	<u>(61)</u>	<u>(60)</u>	<u>(67)</u>	<u>(54)</u>	<u>(37)</u>	<u>(34)</u>	<u>(40)</u>	<u>(46)</u>
Net Change in Plan Fiduciary Net Position	(2,542)	2,289	935	1,374	(955)	1,395	227	(468)	484
Plan Fiduciary Net Position - Beginning	<u>17,971</u>	<u>15,682</u>	<u>14,747</u>	<u>13,373</u>	<u>14,328</u>	<u>12,933</u>	<u>12,706</u>	<u>13,174</u>	<u>12,690</u>
Plan Fiduciary Net Position - Ending (b)	<u>15,429</u>	<u>17,971</u>	<u>15,682</u>	<u>14,747</u>	<u>13,373</u>	<u>14,328</u>	<u>12,933</u>	<u>12,706</u>	<u>13,174</u>
Net Pension Liability (Asset) - Ending (a-b)	<u>\$ 847</u>	<u>\$ (2,059)</u>	<u>\$ (75)</u>	<u>\$ 1,665</u>	<u>\$ 2,540</u>	<u>\$ 1,201</u>	<u>\$ 2,752</u>	<u>\$ 2,367</u>	<u>\$ 310</u>

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See independent auditors' report.

**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE NET PENSION LIABILITY (ASSET), CONTRIBUTIONS, AND INVESTMENT RETURNS**
(Amounts in thousands) (Unaudited)

Schedule of Net Pension Liability (Asset)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability	\$ 16,276	\$ 15,912	\$ 15,607	\$ 16,412	\$ 15,913	\$ 15,529	\$ 15,685	\$ 15,073	\$ 13,484
Plan fiduciary net position	<u>15,429</u>	<u>17,971</u>	<u>15,682</u>	<u>14,747</u>	<u>13,373</u>	<u>14,328</u>	<u>12,933</u>	<u>12,706</u>	<u>13,174</u>
Net Pension Liability (Asset)	<u>\$ 847</u>	<u>\$ (2,059)</u>	<u>\$ (75)</u>	<u>\$ 1,665</u>	<u>\$ 2,540</u>	<u>\$ 1,201</u>	<u>\$ 2,752</u>	<u>\$ 2,367</u>	<u>\$ 310</u>
Plan fiduciary net position as a percentage of the total pension liability	94.8%	112.9%	100.5%	89.9%	84.0%	92.3%	82.5%	84.3%	97.7%
Covered Payroll	\$ 2,075	\$ 2,029	\$ 2,029	\$ 2,264	\$ 2,209	\$ 2,209	\$ 2,745	\$ 2,745	\$ 2,238
Participating employer net pension liability (asset) as a percentage of covered payroll	40.8%	-101.5%	-3.7%	73.5%	115.0%	54.4%	100.3%	86.2%	13.3%
Schedule of Contributions	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 359	\$ 327	\$ 297	\$ 270	\$ 250	\$ 200	\$ 185	\$ 170	\$ 150
Contributions in relation to the actuarially determined contribution	<u>359</u>	<u>327</u>	<u>297</u>	<u>270</u>	<u>250</u>	<u>200</u>	<u>185</u>	<u>170</u>	<u>150</u>
Contribution Deficiency (Excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered Payroll	\$ 2,075	\$ 2,029	\$ 2,029	\$ 2,264	\$ 2,209	\$ 2,209	\$ 2,745	\$ 2,745	\$ 2,238
Participating employer net pension liability as a percentage of covered payroll	17.3%	16.1%	14.6%	11.9%	11.3%	9.1%	6.7%	6.2%	6.4%
Schedule of Investment Returns	2023	2022	2021	2020	2019	2018	2017	2016	2015
<i>Year Ended December 31</i>									
Annual money-weighted rate of return, net of investment expense	-11.49%	19.92%	11.79%	16.26%	-2.26%	7.40%	7.50%	0.71%	7.74%

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**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY**

(Unaudited)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 918,460	\$ 1,210,544	\$ 1,174,260	\$ 1,111,424	\$ 977,751	\$ 1,168,517
Interest	839,581	575,347	552,987	877,010	855,485	838,862
Differences between expected and actual experience	1,772,968	--	(2,907,246)	--	(4,937,651)	--
Change in assumptions and other inputs	(389,974)	(5,280,857)	(5,342,440)	6,806,446	4,860,139	(1,023,773)
Benefit payments, including refunds of member contributions	(707,658)	(623,753)	(579,569)	(530,802)	(491,472)	(598,924)
Net Change in Total OPEB Liability	2,433,377	(4,118,719)	(7,102,008)	8,264,078	1,264,252	384,682
Total OPEB Liability - Beginning	21,252,474	25,371,193	32,473,201	24,209,123	22,944,871	22,560,189
Total OPEB Liability - Ending (a)	<u>\$ 23,685,851</u>	<u>\$ 21,252,474</u>	<u>\$ 25,371,193</u>	<u>\$ 32,473,201</u>	<u>\$ 24,209,123</u>	<u>\$ 22,944,871</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 827,658	\$ 683,753	\$ 639,569	\$ 580,802	\$ 541,472	\$ 648,924
Net investment income (loss)	14,221	8,758	5,559	(8,174)	9,868	(100)
Differences between expected and actual experience	40,402	(66,909)	82,760	--	--	--
Benefit payments, including refunds of member contributions	(707,658)	(623,753)	(579,569)	(530,802)	(491,472)	(598,924)
Net Change in Plan Fiduciary Net Position	174,623	1,849	148,319	41,826	59,868	49,900
Plan Fiduciary Net Position - Beginning	401,731	399,882	251,563	209,737	149,869	99,969
Plan Fiduciary Net Position - Ending (b)	576,354	401,731	399,882	251,563	209,737	149,869
Net OPEB Liability - Ending (a - b)	<u>\$ 23,109,497</u>	<u>\$ 20,850,743</u>	<u>\$ 24,971,311</u>	<u>\$ 32,221,638</u>	<u>\$ 23,999,386</u>	<u>\$ 22,795,002</u>

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**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE NET OPEB LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS
(Unaudited)**

	2023	2022	2021	2020	2019	2018
Schedule of Net OPEB Liability						
Total OPEB liability	\$ 23,685,851	\$ 21,252,474	\$ 25,371,193	\$ 32,473,201	\$ 22,712,987	\$ 22,944,871
Plan fiduciary net position	576,354	401,731	399,882	251,563	209,737	149,869
Net OPEB Liability	<u>\$ 23,109,497</u>	<u>\$ 20,850,743</u>	<u>\$ 24,971,311</u>	<u>\$ 32,221,638</u>	<u>\$ 22,503,250</u>	<u>\$ 22,795,002</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.43%	1.89%	1.58%	0.77%	0.92%	0.65%
Covered Payroll	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Participating employer net OPEB liability as a percentage of covered payroll	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Schedule of Contributions						
	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,506,366	\$ 1,269,486	\$ 1,191,986	\$ 1,438,818	\$ 1,388,663	\$ 1,321,509
Contributions in relation to the actuarially determined contribution	827,658	610,862	616,507	512,676	581,654	615,722
Contribution deficiency	<u>\$ 678,708</u>	<u>\$ 658,624</u>	<u>\$ 575,479</u>	<u>\$ 926,142</u>	<u>\$ 807,009</u>	<u>\$ 705,787</u>
Remaining amortization period	24 years	25 years	26 years	27 years	28 years	29 years
Covered Payroll	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contributions as a Percentage of Covered Payroll	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Schedule of Investment Returns						
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	11.32%	-13.03%	28.96%	Unavailable	Unavailable	Unavailable

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