



**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

Financial Statements,
And Required Supplementary Information
For the Year Ended June 30, 2022

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

To the School Committee
Minuteman Regional Vocational Technical High School

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 High School (the District), as of and for the year ended June 30, 2022 (except for the Minuteman Regional School District Contributory Retirement System, which is as of and for the year ended December 31, 2021), 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 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, 2022 (and the Minuteman Regional School District Contributory Retirement System as of December 31, 2021), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our 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

The District's 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.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 29, 2023, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

A handwritten signature in black ink that reads "Melanson". The signature is written in a cursive, flowing style.

Andover, Massachusetts
March 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022.

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.

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 \$16,070,449, a change of \$(40,583).
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$3,490,411, a change of \$(5,816,409) in comparison to the prior year, primarily from capital expenditures which were partially financed with a short-term note.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,318,739, a change of \$239,245 in comparison to the prior year.

Government-Wide Financial Analysis

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

	NET POSITION	
	(in thousands)	
	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	\$ 11,524	\$ 12,483
Capital assets	<u>141,928</u>	<u>140,405</u>
Total assets	153,452	152,888
Deferred Outflows of Resources	5,160	7,326
Liabilities		
Other liabilities	6,878	3,995
Long-term liabilities	<u>121,509</u>	<u>128,471</u>
Total liabilities	128,387	132,466
Deferred Inflows of Resources	14,154	11,636
Net Position		
Net investment in capital assets	38,710	38,812
Restricted	1,000	1,694
Unrestricted	<u>(23,639)</u>	<u>(24,395)</u>
Total net position	<u>\$ 16,071</u>	<u>\$ 16,111</u>

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 \$16,070,449, a change of \$(40,583) from the prior year.

The largest portion of net position, \$38,710,103, 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. 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, \$1,000,164, 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 \$(23,639,818), primarily resulting from the unfunded OPEB liability.

CHANGES IN NET POSITION
(in thousands)

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,462	\$ 4,099
Operating grants and contributions	3,970	5,912
General revenues:		
Assessments to members	19,679	17,555
Capital fee revenue	812	1,212
Massachusetts School Building Authority	-	988
Grants and contributions not restricted to specific programs	2,807	2,823
Investment income	15	11
Other	230	421
	<u>30,975</u>	<u>33,021</u>
Expenses		
Administration	1,703	2,172
Instruction	12,721	11,972
Other school services	2,361	1,426
Operation and maintenance	2,155	1,878
Fixed charges	4,262	7,984
Community services	155	140
Other	310	203
Interest	3,654	3,767
Depreciation	3,694	3,720
	<u>31,015</u>	<u>33,262</u>
Change in net position	(40)	(241)
Net position - beginning of year	<u>16,111</u>	<u>16,352</u>
Net position - end of year	<u>\$ 16,071</u>	<u>\$ 16,111</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$(40,583), primarily from the use of approximately \$1 million of excess and deficiency (E&D) on the fund basis while there was a reduction in pension expense of approximately \$1.2 million.

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 \$1,318,739, while total fund balance was \$5,291,981. 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.

<u>General Fund</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% of Total General Fund Expenditures *</u>
Unassigned fund balance	\$ 1,318,739	\$ 1,201,807	\$ 116,932	5%
Total fund balance	\$ 5,291,981	\$ 6,271,208	\$ (979,227)	20%

*Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System of \$2,196,163.

The total fund balance of the General Fund changed by \$(979,227) during the current fiscal year. Key factors in this change are as follows:

Use of assigned fund balance from prior year tuition	\$ (2,695,837)
Use of E&D for operating budget	(540,000)
Revenues in excess of budget	154,423
Expenditures less than budget	587,290
Fiscal year 2022 tuition revenue assigned to fiscal year 2023	1,342,585
Other	<u>172,312</u>
Total	<u>\$ (979,227)</u>

Included in the total General Fund committed fund balance is the District’s building stabilization fund with the following balance:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Building stabilization	\$ <u>1,955,878</u>	\$ <u>1,283,564</u>	\$ <u>672,314</u>

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 \$(403,154) primarily from timing differences between the receipt and disbursement of grants and transfers totaling \$1,100,000 into the General Fund.

General Fund Budgetary Highlights

During fiscal year 2022, the original budget was increased by \$500,000 from E&D for the building stabilization fund. There were also line-item transfers voted by the School Committee.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets at year-end amounted to \$141,927,791 (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.

Long-Term Debt

At the end of the current fiscal year, total long-term debt (including unamortized premium) was \$100,431,750, all of which was backed by the full faith and credit of the District.

The District maintained their “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, 2022

	<u>Governmental Activities</u>
Assets	
Current:	
Cash and short-term investments	\$ 8,518,811
Intergovernmental receivables	<u>946,283</u>
Total Current Assets	9,465,094
Noncurrent:	
Net pension assets	2,059,000
Capital assets:	
Nondepreciable capital assets	9,128,063
Other capital assets, net of accumulated depreciation	<u>132,799,728</u>
Total Noncurrent Assets	<u>143,986,791</u>
Total Assets	153,451,885
Deferred Outflows of Resources	
Related to pension	81,000
Related to OPEB	<u>5,078,745</u>
Total Deferred Outflows of Resources	5,159,745
	(continued)

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, 2022

		<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenues</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	
			<u>Contributions</u>	
Governmental Activities				
Administration	\$ 1,702,827	\$ -	\$ -	\$ (1,702,827)
Instruction	12,721,133	3,247,404	1,342,211	(8,131,518)
Other school services	2,361,464	123,696	338,986	(1,898,782)
Operation and maintenance	2,154,516	90,791	-	(2,063,725)
Fixed charges	4,262,340	-	2,288,669	(1,973,671)
Community services	155,037	-	-	(155,037)
Other	310,105	-	-	(310,105)
Interest	3,654,406	-	-	(3,654,406)
Depreciation, net of disposals	<u>3,693,726</u>	<u>-</u>	<u>-</u>	<u>(3,693,726)</u>
Total	<u>\$ 31,015,554</u>	<u>\$ 3,461,891</u>	<u>\$ 3,969,866</u>	(23,583,797)
General Revenues				
Assessments to members				19,679,130
Capital fee revenue				812,062
Grants and contributions not restricted to specific programs				2,807,451
Investment income				14,775
Other				<u>229,796</u>
Total General Revenues				23,543,214
Change in Net Position				(40,583)
Net Position:				
Beginning of Year				<u>16,111,032</u>
End of Year				<u>\$ 16,070,449</u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 7,130,098	\$ 953,975	\$ 434,738	\$ 8,518,811
Intergovernmental receivables	<u>32,732</u>	<u>-</u>	<u>913,551</u>	<u>946,283</u>
Total Assets	\$ <u>7,162,830</u>	\$ <u>953,975</u>	\$ <u>1,348,289</u>	\$ <u>9,465,094</u>
Liabilities				
Warrants and accounts payable	\$ 556,290	\$ 16,007	\$ 231,140	\$ 803,437
Accrued payroll and withholdings	1,314,559	-	116,985	1,431,544
Retainage payable	-	939,702	-	939,702
Notes payable	<u>-</u>	<u>2,800,000</u>	<u>-</u>	<u>2,800,000</u>
Total Liabilities	1,870,849	3,755,709	348,125	5,974,683
Fund Balances				
Restricted	-	-	1,000,164	1,000,164
Committed	1,955,878	-	-	1,955,878
Assigned	2,017,364	-	-	2,017,364
Unassigned	<u>1,318,739</u>	<u>(2,801,734)</u>	<u>-</u>	<u>(1,482,995)</u>
Total Fund Balances	<u>5,291,981</u>	<u>(2,801,734)</u>	<u>1,000,164</u>	<u>3,490,411</u>
Total Liabilities and Fund Balances	\$ <u>7,162,830</u>	\$ <u>953,975</u>	\$ <u>1,348,289</u>	\$ <u>9,465,094</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, 2022

Total Governmental Fund Balances	\$ 3,490,411
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	141,927,791
• Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	2,059,000
• Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	81,000
• Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	5,078,745
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(903,538)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds payable and unamortized premium	(100,431,750)
Net OPEB liability	(20,850,743)
Compensated absences	(226,469)
• Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(2,347,000)
• Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	<u>(11,806,998)</u>
Net Position of Governmental Activities	\$ <u>16,070,449</u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues				
Assessments to members	\$ 19,461,392	\$ -	\$ 217,738	\$ 19,679,130
Intergovernmental revenues	5,003,614	-	1,681,197	6,684,811
Charges for services	2,422,585	-	1,851,368	4,273,953
Investment income	14,382	303	90	14,775
Other	<u>100,622</u>	<u>-</u>	<u>56,201</u>	<u>156,823</u>
Total Revenues	27,002,595	303	3,806,594	30,809,492
Expenditures				
Current:				
Administration	1,701,213	-	1,614	1,702,827
Instruction	11,178,538	-	1,741,192	12,919,730
Other school services	1,922,167	-	439,297	2,361,464
Operation and maintenance	1,919,099	-	70,613	1,989,712
Fixed charges	5,539,232	-	50,759	5,589,991
Community services	150,304	-	4,733	155,037
Other	54,899	-	36,540	91,439
Debt service:				
Principal	2,719,866	-	-	2,719,866
Interest	3,645,478	-	-	3,645,478
Capital outlay:				
Capital acquisitions	<u>142,641</u>	<u>4,542,716</u>	<u>765,000</u>	<u>5,450,357</u>
Total Expenditures	<u>28,973,437</u>	<u>4,542,716</u>	<u>3,109,748</u>	<u>36,625,901</u>
Excess (Deficiency) of Revenues over Expenditures	(1,970,842)	(4,542,413)	696,846	(5,816,409)
Other Financing Sources (Uses)				
Transfer in	1,100,000	108,385	-	1,208,385
Transfer out	<u>(108,385)</u>	<u>-</u>	<u>(1,100,000)</u>	<u>(1,208,385)</u>
Total Other Financing Sources (Uses)	<u>991,615</u>	<u>108,385</u>	<u>(1,100,000)</u>	<u>-</u>
Change in Fund Balance	(979,227)	(4,434,028)	(403,154)	(5,816,409)
Fund Balances, at Beginning of Year	<u>6,271,208</u>	<u>1,632,294</u>	<u>1,403,318</u>	<u>9,306,820</u>
Fund Balances, at End of Year	\$ <u><u>5,291,981</u></u>	\$ <u><u>(2,801,734)</u></u>	\$ <u><u>1,000,164</u></u>	\$ <u><u>3,490,411</u></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, 2022

Net Changes in Fund Balances - Governmental Funds	\$ (5,816,409)
• 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	5,389,299
Depreciation	(3,829,248)
Net effect from disposal of assets	(36,888)
• 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	2,719,866
• 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	1,228,000
Decrease in OPEB expense related to GASB 75	192,157
Change in compensated absences liability	48,597
Bond premium amortization	72,973
Change in accrued interest on bonds payable	<u>(8,930)</u>
Change in Net Position of Governmental Activities	\$ <u>(40,583)</u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Pension and OPEB <u>Trust Funds</u>	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
Assets			
Cash and short-term investments	\$ 131,173	\$ 150,344	\$ 68,697
Investments:			
External investment pool	17,822,726	-	-
Equity mutual funds	151,685	-	-
Fixed income mutual funds	<u>250,046</u>	<u>-</u>	<u>-</u>
Total Investments	18,224,457	-	-
Receivables	<u>17,050</u>	<u>-</u>	<u>-</u>
 Total Assets	 18,372,680	 150,344	 68,697
Liabilities			
Other liabilities	-	-	11,463
 Net Position			
Restricted for pension purposes	17,970,949	-	-
Restricted for OPEB purposes	401,731	-	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>150,344</u>	<u>57,234</u>
 Total Net Position	 \$ <u>18,372,680</u>	 \$ <u>150,344</u>	 \$ <u>57,234</u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions			
Contributions:			
Employer	\$ 1,010,453	\$ -	\$ -
Plan members	284,505	-	-
Other systems and Commonwealth of Massachusetts	86,029	-	-
Fees collected for students	-	-	40,192
Miscellaneous	<u>-</u>	<u>34,833</u>	<u>-</u>
Total Contributions	1,380,987	34,833	40,192
Investment Income:			
Interest	8,758	24	-
Increase in fair value of investments	3,007,823	-	-
Less: management fees	<u>(81,914)</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>2,934,667</u>	<u>24</u>	<u>-</u>
Total Additions	4,315,654	34,857	40,192
Deductions			
Benefit payments to plan members, beneficiaries, and other systems	1,755,694	-	-
Refunds to plan members	19,948	-	-
Transfers to other systems	187,952	-	-
Administrative expenses	60,981	-	-
Payments on behalf of students	-	-	31,864
Scholarships and other	<u>-</u>	<u>26,625</u>	<u>-</u>
Total Deductions	<u>2,024,575</u>	<u>26,625</u>	<u>31,864</u>
Change in Net Position	2,291,079	8,232	8,328
Restricted Net Position			
Beginning of year	<u>16,081,601</u>	<u>142,112</u>	<u>48,906</u>
End of year	\$ <u><u>18,372,680</u></u>	\$ <u><u>150,344</u></u>	\$ <u><u>57,234</u></u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Notes to Financial Statements

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 2022, it was determined that no entities met the component unit requirement of GASB 14 (as amended).

The Minuteman Regional School District Contributory Retirement System (the MMCRS), which was established to provide retirement benefits to employees and their beneficiaries, is presented 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*.

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. The effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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 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 Funds* include retirement trust fund accounts for the activities of the Minuteman Regional School District Contributory Retirement System, 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, private organizations, or other governments.
- 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.

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.

The District invests in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value of \$1 per share.

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 two 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.

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

	<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 (GASB 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:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- *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.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Minuteman Regional Vocational

Technical School 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 Minuteman Regional Vocational Technical School District's intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, and 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.

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.

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. For the year ended June 30, 2022, the assessments were as follows:

<u>Members</u>	<u>Total Assessment</u>
Acton-Boxborough Regional School District	\$ 217,738
Town of Acton	2,189,873
Town of Arlington	6,795,457
Town of Belmont	41,381
Town of Bolton	664,409
Town of Boxborough	4,702
Town of Carlisle	4,702
Town of Concord	1,289,284
Town of Dover	206,298
Town of Lancaster	2,282,776
Town of Lexington	3,130,038
Town of Lincoln	7,524
Town of Needham	1,230,287
Town of Stow	1,580,804
Town of Sudbury	20,691
Town of Wayland	6,583
Town of Weston	6,583
Total	<u>\$ 19,679,130</u>

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2022. It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

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. Bank balances were categorized as follows at June 30, 2022:

	<u>Amount</u>
FDIC/DIF	\$ 2,184,801
MMDT	5,670,380
Uninsured or uncollateralized	<u>1,642,891</u>
Total	<u>\$ 9,498,072</u>

4. Investments – OPEB Trust Fund

The following is a summary of the OPEB Trust Fund’s investments as of June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>
Equity mutual funds	\$ 151,685
Fixed income mutual funds	<u>250,046</u>
Total	<u>\$ 401,731</u>

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, 2022, 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, 2022, all of the OPEB Trust Fund’s 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. The OPEB Trust Fund does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2022, the OPEB Trust Fund did not have an investment in one issuer greater than 5% of total investments.

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, 2022, all of the OPEB Trust Fund’s 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 Governmental Accounting Standards Board No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the 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.

The OPEB Trust Fund had the following fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Equity mutual funds	\$ 151,685	\$ 151,685	\$ -	\$ -
Fixed income mutual funds	<u>250,046</u>	<u>-</u>	<u>250,046</u>	<u>-</u>
Total	\$ <u>401,731</u>	\$ <u>151,685</u>	\$ <u>250,046</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.

5. Investments – Pension Trust Fund (MMCRS)

At December 31, 2021, the MMCRS had \$17,822,726 invested in the Pension Reserves Investment Trust (PRIT). The Pension Reserves Investment Trust was created under Massachusetts General Laws, Chapter 32, Section 22, in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board.

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, 2021, all of the MMCRS's investments totaling \$17,822,726 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. Massachusetts General Laws, 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

Massachusetts General Laws, Chapter 32, Section 23 limits 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 June 30, 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. 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.

Fair Value

At June 30, 2022, the MMCRS categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy categorizes the inputs to valuation techniques used for fair value measurements into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund 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.
- The net asset value (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.

The MMCRS had the following fair value measurements as of December 31, 2021:

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If currently eligible)</u>	<u>Redemption Notice Period</u>
Investments measured using net asset value (NAV):				
PRIT	\$ <u>17,822,726</u>	\$ <u>-</u>	Monthly	30 Days

6. Receivables

Receivables are comprised primarily of reimbursements requested from federal, state, and local agencies for expenditures incurred in fiscal year 2022.

7. Net Pension Assets

Net pension assets activity for the year ended June 30, 2022 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities				
Net pension asset	\$ <u>75</u>	\$ <u>1,984</u>	\$ <u>-</u>	\$ <u>2,059</u>

8. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Convert CIP	Ending Balance
Governmental Activities					
Capital assets, being depreciated:					
Buildings and improvements	\$ 142,238	\$ -	\$ (92)	\$ 1,310	\$ 143,456
Furniture and equipment	<u>2,571</u>	<u>158</u>	<u>(80)</u>	<u>-</u>	<u>2,649</u>
Total capital assets, being depreciated	144,809	158	(172)	1,310	146,105
Less: accumulated depreciation for:					
Buildings and improvements	(8,357)	(3,605)	56	-	(11,906)
Furniture and equipment	<u>(1,254)</u>	<u>(225)</u>	<u>80</u>	<u>-</u>	<u>(1,399)</u>
Total accumulated depreciation	<u>(9,611)</u>	<u>(3,830)</u>	<u>136</u>	<u>-</u>	<u>(13,305)</u>
Capital assets, being depreciated, net	135,198	(3,672)	(36)	1,310	132,800
Capital assets, not being depreciated:					
Land	669	-	-	-	669
Construction in progress (CIP)	<u>4,537</u>	<u>5,232</u>	<u>-</u>	<u>(1,310)</u>	<u>8,459</u>
Total capital assets, not being depreciated	<u>5,206</u>	<u>5,232</u>	<u>-</u>	<u>(1,310)</u>	<u>9,128</u>
Governmental activities capital assets, net	<u>\$ 140,404</u>	<u>\$ 1,560</u>	<u>\$ (36)</u>	<u>\$ -</u>	<u>\$ 141,928</u>

9. 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.

10. Notes Payable

The District had the following note outstanding at June 30, 2022:

<u>Purpose</u>	Issue Amount	Issue Date	Maturity Date	Interest Rate	Balance at 06/30/22
School Construction Project	\$ 2,800,000	05/24/22	04/12/23	1.95%	<u>\$ 2,800,000</u>

The following summarizes activity in notes payable during fiscal year 2022:

<u>Purpose</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Repayments</u>	<u>Balance End of Year</u>
School Construction Project	\$ <u>-</u>	\$ <u>2,800,000</u>	\$ <u>-</u>	\$ <u>2,800,000</u>

11. 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 are as follows:

<u>Governmental Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 06/30/22</u>
Public offerings:				
School construction	\$ 36,000,000	9/15/2047	3-5%	\$ 34,310,000
School construction	46,000,000	10/15/2048	3-5%	45,000,000
School construction	12,000,000	1/15/2050	2-5%	11,565,000
School construction	6,300,000	4/15/2041	2-5%	<u>6,085,000</u>
Total public offerings				96,960,000
Direct borrowing:				
ESCO financing	5,000,000	6/3/2009	5.08%	<u>1,538,961</u>
Total Bonds and Loans				\$ <u>98,498,961</u>

Future Debt Service

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2022, are as follows:

Year	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,350,000	\$ 3,432,563	\$ 472,229	\$ 78,179
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 - 2032	18,990,000	12,673,703	-	-
2033-2037	19,015,000	9,561,150	-	-
2038-2042	19,785,000	6,391,250	-	-
2043-2047	19,550,000	2,985,147	-	-
2048-2052	<u>6,790,000</u>	<u>273,694</u>	<u>-</u>	<u>-</u>
Total	\$ <u>96,960,000</u>	\$ <u>47,820,859</u>	\$ <u>1,538,961</u>	\$ <u>160,544</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>	<u>Long-Term</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>	<u>Portion</u>
Governmental Activities						
Bonds payable:						
Public offerings	\$ 99,245	\$ -	\$ (2,285)	\$ 96,960	\$ (2,350)	\$ 94,610
Direct borrowing	1,974	-	(435)	1,539	(472)	1,067
Unamortized premium	<u>2,006</u>	<u>-</u>	<u>(73)</u>	<u>1,933</u>	<u>(73)</u>	<u>1,860</u>
Subtotal	103,225	-	(2,793)	100,432	(2,895)	97,537
Net OPEB liability	24,971	-	(4,120)	20,851	-	20,851
Compensated absences liability	<u>275</u>	<u>-</u>	<u>(49)</u>	<u>226</u>	<u>-</u>	<u>226</u>
Total	\$ <u>128,471</u>	\$ <u>-</u>	\$ <u>(6,962)</u>	\$ <u>121,509</u>	\$ <u>(2,895)</u>	\$ <u>118,614</u>

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.

12. 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. 69 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

13. Governmental Funds – Fund Balances

The District's fund balances at June 30, 2022, were comprised of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted				
Grants and revolving funds	\$ -	\$ -	\$ 715,343	\$ 715,343
Debt service (capital fees)	-	-	284,821	284,821
Total Restricted	-	-	1,000,164	1,000,164
Committed				
Building stabilization*	1,955,878	-	-	1,955,878
Total Committed	1,955,878	-	-	1,955,878
Assigned				
Reserved for expenditures:				
Tuition	1,367,364	-	-	1,367,364
Operating budget	650,000	-	-	650,000
Total Assigned	2,017,364	-	-	2,017,364
Unassigned:				
Deficits	-	(2,801,734)	-	(2,801,734)
Unassigned	1,318,739	-	-	1,318,739
Total Unassigned	1,318,739	(2,801,734)	-	(1,482,995)
Total	\$ 5,291,981	\$ (2,801,734)	\$ 1,000,164	\$ 3,490,411

* Massachusetts General Laws, Chapter 40, Section 5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

14. 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.

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ 1,100,000	\$ (108,385)
Debt Service Fund (capital fees)	-	(1,100,000)
Capital Projects Fund	<u>108,385</u>	<u>-</u>
Total	<u>\$ 1,208,385</u>	<u>\$ (1,208,385)</u>

15. 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 Minuteman Regional School District Contributory Retirement System (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 Massachusetts General Laws 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.

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.

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.
- 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, 2022, was \$326,700, which was equal to its annual required contribution.

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 (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported an asset of \$(2,059,000) representing the total net pension asset of the MMCRS. The net pension asset were measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021.

For the year ended June 30, 2022, the District recognized total pension expense of \$(902,000). 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	\$ -	\$ 275,000
Net difference between the projected and actual earnings on pension investments	-	2,072,000
Changes in assumptions	<u>81,000</u>	<u>-</u>
Total	<u>\$ 81,000</u>	<u>\$ 2,347,000</u>

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

Year ended June 30:

2023	\$ (650,000)
2024	(725,000)
2025	(507,000)
2026	<u>(384,000)</u>
Total	\$ <u>(2,266,000)</u>

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:

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	Not explicitly assumed
Post-retirement cost-of-living adjustment	3% on first \$13,000

- Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with scale MP-2020 (gender distinct).
- Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with scale MP-2020 (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-2020 (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:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	24.00%	1.51%
International equity	12.70%	0.81%
Emerging markets equity	5.00%	0.44%
Hedged funds/ PCS	7.80%	0.43%
Core fixed income	15.10%	1.49%
Value-added fixed income	6.50%	0.42%
Private equity	16.60%	1.68%
Real estate	8.70%	0.52%
Timberland	2.90%	0.19%
Overlay	<u>0.70%</u>	0.00%
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) 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 (asset).

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 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:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
\$ (460,000)	\$(2,059,000)	\$(3,415,000)

Pension Plan Fiduciary Net Position

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

16. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (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. 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. Massachusetts General Laws (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 Massachusetts General Laws. 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.

Contributions

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

<u>Membership Date</u>	<u>% of Compensation</u>
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, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021. This valuation used the following assumptions:

- (a) 7.00% (changed from 7.15%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 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.
- 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 Pension Reserves Investment Trust (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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.80%
Core fixed income	15.00%	0.30%
Private equity	13.00%	7.80%
Portfolio completion strategies	11.00%	2.90%
Real estate	10.00%	3.70%
Value added fixed income	8.00%	3.90%
Timber/natural resources	4.00%	4.30%
Total	<u>100.00%</u>	

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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
\$ 29,687,706	\$ 22,706,876	\$ 16,882,184

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 Governmental Accounting Standards Board 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 2021 (the most recent measurement period), the District’s proportionate share of the MTRS’ collective net pension liability was approximately \$28.5 million based on a proportionate share of 0.1256%. As required by GASB 68, the District has recognized its portion of the Commonwealth of Massachusetts’ contribution of approximately \$2.2 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 \$2.3 million as both a revenue and expense on the Statement of Activities.

17. 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, 2022.

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 Massachusetts General Laws.

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	107
Active employees	<u>112</u>
Total	<u><u>219</u></u>

Investments

The OPEB trust fund assets consist of equity mutual funds at June 30, 2022.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -13.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2020, 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	3.00% net of OPEB plan investment expense
Municipal bond rate	3.54% - June 30, 2022 Bond Buyer's 20 Bond Index
Discount rate	3.54%
Healthcare cost trend rates	6.50% for 2021 fluctuating to an ultimate rate of 5.0% in 2024 and later
Retiree's share of benefit-related costs	40% medical, 50% life
Participation rate	80% of active employees

Mortality rates were based on the RPH-2014 total dataset headcount-weighted fully generational table with projection scale MP-2020.

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 3.54% and was based on the Bond Buyer's 20 Bond Index. 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.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 21,252,474
Plan fiduciary net position	<u>401,731</u>
Net OPEB liability	<u>\$ 20,850,743</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.89%

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	\$ 25,371,193	\$ 399,882	\$ 24,971,311
Changes for the year:			
Service cost	1,210,544	-	1,210,544
Interest	575,347	8,758	566,589
Contributions - employer	-	683,753	(683,753)
Differences between expected and actual experience	-	(66,909)	66,909
Changes in assumptions and other inputs	(5,280,857)	-	(5,280,857)
Benefit payments	<u>(623,753)</u>	<u>(623,753)</u>	<u>-</u>
Net changes	<u>(4,118,719)</u>	<u>1,849</u>	<u>(4,120,568)</u>
Balances, end of year	<u>\$ 21,252,474</u>	<u>\$ 401,731</u>	<u>\$ 20,850,743</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19% as of June 30, 2021 to 3.54% as of June 30, 2022; the Non-Medicare-eligible trend rate was updated; the demographic assumptions were updated; and the mortality table was updated.

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 was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
\$ 47,596,103	\$ 20,850,743	\$ 17,872,584

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 was calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rates	
1% Decrease (5.50%)		1% Increase (7.50%)
\$ 17,174,076	\$ 20,850,743	\$ 25,710,706

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$491,596. At June 30, 2022, 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	\$ -	\$ 3,665,029
Changes in assumptions	5,074,875	8,141,969
Net difference between projected and actual earnings on OPEB investment	<u>3,870</u>	<u>-</u>
Total	\$ <u>5,078,745</u>	\$ <u>11,806,998</u>

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

<u>Year ended June 30:</u>	
2023	\$ (1,268,184)
2024	(1,112,016)
2025	(1,135,227)
2026	(2,222,935)
2027	(972,354)
Thereafter	<u>(17,537)</u>
Total	\$ <u>(6,728,253)</u>

18. Consolidation of Pension and OPEB Trust Funds

The Minuteman Regional School District Contributory Retirement System 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>Revenues</u>	<u>Expenditures</u>	Other Financing <u>Sources/Uses</u>
GAAP Basis	\$ 27,002,595	\$ 28,973,437	\$ 991,615
Recognize use of fund balance as funding source - prior year tuition	-	-	2,695,837
Current year tuition received - assigned to 2023 budget	(1,342,585)	-	-
Recognize use of stabilization fund	-	-	108,385
To reverse stabilization fund activity	(4,673)	(73,976)	(850,000)
To record use of E&D for operations	-	-	540,000
To record use of E&D for stabilization funding	-	-	500,000
To reverse MTRS for budget purposes	(2,196,163)	(2,196,163)	-
Budgetary Basis	<u>\$ 23,459,174</u>	<u>\$ 26,703,298</u>	<u>\$ 3,985,837</u>

19. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States of America (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the District, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations remains uncertain.

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.

20. Subsequent Events

Management has evaluated subsequent events through March 29, 2023, which is the date the financial statements were available to be issued.

21. New Pronouncements

The Governmental Accounting Standards Board (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
 General Fund
 Schedule of Revenues, Expenditures, and Other Financial Sources (Uses) - Budget and Actual
 For the Year Ended June 30, 2022

(Unaudited)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	Positive <u>(Negative)</u>
Revenues				
Assessments to members	\$ 19,461,392	\$ 19,461,392	\$ 19,461,392	\$ -
Intergovernmental revenues	2,763,359	2,763,359	2,807,451	44,092
Charges for services	1,080,000	1,080,000	1,080,000	-
Investment income	-	-	9,709	9,709
Other	-	-	100,622	100,622
	<hr/>	<hr/>	<hr/>	
Total Revenues	23,304,751	23,304,751	23,459,174	154,423
Expenditures				
Administration	1,703,303	1,720,347	1,701,213	19,134
Instruction	11,114,578	11,321,661	11,178,538	143,123
Other school services	2,185,986	2,119,481	1,922,167	197,314
Operation and maintenance	2,074,163	2,043,078	1,919,099	123,979
Fixed charges	3,553,388	3,360,895	3,343,069	17,826
Community services	80,000	150,304	150,304	-
Other	20,000	14,026	54,899	(40,873)
Debt service	6,489,170	6,489,170	6,365,344	123,826
Capital acquisitions	70,000	71,626	68,665	2,961
	<hr/>	<hr/>	<hr/>	
Total Expenditures	27,290,588	27,290,588	26,703,298	587,290
Excess (Deficiency) of Revenues over Expenditures	(3,985,837)	(3,985,837)	(3,244,124)	741,713
Other Financing Sources (Uses)				
Transfers in	1,100,000	1,100,000	1,100,000	-
Transfers out	(458,385)	(958,385)	(958,385)	-
Use of fund balance - prior year tuition	2,695,837	2,695,837	2,695,837	-
Use of fund balance - operations	540,000	540,000	540,000	-
Use of fund balance - stabilization funding	-	500,000	500,000	-
Use of stabilization	108,385	108,385	108,385	-
	<hr/>	<hr/>	<hr/>	
Total Other Financing Sources (Uses)	3,985,837	3,985,837	3,985,837	-
Overall Budgetary (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>741,713</u>	\$ <u>741,713</u>

See Independent Auditor's Report and Notes to Required Supplementary Information.

**Notes to Required Supplementary Information
for General Fund Budget**

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.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP Basis	\$ 27,002,595	\$ 28,973,437	\$ 991,615
Recognize use of fund balance as funding source - prior year tuition	-	-	2,695,837
Current year tuition received - assigned to 2023 budget	(1,342,585)	-	-
Recognize use of stabilization fund	-	-	108,385
To reverse stabilization fund activity	(4,673)	(73,976)	(850,000)
To record use of E&D for operations	-	-	540,000
To record use of E&D for stabilization funding	-	-	500,000
To reverse MTRS for budget purposes	(2,196,163)	(2,196,163)	-
Budgetary Basis	<u>\$ 23,459,174</u>	<u>\$ 26,703,298</u>	<u>\$ 3,985,837</u>

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability (Asset)

(Unaudited)

Minuteman Regional School District Contributory Retirement Plan						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability (Asset)</u>
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%

Massachusetts Teachers' Retirement System								
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the District</u>	<u>Total Net Pension Liability Associated with the District</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
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 Auditor's Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Pension Contributions

(Unaudited)

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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 Auditor's Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Changes in the Net Pension Liability (Asset)

(Unaudited)

(Amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service cost	\$ 295	\$ 339	\$ 324	\$ 321	\$ 307	\$ 353	\$ 338	\$ 291
Interest	1,076	1,175	1,138	1,134	1,144	1,125	1,004	999
Differences between expected and actual experience	-	(1,478)	(316)	-	(767)	-	397	-
Changes of assumptions	-	245	444	-	217	-	730	-
Benefit payments, including refunds/transfers of member contributions	<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	305	(805)	499	384	(156)	612	1,589	474
Total pension liability - beginning	<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>\$ 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	\$ 327	\$ 297	\$ 270	\$ 250	\$ 200	\$ 185	\$ 170	\$ 150
Contributions - member	96	131	217	223	196	49	194	268
Contributions - other additions	-	3	-	-	-	4	-	(5)
Net investment income (loss)	2,993	1,650	2,045	(305)	2,093	889	88	933
Benefit payments, including refunds/transfers of member contributions	(1,066)	(1,086)	(1,091)	(1,069)	(1,057)	(866)	(880)	(816)
Administrative expense	<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	2,289	935	1,374	(955)	1,395	227	(468)	484
Plan fiduciary net position - beginning	<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>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>\$ (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>

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 Auditor's Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedules of the Net Pension Liability (Asset), Contributions, and Investment Returns

(Unaudited)
 (Amounts expressed in thousands)

Schedule of Net Pension Liability (Asset)	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 15,912	\$ 15,607	\$ 16,412	\$ 15,913	\$ 15,529	\$ 15,685	\$ 15,073	\$ 13,484
Plan fiduciary net position	<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>(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	112.9%	100.5%	89.9%	84.0%	92.3%	82.5%	84.3%	97.7%
Covered payroll	\$ 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	-101.5%	-3.7%	73.5%	115.0%	54.4%	100.3%	86.2%	13.9%
 Schedule of Contributions	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Actuarially determined contribution	\$ 327	\$ 297	\$ 270	\$ 250	\$ 200	\$ 185	\$ 170	\$ 150
Contributions in relation to the actuarially determined contribution	<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>
Covered payroll	\$ 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	16.1%	14.6%	11.9%	11.3%	9.1%	6.7%	6.2%	6.4%
 Schedule of Investment Returns	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Year Ended December 31	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.92%	11.79%	16.26%	-2.26%	17.30%	7.52%	0.71%	7.74%

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 Auditor's Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability

(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 1,210,544	\$ 1,174,260	\$ 1,111,424	\$ 977,751	\$ 1,168,517
Interest	575,347	552,987	877,010	855,485	838,862
Differences between expected and actual experience	-	(2,907,246)		(4,937,651)	
Change in assumptions and other inputs	(5,280,857)	(5,342,440)	6,806,446	4,860,139	(1,023,773)
Benefit payments, including refunds of member contributions	<u>(623,753)</u>	<u>(579,569)</u>	<u>(530,802)</u>	<u>(491,472)</u>	<u>(598,924)</u>
Net change in total OPEB liability	(4,118,719)	(7,102,008)	8,264,078	1,264,252	384,682
Total OPEB liability - beginning	<u>25,371,193</u>	<u>32,473,201</u>	<u>24,209,123</u>	<u>22,944,871</u>	<u>22,560,189</u>
Total OPEB liability - ending (a)	\$ <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	\$ 683,753	\$ 639,569	\$ 580,802	\$ 541,472	\$ 648,924
Net investment income (loss)	8,758	5,559	(8,174)	9,868	(100)
Differences between expected and actual experience	(66,909)	82,760	-	-	-
Benefit payments, including refunds of member contributions	<u>(623,753)</u>	<u>(579,569)</u>	<u>(530,802)</u>	<u>(491,472)</u>	<u>(598,924)</u>
Net change in Plan fiduciary net position	1,849	148,319	41,826	59,868	49,900
Plan fiduciary net position - beginning	<u>399,882</u>	<u>251,563</u>	<u>209,737</u>	<u>149,869</u>	<u>99,969</u>
Plan fiduciary net position - ending (b)	\$ <u>401,731</u>	\$ <u>399,882</u>	\$ <u>251,563</u>	\$ <u>209,737</u>	\$ <u>149,869</u>
Net OPEB liability - ending (a - b)	\$ <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>

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 Auditor's Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedules of the Net OPEB Liability, Contributions, and Investment Returns

(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schedule of Net OPEB Liability					
Total OPEB liability	\$ 21,252,474	\$ 25,371,193	\$ 32,473,201	\$ 22,712,987	\$ 22,944,871
Plan fiduciary net position	<u>401,731</u>	<u>399,882</u>	<u>251,563</u>	<u>209,737</u>	<u>149,869</u>
Net OPEB liability	\$ <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	1.89%	1.58%	0.77%	0.92%	0.65%
Covered payroll	\$ Unavailable				
Participating employer net OPEB liability as a percentage of covered payroll	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Schedule of Contributions					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution*	not specifically calculated				
Contributions in relation to the actuarially determined contribution	\$ <u>683,753</u>	\$ <u>639,569</u>	\$ <u>580,802</u>	\$ <u>541,472</u>	\$ <u>648,924</u>
Contribution (excess)	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Covered payroll	\$ N/A				
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
Schedule of Investment Returns					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	-13.03	28.96	Unavailable	Unavailable	Unavailable

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 Auditor's Report.