



**MINUTEMAN REGIONAL VOCATIONAL
TECHNICAL SCHOOL DISTRICT**

Financial Statements
For the Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the School Committee
Minuteman Regional Vocational Technical School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Minuteman Regional Vocational Technical School District (the District), as of and for the year ended June 30, 2020, (except for the Minuteman Regional School District Contributory Retirement System, which is as of and for the year ended December 31, 2019) and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Minuteman Regional Vocational Technical School District, as of June 30, 2020 (and the Minuteman Regional School District Contributory Retirement System as of December 31, 2019), and the respective changes in financial position thereof, and the respective 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.

Other Matters

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, 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 evidence sufficient to express an opinion or provide any assurance.

A handwritten signature in dark ink that reads "Melanson".

Andover, Massachusetts
March 8, 2021

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, 2020.

Overview of the Financial Statements

This discussion and analysis is 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/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. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation 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 (Other Than MD&A)

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 \$16,351,904, a change of \$(514,640).
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$6,090,679, a change of \$(2,169,145) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$532,975, a change of \$(296,154) 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 years.

NET POSITION (in thousands)

	Governmental Activities	
	2020	2019
Current assets	\$ 15,363	\$ 19,073
Capital assets	<u>138,497</u>	<u>122,440</u>
Total assets	153,860	141,513
Deferred outflows of resources	9,269	4,175
Current liabilities	11,516	11,986
Noncurrent liabilities	<u>130,626</u>	<u>111,029</u>
Total liabilities	142,142	123,015
Deferred inflows of resources	4,635	5,807
Net investment in capital assets	45,232	38,058
Restricted	2,177	3,477
Unrestricted	<u>(31,057)</u>	<u>(24,668)</u>
Total net position	\$ <u>16,352</u>	\$ <u>16,867</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 \$16,351,904, a change of \$(514,640) from the prior year.

The largest portion of net position, \$45,232,124, 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, \$2,177,263, 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 \$(31,057,483), primarily resulting from the unfunded OPEB liability.

CHANGES IN NET POSITION (in thousands)

	Governmental <u>Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,017	\$ 4,365
Operating grants and contributions	5,194	3,980
General revenues:		
Assessments to members	16,400	14,342
Capital fee revenue	880	-
Massachusetts School Building Authority	7,863	20,097
Grants and contributions not restricted to specific programs	3,212	3,121
Investment income	113	313
Other	238	379
Total revenues	<u>37,917</u>	<u>46,597</u>
Expenses:		
Administration	1,778	1,450
Instruction	11,685	11,418
Other school services	1,802	2,319
Operation and maintenance	1,733	1,711
Fixed charges	10,119	7,363
Community services	577	602
Miscellaneous	118	159
Interest	3,262	2,666
Capital outlay	-	115
Depreciation	4,038	595
Total expenses	<u>35,112</u>	<u>28,398</u>
Change in net position before special item	2,805	18,199
Special item - loss on disposal of asset	<u>(3,320)</u>	<u>-</u>
Change in net position	(515)	18,199
Net position - beginning of year	<u>16,867</u>	<u>(1,332)</u>
Net position - end of year	<u>\$ 16,352</u>	<u>\$ 16,867</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$(514,640). Key elements of this change are as follows:

MSBA construction grant	\$ 7,862,678
Capital fees	880,000
Depreciation	(4,037,983)
Loss on disposal	(3,319,801)
Increase in OPEB expense	(2,613,817)
Other	<u>714,283</u>
Total	<u>\$ (514,640)</u>

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 \$532,975, while total fund balance was \$4,927,736. 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>06/30/20</u>	<u>06/30/19</u>	<u>Change</u>	<u>% of Total General Fund Expenditures *</u>
Unassigned fund balance	\$ 532,975	\$ 829,129	\$ (296,154)	2%
Total fund balance	\$ 4,927,736	\$ 5,191,892	\$ (264,156)	22%

* 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 \$1,929,624.

The total fund balance of the general fund changed by \$(264,156) during the current fiscal year. Key factors in this change are as follows:

Use of E&D	\$	(540,000)
Revenues in excess of budget		407,781
Expenditures less than budget		174,106
Expenditures of stabilization funds		(292,913)
Overhead costs		<u>(13,130)</u>
Total	\$	<u>(264,156)</u>

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

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Building stabilization	\$ <u>581,066</u>	\$ <u>775,632</u>	\$ <u>(194,566)</u>

Other Major Funds

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

Non-Major Governmental Funds

The non-major fund balance changed by \$564,664 primarily from timing differences between the receipt and disbursement of grants.

Special Items

In fiscal year 2020, the District completed construction of the new school building at 758 Marrett Road in Lexington, disposing of the previous building, which was not fully depreciated. As a result of the disposition, the District recognized a \$3,319,801 loss on the disposal, recorded as a separate line item (“Special item – loss on disposal of asset”) in the Statement of Activities.

General Fund Budgetary Highlights

During fiscal year 2020, there was no overall change to the original budget; however, there were line-item transfers voted by the School Committee.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets at year-end amounted to \$138,496,790 (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 the Financial Statements.

Credit Rating

The District is currently assigned an “AA” rating from Standard and Poor’s for general obligation debt.

Long-Term Debt

At the end of the current fiscal year, total long-term debt was \$95,582,274, all of which was backed by the full faith and credit of the government.

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 02713

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Current:	
Cash and short-term investments	\$ 14,769,543
Receivables:	
Intergovernmental	<u>593,733</u>
Total Current Assets	15,363,276
Noncurrent:	
Capital assets:	
Land and construction in progress	2,150,761
Other capital assets, net of accumulated depreciation	<u>136,346,029</u>
Total Noncurrent Assets	<u>138,496,790</u>
Total Assets	<u>153,860,066</u>
Deferred Outflows of Resources	
Related to pensions	323,000
Related to OPEB	<u>8,946,212</u>
Total Deferred Outflows of Resources	<u>9,269,212</u>
	(continued)

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2020

(continued)	<u>Governmental Activities</u>
Liabilities	
Current:	
Accounts payable	2,103,462
Accrued payroll and withholdings	1,226,936
Retainage payable	2,142,199
Notes payable	3,800,000
Accrued interest on bonds payable	746,405
Current portion of noncurrent liabilities:	
Bonds payable	1,097,441
Capital lease payable	<u>399,869</u>
Total Current Liabilities	11,516,312
Noncurrent:	
Bonds payable, net of current portion	94,484,833
Net pension liability	1,665,000
Net OPEB liability	32,221,638
Compensated absences	280,456
Capital leases	<u>1,973,827</u>
Total Noncurrent Liabilities	<u>130,625,754</u>
Total Liabilities	<u>142,142,066</u>
Deferred Inflows of Resources	
Related to pensions	800,000
Related to OPEB	<u>3,835,308</u>
Total Deferred Inflows of Resources	<u>4,635,308</u>
NET POSITION	
Net investment in capital assets	45,232,124
Restricted for:	
Middle school program	220,143
Capital fees	880,045
Other purposes	1,077,075
Unrestricted	<u>(31,057,483)</u>
TOTAL NET POSITION	<u>\$ 16,351,904</u>

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, 2020

		<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	\$ 1,777,772	\$ -	\$ -	\$ (1,777,772)
Instruction	11,684,750	3,852,653	1,069,515	(6,762,582)
Other school services	1,801,706	153,884	37,850	(1,609,972)
Operation and maintenance	1,733,043	9,970	-	(1,723,073)
Fixed charges	10,118,758	-	4,086,755	(6,032,003)
Community services	577,896	-	-	(577,896)
Other	117,676	-	-	(117,676)
Interest	3,261,621	-	-	(3,261,621)
Depreciation	<u>4,037,983</u>	<u>-</u>	<u>-</u>	<u>(4,037,983)</u>
Total	\$ <u>35,111,205</u>	\$ <u>4,016,507</u>	\$ <u>5,194,120</u>	(25,900,578)
 General Revenues:				
Assessments to members				16,400,003
Capital fee revenue				880,000
MSBA revenue				7,862,678
Grants and contributions not restricted to specific programs				3,212,337
Investment income				112,948
Other				237,773
Special item - loss on disposal of assets				<u>(3,319,801)</u>
Total General Revenues and Special Items				25,385,938
Change in Net Position				(514,640)
 Net Position:				
Beginning of Year				<u>16,866,544</u>
End of Year				\$ <u>16,351,904</u>

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

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 6,342,817	\$ 6,690,352	\$ 1,736,374	\$ 14,769,543
Intergovernmental receivable	<u>271,401</u>	<u>-</u>	<u>322,332</u>	<u>593,733</u>
Total Assets	\$ <u>6,614,218</u>	\$ <u>6,690,352</u>	\$ <u>2,058,706</u>	\$ <u>15,363,276</u>
Liabilities				
Accounts payable	\$ 566,033	\$ 1,468,487	\$ 68,942	\$ 2,103,462
Accrued payroll and withholdings	1,120,449	-	106,487	1,226,936
Retainage payable	-	2,142,199	-	2,142,199
Notes payable	<u>-</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
Total Liabilities	1,686,482	7,410,686	175,429	9,272,597
Fund Balances				
Restricted	-	-	2,177,263	2,177,263
Committed	581,066	-	-	581,066
Assigned	3,813,695	-	-	3,813,695
Unassigned	<u>532,975</u>	<u>(720,334)</u>	<u>(293,986)</u>	<u>(481,345)</u>
Total Fund Balances	<u>4,927,736</u>	<u>(720,334)</u>	<u>1,883,277</u>	<u>6,090,679</u>
Total Liabilities and Fund Balances	\$ <u>6,614,218</u>	\$ <u>6,690,352</u>	\$ <u>2,058,706</u>	\$ <u>15,363,276</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, 2020

Total governmental fund balances	\$ 6,090,679
<ul style="list-style-type: none"> • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. 	138,496,790
<ul style="list-style-type: none"> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	(746,405)
<ul style="list-style-type: none"> • 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	(95,582,274)
Capital lease payable	(2,373,696)
Compensated absences	(280,456)
<ul style="list-style-type: none"> • Net pension liability and related deferred outflows/inflows of resources are not due and payable in the current period nor require the use of current financial resources and, therefore, are not reported in governmental funds. 	(2,142,000)
<ul style="list-style-type: none"> • Net OPEB liability and related deferred outflows/inflows of resources are not due and payable in the current period nor requires the use of current financial resources and, therefore, are not reported in governmental funds. 	<u>(27,110,734)</u>
Net position of governmental activities	\$ <u><u>16,351,904</u></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 Balance
For the Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Assessments to members	\$ 15,858,704	\$ -	\$ 541,299	\$ 16,400,003
Intergovernmental revenues	5,141,961	7,862,678	1,107,365	14,112,004
Charges for services	3,307,461	-	709,046	4,016,507
Investment income	71,218	41,484	246	112,948
Miscellaneous	<u>131,077</u>	<u>-</u>	<u>915,073</u>	<u>1,046,150</u>
Total Revenues	24,510,421	7,904,162	3,273,029	35,687,612
Expenditures				
Current:				
Administration	1,830,115	-	11,624	1,841,739
Instruction	10,406,161	-	1,462,517	11,868,678
Other school services	1,447,203	-	354,503	1,801,706
Operation and maintenance	1,554,262	-	178,781	1,733,043
Fixed charges	5,243,293	-	140,517	5,383,810
Community services	100,000	-	477,896	577,896
Other	68,973	-	82,527	151,500
Debt service:				
Principal	377,101	-	-	377,101
Interest	3,261,746	-	-	3,261,746
Capital outlay:				
Capital acquisitions	<u>485,723</u>	<u>22,647,670</u>	<u>-</u>	<u>23,133,393</u>
Total Expenditures	<u>24,774,577</u>	<u>22,647,670</u>	<u>2,708,365</u>	<u>50,130,612</u>
Excess (deficiency) of revenues over expenditures	(264,156)	(14,743,508)	564,664	(14,443,000)
Other Financing Sources (Uses):				
Issuance of bonds	-	12,000,000	-	12,000,000
Bond premium	<u>-</u>	<u>273,855</u>	<u>-</u>	<u>273,855</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>12,273,855</u>	<u>-</u>	<u>12,273,855</u>
Change in fund balance	(264,156)	(2,469,653)	564,664	(2,169,145)
Fund Balance, at Beginning of Year	<u>5,191,892</u>	<u>1,749,319</u>	<u>1,318,613</u>	<u>8,259,824</u>
Fund Balance, at End of Year	\$ <u>4,927,736</u>	\$ <u>(720,334)</u>	\$ <u>1,883,277</u>	\$ <u>6,090,679</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, 2020

Net changes in fund balances - governmental funds	\$ (2,169,145)
<ul style="list-style-type: none">• 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	23,414,727
Depreciation	(4,037,983)
Net effect on disposal of assets	(3,319,801)
<ul style="list-style-type: none">• 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:	
Issuance of bonds and receipt of premium	(12,259,676)
Amortization of bond premiums	57,442
<ul style="list-style-type: none">• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	
	125
<ul style="list-style-type: none">• 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:	
Repayments of capital lease	367,101
Repayment of bonds	10,000
Change in compensated absence liability	387
Change in pension expense from GASB 68	36,000
Change in OPEB expense from GASB 75	<u>(2,613,817)</u>
Change in net position of governmental activities	\$ <u>(514,640)</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, 2020

	Pension and OPEB <u>Trust Funds</u>	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
Assets			
Cash and short-term investments	\$ 370,725	\$ 135,793	\$ 50,198
Investments:			
External investment pool	14,355,768	-	-
Equity mutual funds	200,008	-	-
Fixed income mutual funds	<u>51,555</u>	<u>-</u>	<u>-</u>
Total Investments	14,607,331	-	-
Receivables	<u>20,182</u>	<u>-</u>	<u>-</u>
 Total Assets	 14,998,238	 135,793	 \$ <u>50,198</u>
Liabilities			
 Other liabilities	 <u>-</u>	 <u>-</u>	 \$ <u>50,198</u>
Net Position			
Restricted for pension purposes	14,746,675	-	
Restricted for OPEB purposes	251,563	-	
Restricted for other purposes	<u>-</u>	<u>135,793</u>	
 Total Net Position	 \$ <u>14,998,238</u>	 \$ <u>135,793</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, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employer	\$ 850,802	\$ -
Plan members	298,813	-
Other systems and Commonwealth of Massachusetts	72,968	-
Miscellaneous		<u>20,442</u>
Total contributions	1,222,583	20,442
Investment income		
Interest	4,468	2,479
Increase in fair value of investments	2,102,809	-
Less: management fees	<u>(70,677)</u>	
Net investment income	<u>2,036,600</u>	<u>2,479</u>
Total additions	3,259,183	22,921
Deductions		
Benefit payments to plan members, beneficiaries and other systems	1,680,507	-
Refunds to plan members	14,516	-
Transfers to other systems	81,863	-
Administrative expenses	66,579	-
Scholarships and other	<u>-</u>	<u>32,452</u>
Total deductions	<u>1,843,465</u>	<u>32,452</u>
Net increase (decrease)	1,415,718	(9,531)
Net Position Restricted for Pension and Other Purposes		
Beginning of year	<u>13,582,520</u>	<u>145,324</u>
End of year	\$ <u><u>14,998,238</u></u>	\$ <u><u>135,793</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 Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The following is a summary of the significant policies:

Reporting Entity

The District is a municipal corporation governed by an appointed School Committee. As required by Generally Accepted Accounting Principles, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. In fiscal year 2020, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

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 by the District. 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 other post-employment benefits 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 post-employment benefits trust funds used to accumulate resources for health and life insurance benefits for retired employees.
- The *private purpose trust funds* are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals.

- The *agency funds* are used to account for money held by the District on behalf of others (e.g., student activity funds). Agency funds report only assets and liabilities and, therefore, have no measurement focus.

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 interest earnings are recognized in the general fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, savings accounts, and MMDT's cash portfolio. 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 combined financial statements under the caption "cash and short-term investments".

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

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution.

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	2 - 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 reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

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 Generally Accepted Accounting Principles (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

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, 2020, the assessments were calculated as follows:

	<u>Minimum Contribution</u>	<u>Total Assessment</u>
Acton-Boxborough RSD	\$ 210,415	\$ 210,415
Town of Acton	1,455,682	1,455,682
Town of Arlington	5,384,690	5,384,690
Town of Belmont	984,887	984,887
Town of Bolton	630,937	630,937
Town of Boxborough	6,130	6,130
Town of Carlisle	6,130	6,130
Town of Concord	1,073,368	1,073,368
Town of Dover	73,811	73,811
Town of Lancaster	2,085,501	2,085,501
Town of Lexington	2,468,130	2,468,130
Town of Lincoln	9,808	9,808
Town of Needham	1,084,783	1,084,783
Town of Stow	881,595	881,595
Town of Sudbury	26,972	26,972
Town of Wayland	8,582	8,582
Town of Weston	8,582	8,582
Total	<u>\$ 16,400,003</u>	<u>\$ 16,400,003</u>

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2020.

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 and Investments

District (Excluding the Pension and OPEB Trust Funds)

State statutes (MGL Chapter 44, Section 55) place 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 that have 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 consists 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 GASB 79, *Certain External Investment Pools and Pool Participants*, to report its investments at amortized cost, which approximates the net asset value of 1.00 per share. MMDT has a 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 – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. The District and the Minuteman Regional School District Contributory Retirement System (MMCRS) do not have a deposit policy for custodial credit risk.

Bank balances are categorized as follows:

	<u>District</u>	<u>MMCRS</u>
FDIC/DIF	\$ 7,527,370	\$ 250,000
MMDT	4,085,132	-
Uninsured or uncollateralized	<u>2,317,769</u>	<u>130,883</u>
Total	<u>\$ 13,930,271</u>	<u>\$ 380,883</u>

4. Investments – OPEB Trust Fund

The following is a summary of the OPEB Trust Fund’s investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Equity mutual funds	\$ 200,008
Fixed income mutual funds	<u>51,555</u>
Total Investments	<u>\$ 251,563</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, a government 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, 2020, all of the OPEB Trust Fund's investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the OPEB Trust Fund's brokerage firm, which is also the counterparty to these securities.

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfil 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, 2020, \$51,555 of the OPEB Trust Fund's investments had an AA rating. The remaining \$200,008 of investments were in equity mutual funds and are not subject to credit risk disclosure.

Concentration of Credit Risk

The OPEB Trust Fund places no limit on the amount the OPEB Trust Fund may invest 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, 2020, the OPEB Trust Fund does 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, 2020, \$51,555 of the OPEB Trust Fund's investments had a maturity of 8.5 years. The remaining \$200,008 of investments were in equity mutual funds and 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 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 the fund has the ability to access 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 has the following fair value measurements as of June 30, 2020:

<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	\$ 200,008	\$ 200,008	\$ -	\$ -
Fixed income mutual funds	51,555	-	51,555	-
Total	<u>\$ 251,563</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 nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

5. **Investments – Pension Trust Fund (The System)**

At December 31, 2019, the MMCRS had \$14,355,768 invested in the Pension Reserves Investment Trust (PRIT). The Pension Reserves Investment Trust was created under Massachusetts general law, 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. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts general law, Chapter 30B.

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, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The System does not have formal investment policies related to custodial credit risk.

As of December 31, 2019, all of the System's investments totaling \$14,355,768 were held in the State investment pool (PRIT).

Credit Risk – Investments of 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 Law, Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund 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, provided that no more than the established percentage of assets, is invested in any one security.

Due to their nature, none of the Systems investments are subject to credit risk disclosure.

Concentration of Credit Risk

Massachusetts General Law 32, Section 23 limits the amount the System may invest in any one issuer or security type, with the exception of the PRIT Fund.

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.

All of the System's investments are in the PRIT fund, which are 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 District 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 System 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 System’s investments to market interest rate fluctuations is not applicable as all the System’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 District and MMCRS do not have policies for foreign currency risk.

Fair Value

The System 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 has the ability to access 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 of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to level classification.

The System has the following fair value measurements as of December 31, 2019:

<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 at the net asset value (NAV):				
External investment pool	\$ 14,355,768	\$ -	Monthly	30 Days

6. Receivables

Receivables are comprised primarily of reimbursements requested from federal, state, and local agencies for expenditures incurred in fiscal year 2020 and State aid.

7. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 23,207	\$ 136,994	\$ (20,320)	\$ 139,881
Furniture and equipment	<u>2,661</u>	<u>114</u>	<u>(419)</u>	<u>2,356</u>
Total capital assets, being depreciated	25,868	137,108	(20,739)	142,237
Less accumulated depreciation for:				
Buildings and improvements	(18,145)	(3,822)	17,123	(4,844)
Furniture and equipment	<u>(1,127)</u>	<u>(216)</u>	<u>296</u>	<u>(1,047)</u>
Total accumulated depreciation	<u>(19,272)</u>	<u>(4,038)</u>	<u>17,419</u>	<u>(5,891)</u>
Total capital assets, being depreciated, net	6,596	133,070	(3,320)	136,346
Capital assets, not being depreciated:				
Land	669	-	-	669
Construction in progress	<u>115,175</u>	<u>-</u>	<u>(113,693)</u>	<u>1,482</u>
Total capital assets, not being depreciated	<u>115,844</u>	<u>-</u>	<u>(113,693)</u>	<u>2,151</u>
Governmental activities capital assets, net	<u>\$ 122,440</u>	<u>\$ 133,070</u>	<u>\$ (117,013)</u>	<u>\$ 138,497</u>

8. Deferred Outflows of Resources

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

9. Accounts Payable

Accounts payable represent additional 2020 expenditures paid after July 15, 2020.

10. Notes Payable

The District had the following note outstanding at June 30, 2020:

<u>Purpose</u>	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at 06/30/20</u>
School Construction Project	\$ 3,800,000	05/19/20	05/19/21	1.75%	\$ 3,800,000

The following summarizes activity in notes payable during fiscal year 2020:

<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	\$ -	\$ 3,800,000	\$ -	\$ 3,800,000
School Construction Project	-	5,000,000	(5,000,000)	-
Total	\$ -	\$ 8,800,000	\$ (5,000,000)	\$ 3,800,000

11. Capital Lease Obligations

The District is the lessee of certain equipment under a capital lease agreement that expires in fiscal year 2025. Future minimum lease payments under the capital lease agreement are as follows at June 30, 2020:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2021	\$ 520,453
2022	535,136
2023	550,408
2024	566,290
2025	582,807
Total payments	2,755,094
Less amounts representing interest	381,399
Present Value of Minimum Lease Payments	\$ 2,373,695

Equipment financed by the lease was disposed of during fiscal year 2020 during the course of the new school construction. The general fund has been designated as the source to repay the outstanding capital lease.

12. Long-Term Debt

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds outstanding are as follows:

<u>Governmental Activities</u>		Serial	Interest	Amount
<u>General Obligation Bonds</u>	<u>Original</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
	<u>Issue</u>	<u>Through</u>		<u>as of</u>
				<u>06/30/20</u>
Public offerings:				
School construction	\$ 36,000,000	9/15/2047	3-5%	\$ 35,990,000
School construction	46,000,000	10/15/2048	3-5%	45,995,000
School construction	12,000,000	1/15/2050	2-5%	<u>12,000,000</u>
Total governmental activities				<u>\$ 93,985,000</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2020 are as follows:

<u>Governmental</u>	<u>Bonds - Public Offerings</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,040,000	\$ 3,606,714
2022	2,070,000	3,354,813
2023	2,125,000	3,249,938
2024	2,080,000	3,144,813
2025	2,335,000	3,034,438
2026 - 2030	14,680,000	13,387,488
2031-2035	18,225,000	10,425,691
2036-2040	17,600,000	7,522,106
2041-2045	19,160,000	4,320,772
2046-2050	<u>14,670,000</u>	<u>1,011,319</u>
Total	<u>\$ 93,985,000</u>	<u>\$ 53,058,092</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities (in thousands):

	Beginning		Ending		Current	Long-Term
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>	<u>Portion</u>
Governmental Activities						
Bonds payable:						
Public offerings	\$ 81,995	\$ 12,000	\$ (10)	\$ 93,985	\$ (1,040)	\$ 92,945
Unamortized premium	<u>1,395</u>	<u>260</u>	<u>(58)</u>	<u>1,597</u>	<u>(57)</u>	<u>1,540</u>
Subtotal	83,390	12,260	(68)	95,582	(1,097)	94,485
Net pension liability	2,540	-	(875)	1,665	-	1,665
Net OPEB liability	22,503	9,719	-	32,222	-	32,222
Compensated absences	281	-	(1)	280	-	280
Capital leases	<u>2,741</u>	<u>-</u>	<u>(367)</u>	<u>2,374</u>	<u>(400)</u>	<u>1,974</u>
Total	<u>\$ 111,455</u>	<u>\$ 21,979</u>	<u>\$ (1,311)</u>	<u>\$ 132,123</u>	<u>\$ (1,497)</u>	<u>\$ 130,626</u>

Long-Term Debt Supporting Governmental Activities

Bonds and loans issued by the District for various municipal 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.

13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the District that are applicable 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 will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes.

14. Governmental Funds – Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. This fund balance classification includes building stabilization funds.

Assigned

Represents amounts that are constrained by the 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 following are the District's fund balances at June 30, 2020:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Grants and revolving funds	\$ -	\$ -	\$ 2,177,263	\$ 2,177,263
Total Restricted	-	-	2,177,263	2,177,263
Committed:				
Building stabilization fund	581,066	-	-	581,066
Total Committed	581,066	-	-	581,066
Assigned:				
Reserve for expenditures - tuition	3,048,695	-	-	3,048,695
Reserve for expenditures - operations	765,000	-	-	765,000
Total Assigned	3,813,695	-	-	3,813,695
Unassigned:				
Funds in deficit	-	(720,334)	(293,986)	(1,014,320)
Unassigned	532,975	-	-	532,975
Total Unassigned	532,975	(720,334)	(293,986)	(481,345)
Total	\$ 4,927,736	\$ (720,334)	\$ 1,883,277	\$ 6,090,679

15. Minuteman Regional School District Contributory Retirement System

The District follows the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25 and 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

The System is a member of the Massachusetts Contributory Retirement System (MA System) and is governed by Chapter 32 of the Massachusetts General Laws. Because of the significance of its operational and financial relationships with the District, the System is included as a pension trust fund in the District’s basic financial systems.

Substantially all employees of the District (except teachers) are members of the Minuteman Regional School District Contributory Retirement System (MMCRS), a single employer defined benefit public employee retirement system. Eligible employees must participate in the MMCRS. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the MMCRS Retirement Board. Chapter 32 also establishes contribution percentages and benefits paid.

The MMCRS is governed by a five-member Board. The five members include two appointed by the District, two elected by the members and retirees, and a fifth member chosen by the other four members with the approval of the Public Employee Retirement Administration Commission. The MMCRS does not have the authority to amend benefit provisions.

Membership of the plan consisted of the following at January 1, 2019 (the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	40
Inactive members with a vested right to a deferred or immediate benefit	6
Active plan members	<u>49</u>
Total	<u><u>95</u></u>

Benefits Provided

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year (or five-year salary as discussed below) average salary. For veterans as defined in G.L. c. 32, s. 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

- Salary is defined as gross regular compensation. For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation for members who retire after April 2, 2012 will be limited to prohibit "spiking" of a member's salary to increase the retirement benefit.
- For persons who became members prior to April 2, 2012, average salary is the average annual rate of regular compensation received during the three consecutive years that produce the highest average, or, if greater, during the last three years (whether or not consecutive) preceding retirement.
- For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement.
- The benefit rate varies with the member's retirement age. For persons who became members prior to April 2, 2012, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.
- For persons who became members on or after April 2, 2012 and retire with less than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .15% reduction is applied for each year of age under the maximum age for the member's group.
- For persons who became members on or after April 2, 2012 and retire with more than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 55. A .125% reduction is applied for each year of age under the maximum age for the member's group.
- A participant who has attained the requisite years of creditable service can elect to defer his or her retirement until a later date. Group 4 employees cannot defer beyond age 65.

- All participants must begin to receive a retirement allowance or withdraw their accumulated deductions no later than April 15 of the calendar year following the year they reach age 70½.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. An employee’s individual contribution percentage is determined by their date of entry into the System. 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 a Massachusetts System 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.

The District is 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, 2020 was \$270,000, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

The accounting policies of the MMCRS used in the accompanying financial statements for the year ended December 31, 2019 conform to generally accepted accounting principles for public employee retirement systems. The more significant accounting policies of the MMCRS are summarized below:

Basis of Accounting

Contributory retirement system financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized as revenue in the period in which the members provide services to the employer. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments

Investments are reported at fair value in accordance with PERAC requirements. MMCRS assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Rate of Return

For the year ended December 31, 2019, the money weighted rate of return on investments, net of investment expenses including inflation, was 16.26%.

Net Pension Liability

The net pension liability was based on an actuarial valuation dated January 1, 2019 and rolled forward to December 31, 2019.

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

The components of the net pension liability of the participating employers at June 30, 2020 were as follows:

Total pension liability	\$ 16,412,000
Plan fiduciary net position	<u>(14,747,000)</u>
Employers' net pension liability	<u>\$ 1,665,000</u>
Plan fiduciary net position as a	89.85%

Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation Date	January 1, 2019
Actuarial cost method	Entry Age Normal Cost
Remaining amortization period	16 years
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	
Group 1	4.25%
Group 2	4.50%
Group 4	4.75%
Inflation rate	Not explicitly assumed
Post-retirement cost-of-living adjustment	3% on first \$13,000

Actuarial valuation of the ongoing Systems involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the January 1, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period January 1, 2017.

- Pre-retirement rates reflect the RP-2000 Employees table projected generationally with scale BB and a base year of 2009 (gender distinct)
- Post-retirement rates reflect the RP-2000 Healthy Annuitant table projected generationally with scale BB and a base year of 2009 (gender distinct)
- For disabled retirees, the rates reflect the RP-2000 Healthy Annuitant table projected generationally with scale BB and a base year of 2012 (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, without inflation, 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>
US Equity	13.00%	7.62%
Int'l Equities	13.00%	7.80%
Emerging Int'l Equities	5.00%	9.31%
Hedged equity	8.00%	6.89%
Core Bonds	6.00%	4.37%
Short-term fixed income	2.00%	4.01%
20+ Yr. treasury strips	3.00%	3.50%
TIPS	4.00%	4.00%
Value-Added Fixed Income	8.00%	7.58%
Private Equity	13.00%	11.15%
Real Estate	10.00%	6.43%
Timberland	4.00%	7.00%
Portfolio Completion	11.00%	6.76%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% (previously 7.40%). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 of the Proportionate Share of the Net Pension Liability 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 7.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 3,354,000	\$1,665,000	\$232,000

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$1,665,000 representing the total net pension liability of the MMCRS. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

For the year ended June 30, 2020, the District recognized total pension expense of \$233,000. In addition, the District reported deferred outflows and deferred (inflows) of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ (268,000)
Net difference between the projected and actual earnings on pension investments	-	(532,000)
Changes in assumptions	<u>323,000</u>	<u>-</u>
Total	\$ <u>323,000</u>	\$ <u>(800,000)</u>

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

<u>Year ended June 30:</u>	
2020	\$ (172,000)
2021	(147,000)
2022	60,000
2023	<u>(218,000)</u>
Total	\$ <u>(477,000)</u>

16. Massachusetts Teachers' Retirement System

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 nonemployer 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 standalone 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 the system 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 - 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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

- (a) 7.25% (changed from 7.35%) 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 through January 1, 2017.

- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2014 White Collar Employees table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement – reflects RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP -2016 (gender distinct).
 - Disability – assumed to be in accordance with the RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (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, 2019 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%	4.90%
Portfolio completion strategies	11.00%	3.90%
Core fixed income	15.00%	1.30%
Private equity	13.00%	8.20%
Real estate	10.00%	3.60%
Value added fixed income	8.00%	4.70%
Timber/natural resources	4.00%	4.10%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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’s 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:

1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of member employers. Therefore, these employers are considered to be in a special funding situation as defined by *GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68)* and the Commonwealth is a nonemployer 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 2019 (the most recent measurement period), the District’s proportionate share of the MTRS’ collective net pension liability was \$33,700,373 based on a proportionate share of 0.133657%. As required by GASB 68, the District has recognized its portion of the Commonwealth’s contribution of approximately \$1,929,624 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$4,086,755 as both a revenue and expense in the governmental activities.

17. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), replaces the requirements of *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 health care 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 *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The 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, 2020.

General Information about the OPEB Plan

Plan Description

The District provides post-employment 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 the Massachusetts General Laws.

Benefits Provided

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

Plan Membership

As of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	110
Active employees	<u>140</u>
Total	<u><u>250</u></u>

Investments

The OPEB trust fund assets consist of equity mutual funds and fixed income mutual funds.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was not available.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2018, 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	2.21% net of OPEB plan investment expense
Municipal bond rate	2.21% - June 30, 2018 Bond Buyer's 20 Bond Index
Discount rate	2.21%
Healthcare cost trend rates	7.50% for 2020 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 RP-2000 combined mortality table projected on a generational basis using projection scale AA.

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 2.21%, changed from 3.50%. 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, 2020, were as follows:

Total OPEB liability	\$ 32,473,201
Plan fiduciary net position	<u>251,563</u>
Net OPEB liability	<u>\$ 32,221,638</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.77%

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	\$ 24,209,123	\$ 209,737	\$ 23,999,386
Changes for the year:			
Service cost	1,111,424	-	1,111,424
Interest	877,010	(8,173)	885,183
Contributions - employer	-	580,801	(580,801)
Changes in assumptions and other inputs	6,806,446	-	6,806,446
Benefit payments	<u>(530,802)</u>	<u>(530,802)</u>	<u>-</u>
Net changes	<u>8,264,078</u>	<u>41,826</u>	<u>8,222,252</u>
Balances, end of year	<u>\$ 32,473,201</u>	<u>\$ 251,563</u>	<u>\$ 32,221,638</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2019 to 2.21% in 2020.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
\$ 39,354,127	\$ 32,221,638	\$ 26,755,295

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

1% Decrease (6.50%)	Current Healthcare Cost Trend Rates (7.50%)	1% Increase (8.50%)
\$ 25,657,392	\$ 32,221,638	\$ 41,227,485

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,942,378. At June 30, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (3,326,671)
Changes in assumptions	<u>8,946,212</u>	<u>(508,637)</u>
Total	<u>\$ 8,946,212</u>	<u>\$ (3,835,308)</u>

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

<u>Year Ended June 30:</u>	
2021	\$ 953,944
2022	953,944
2023	971,297
2024	1,127,465
2025	<u>1,104,254</u>
Total	<u>\$ 5,110,904</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:

	Pension Trust Fund (December 31, 2019)	Other Post-Employment Benefits Trust Fund	Pension and OPEB Trust Funds
Assets			
Cash and short-term investments	\$ 370,726	\$ -	\$ 370,726
Investments:			
External investment pool	14,355,768	-	14,355,768
Equity mutual funds	-	200,008	200,008
Mutual funds	-	51,555	51,555
Total Investments	<u>14,355,768</u>	<u>251,563</u>	<u>14,607,331</u>
Accounts receivable	<u>20,181</u>	<u>-</u>	<u>20,181</u>
Total Assets	14,746,675	251,563	14,998,238
Net Position			
Restricted for pension purposes	14,746,675	-	14,746,675
Restricted for OPEB purposes	<u>-</u>	<u>251,563</u>	<u>251,563</u>
Total Net Position	<u>\$ 14,746,675</u>	<u>\$ 251,563</u>	<u>\$ 14,998,238</u>
Additions			
Contributions:			
Employers	\$ 270,000	\$ 580,802	\$ 850,802
Plan members	298,813	-	298,813
Other systems and Commonwealth of Massachusetts	<u>72,968</u>	<u>-</u>	<u>72,968</u>
Total contributions	641,781	580,802	1,222,583
Investment Income (Loss):			
Investment income	-	4,468	4,468
Increase in fair value of investments	2,115,450	(12,641)	2,102,809
Less: management fees	<u>(70,677)</u>	<u>-</u>	<u>(70,677)</u>
Net investment income (loss)	<u>2,044,773</u>	<u>(8,173)</u>	<u>2,036,600</u>
Total additions	2,686,554	572,629	3,259,183
Deductions			
Benefit payments to plan members and beneficiaries	1,149,705	530,802	1,680,507
Refunds to plan members	14,516	-	14,516
Transfers to other systems	81,863	-	81,863
Administrative expenses	<u>66,579</u>	<u>-</u>	<u>66,579</u>
Total deductions	<u>1,312,663</u>	<u>530,802</u>	<u>1,843,465</u>
Net increase	1,373,891	41,827	1,415,718
Net position restricted for pension and OPEB purposes			
Beginning of year	<u>13,372,784</u>	<u>209,736</u>	<u>13,582,520</u>
End of year	<u>\$ 14,746,675</u>	<u>\$ 251,563</u>	<u>\$ 14,998,238</u>

19. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (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 is 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. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, Fiduciary Activities, effective for the District beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, Leases, effective for the District beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
 General Fund
 Statement of Revenues and Other Sources, and Expenditures and Other Uses -
 Budget and Actual
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
	<u>Budget</u>	<u>Budget</u>	(Budgetary	Positive
			Basis)	(Negative)
Revenues:				
Assessments to members	\$ 15,856,905	\$ 15,856,905	\$ 15,858,704	\$ 1,799
Intergovernmental revenues	2,924,795	2,924,795	3,212,337	287,542
Charges for services	400,000	400,000	400,000	-
Investment income	-	-	57,871	57,871
Miscellaneous	-	-	60,569	60,569
Total Revenues	19,181,700	19,181,700	19,589,481	407,781
Expenditures:				
Administration	1,446,326	1,868,138	1,830,465	37,673
Instruction	10,352,768	10,373,363	10,406,451	(33,088)
Other school services	2,020,898	1,584,610	1,446,398	138,212
Operation and maintenance	1,793,498	1,645,102	1,566,303	78,799
Fixed charges	3,165,506	3,166,860	3,263,669	(96,809)
Community services	100,000	100,000	100,000	-
Capital acquisitions	120,000	240,000	192,810	47,190
Other	20,001	16,911	14,782	2,129
Debt service	3,614,834	3,638,847	3,638,847	-
Total Expenditures	22,633,831	22,633,831	22,459,725	174,106
Excess (Deficiency) of Revenues over Expenditures	(3,452,131)	(3,452,131)	(2,870,244)	581,887
Other Financing Sources (Uses)				
Transfers in				
Transfers out	(135,000)	(135,000)	(135,000)	-
Use of fund balance - prior year tuition	3,047,131	3,047,131	3,047,131	
Use of fund balance - operations	540,000	540,000	540,000	
Total Other Financing Sources (Uses)	3,452,131	3,452,131	3,452,131	-
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 581,887	\$ 581,887

See Independent Auditors' Report.

**Notes to the Required Supplemental 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 generally accepted accounting principles (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 and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP Basis	\$ 24,510,421	\$ 24,774,577	\$ -
Recognize use of fund balance as funding source - prior year tuition	-	-	3,047,131
Current year tuition received - assigned to 2021 budget	(2,907,461)	-	-
To record use of E&D	-	-	540,000
Stabilization	(13,347)	(292,913)	(85,000)
Unbudgeted revenues and expenditures	(70,508)	(42,315)	-
To reverse MTRS for budget purposes	(1,929,624)	(1,929,624)	-
Other	-	(50,000)	(50,000)
Budgetary Basis	<u>\$ 19,589,481</u>	<u>\$ 22,459,725</u>	<u>\$ 3,452,131</u>

See Independent Auditors' Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

(Unaudited)

Minuteman Regional School District Contributory Retirement Plan

<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>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, 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, 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 Independent Auditors' 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, 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 Independent Auditors' Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Changes in Net Pension Liability

(Unaudited)

(Amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 324	\$ 322	\$ 307	\$ 354	\$ 338	\$ 291
Interest	1,138	1,133	1,144	1,124	1,004	999
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(316)	-	(767)	-	397	-
Changes of assumptions	444	-	217	-	730	-
Benefit payments, including refunds/transfers of member contributions	<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	499	384	(156)	612	1,589	474
Total pension liability - beginning	<u>15,913</u>	<u>15,529</u>	<u>15,685</u>	<u>15,073</u>	<u>13,484</u>	<u>13,010</u>
Total pension liability - ending (a)	<u>16,412</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	\$ 270	\$ 250	\$ 200	\$ 185	\$ 170	\$ 150
Contributions - member	217	204	196	49	194	268
Contributions - other additions	-	105	-	4	-	933
Net investment income	2,045	(232)	2,093	889	88	(816)
Benefit payments, including refunds/transfers of member contributions	(1,091)	(1,156)	(1,057)	(866)	(880)	(46)
Administrative expense	<u>(67)</u>	<u>(126)</u>	<u>(37)</u>	<u>(34)</u>	<u>(40)</u>	<u>(5)</u>
Net change in plan fiduciary net position	1,374	(955)	1,395	227	(468)	484
Plan fiduciary net position - beginning	<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>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 - ending (a-b)	<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 Auditors' Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

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

(Unaudited)
(Amounts expressed in thousands)

Schedule of Net Pension Liability	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 16,412	\$ 15,913	\$ 15,529	\$ 15,685	\$ 15,073	\$ 13,484
Plan fiduciary net position	<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	\$ <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	89.9%	84.0%	92.3%	82.5%	84.3%	97.7%
Covered payroll	\$ 2,264	\$ 2,209	\$ 2,209	\$ 2,745	\$ 2,745	\$ 2,238
Participating employer net pension liability as a percentage of covered payroll	73.5%	115.0%	54.4%	100.3%	86.2%	13.9%
 Schedule of Contributions	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Actuarially determined contribution	\$ 270	\$ 250	\$ 200	\$ 185	\$ 170	\$ 150
Contributions in relation to the actuarially determined contribution	<u>270</u>	<u>250</u>	<u>200</u>	<u>185</u>	<u>170</u>	<u>150</u>
Contribution deficiency (excess)	\$ <u>-</u>					
Covered payroll	\$ 2,264	\$ 2,209	\$ 2,209	\$ 2,745	\$ 2,745	\$ 2,238
Participating employer net pension liability as a percentage of covered payroll	11.9%	11.3%	9.1%	6.7%	6.2%	6.4%
 Schedule of Investment Returns						
<i>Year Ended December 31</i>	<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	16.26%	-2.26%	7.40%	7.50%	0.71%	7.74%

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

See Independent Auditors' Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 1,111,424	\$ 977,751	\$ 1,168,517
Interest	877,010	855,485	838,862
Differences between expected and actual experience		(4,937,651)	
Change in assumptions and other inputs	6,806,446	4,860,139	(1,023,773)
Benefit payments, including refunds of member contributions	<u>(530,802)</u>	<u>(491,472)</u>	<u>(598,924)</u>
Net change in total OPEB liability	8,264,078	1,264,252	384,682
Total OPEB liability - beginning	<u>24,209,123</u>	<u>22,944,871</u>	<u>22,560,189</u>
Total OPEB liability - ending (a)	\$ <u><u>32,473,201</u></u>	\$ <u><u>24,209,123</u></u>	\$ <u><u>22,944,871</u></u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 580,802	\$ 541,472	\$ 648,924
Net investment income	(8,174)	9,868	(100)
Benefit payments, including refunds of member contributions	<u>(530,802)</u>	<u>(491,472)</u>	<u>(598,924)</u>
Net change in plan fiduciary net position	41,826	59,868	49,900
Plan fiduciary net position - beginning	<u>209,737</u>	<u>149,869</u>	<u>99,969</u>
Plan fiduciary net position - ending (b)	\$ <u><u>251,563</u></u>	\$ <u><u>209,737</u></u>	\$ <u><u>149,869</u></u>
Net OPEB liability - ending (a - b)	\$ <u><u>32,221,638</u></u>	\$ <u><u>23,999,386</u></u>	\$ <u><u>22,795,002</u></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 Auditors' Report.

MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedules of Net OPEB Liability, Contributions, and Investment Returns
(GASB 74 AND GASB 75)

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schedule of Net OPEB Liability			
Total OPEB liability	\$ 32,473,201	\$ 22,712,987	\$ 22,944,871
Plan fiduciary net position	<u>251,563</u>	<u>209,737</u>	<u>149,869</u>
Net OPEB liability	\$ <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	0.77%	0.92%	0.65%
Covered payroll	\$ Unavailable	\$ Unavailable	\$ Unavailable
Participating employer net OPEB liability as a percentage of covered payroll	Unavailable	Unavailable	Unavailable
Schedule of Contributions			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution*	\$ 530,802	\$ 491,472	\$ 598,924
Contributions in relation to the actuarially determined contribution	<u>580,802</u>	<u>541,472</u>	<u>648,924</u>
Contribution deficiency (excess)	\$ <u>(50,000)</u>	\$ <u>(50,000)</u>	\$ <u>(50,000)</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A
Schedule of Investment Returns			
	<u>2019</u>	<u>2018</u>	<u>2018</u>
Annual money weighted rate of return, net of investment expense	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 Auditors' Report.