

AMSTERDAM SCHOOL DISTRICT NUMBER 75

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

AMSTERDAM SCHOOL DISTRICT NUMBER 75

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Amsterdam School District Number 75

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amsterdam School District No. 75 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 8 and 38 - 47 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of School District Enrollment and the Schedule of Additions, Deductions, and Balances - Extracurricular Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of School District Enrollment and the Schedule of Additions, Deductions, and Balances - Extracurricular Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of School District Enrollment and the Schedule of Additions, Deductions, and Balances - Extracurricular Funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 08, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Holmes & Turner
Bozeman, Montana
March 08, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

AMSTERDAM SCHOOL DISTRICT NUMBER 75
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The discussion and analysis of School District Number 75's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights:

Key financial highlights for fiscal year 2022 include:

1. Amsterdam did not offer an after-school program in FY22 so no grant funding was requested or received through the United Way.
2. FY22 enrollment increased from 136 to 156. These figures are as of October 2020 and October 2021, respectively. Due to ESSER fund availability, no Districts were able to request a funding increase in advance due to anticipated enrollment increase. Rather, funding for increased enrollment was deposited into Fund 115 by OPI in April. Since the General Fund had been depleted, in part due to the needs of more students, year-end supplies were purchased from these funds. The District continued to accept those out-of-district students previously enrolled, and enrolled several new families as the classes had space. Kindergarten was split into two classes, and there was a ½ combo and a ¾ combo class as well as the regular class at each of these grades. The District hired the additional teacher with Covid relief funding, as well as maintaining the funding of the extra teacher from FY21 from this source since smaller classes are optimal to give students the extra attention needed to reverse the learning loss.
3. No teachers were offered tenure for FY22. Additional paraprofessionals were hired mid-year as a new Special Needs student arrived in December and the District began working with a Special Needs preschooler. Most teachers received a stipend for cleaning their own classrooms as a second custodian could not be found. A new counselor was hired at .6 FTE beginning in October. Administration remained split as principal (0.8) and superintendent(0.2) FTE.
4. The number of Special Education students with case manager at Amsterdam increased to 9 (one full-time student was accommodated with a one-on-one aide, additional student needing aide arrived in Dec), and the caseload of speech-only students remained at 3; speech only at Manhattan Christian School included 8 students. Our special education teacher was needed to do evaluations and Child Find at Manhattan Christian School during the year; this assignment will continue into the future.
5. No funding was available in the general fund at the end of FY22; supplies were purchased with the Increased Enrollment funds deposited into Fund 115. The Board continued with the increased substitute pay at \$110/day for subbing in a certified position, with subbing for classified positions remaining at \$85/day. The increase over base came from ESSER funding.
6. No operating or voted Building Reserve levies were sought during this school year. The board utilized the permissive levy in the Building Reserve fund to levy \$15,851.69 to be matched by the State Major Maintenance Fund, to be used for building maintenance.
7. Recess and lunch groupings were returned to K-2 and 3-6. Food service was anticipated from Manhattan Christian School, but when they were unable to find sufficient help, our students needed to bring lunches from home again. Beginning the end of September, the school began alternating pizza and hot dogs on

AMSTERDAM SCHOOL DISTRICT NUMBER 75
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Wednesdays, in order to provide one hot lunch each week. Students signed up online in advance. Manhattan Christian became able to supply us with weekly milk. Masks in school were optional for staff and students. Masks were still required on the busses to and from school. All students were again eligible to be transported.

8. Four thousand in school impact fees were received for lots sold in two subdivisions. To date, \$3,452.26 has been spent on wages for additional staff needs; the rest of these funds are still being held until needed for additional teachers or expenses related to continued growth. Currently, the extra teachers are for smaller class sizes to address lost instructional and are paid for with the ESSER II Basic, Supplemental and Special Needs funds and ESSER III Basic funds.
9. Athletics: Volleyball and 5th/6th grade girls' and boys' basketball were offered once again.

Overview of the Financial Statements

Government-wide financial statements

One of the most important questions asked about the District's finances is, "is the school district as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the district as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

Fund financial reports provide detailed information about the District's most significant funds – not the district as a whole. Some funds are required to be established by State law. Also, the governing body establishes many other funds to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other money. We utilize the following 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 nearterm inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Fiduciary Funds - fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds use the accrual basis of accounting. We exclude these activities from the other financial statements because we cannot use these assets to finance our operations. We are responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The District as a Whole

The following is a schedule of net position:

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|-----------------------------------|-------------------|-------------------|------------------|
| Current and other assets | \$ 431,094 | \$ 429,391 | \$ 1,703 |
| Capital assets, net | <u>3,229,352</u> | <u>3,275,581</u> | <u>(46,229)</u> |
| Total assets | <u>3,660,446</u> | <u>3,704,972</u> | <u>(44,526)</u> |
| Deferred outflows of resources | <u>240,077</u> | <u>234,552</u> | <u>5,525</u> |
| Other liabilities | 14,746 | 9,153 | 5,593 |
| Long-term liabilities outstanding | <u>2,924,128</u> | <u>3,318,217</u> | <u>(394,089)</u> |
| Total liabilities | <u>2,938,874</u> | <u>3,327,370</u> | <u>(388,496)</u> |
| Deferred inflows of resources | <u>281,419</u> | <u>5,384</u> | <u>276,035</u> |
| Net position | | | |
| Net investment in capital assets | 1,204,252 | 1,091,244 | 113,008 |
| Restricted | 297,453 | 447,391 | (149,938) |
| Unrestricted | <u>(821,475)</u> | <u>(931,865)</u> | <u>110,390</u> |
| Total net position | <u>\$ 680,230</u> | <u>\$ 606,770</u> | <u>\$ 73,460</u> |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The following is a schedule of changes in net position:

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|-------------------------------------|-------------------|-------------------|------------------|
| Revenues: | | | |
| Program revenues | | | |
| Charges for services | \$ 43,716 | \$ 21,272 | \$ 22,444 |
| Operating grants and contributions | 230,025 | 152,619 | 77,406 |
| General revenues | | | |
| Taxes | 633,910 | 610,732 | 23,178 |
| State sources | 759,483 | 733,910 | 25,573 |
| County sources | 119,910 | 118,182 | 1,728 |
| Interest | 2,080 | 2,404 | (324) |
| Extracurricular activity receipts | 23,321 | 10,835 | 12,486 |
| Miscellaneous | <u>7,602</u> | <u>6,475</u> | <u>1,127</u> |
| Total revenues | <u>1,820,047</u> | <u>1,656,429</u> | <u>163,618</u> |
| Expenses: | | | |
| Instruction | 1,099,090 | 1,061,140 | 37,950 |
| Support services | 544,823 | 461,963 | 82,860 |
| Food services | 9,854 | 211 | 9,643 |
| Extracurricular activities | 22,110 | 4,223 | 17,887 |
| Community services | - | - | - |
| Interest on long-term debt | <u>70,712</u> | <u>75,862</u> | <u>(5,150)</u> |
| Total expenses | <u>1,746,589</u> | <u>1,603,399</u> | <u>143,190</u> |
| Transfers | <u>-</u> | <u>10,000</u> | <u>(10,000)</u> |
| Change in net position | 73,458 | 43,030 | 30,428 |
| Net position, beginning | 606,772 | 543,817 | 62,955 |
| Prior period adjustment, GASB 84 | <u>-</u> | <u>19,925</u> | <u>(19,925)</u> |
| Net position, beginning as restated | 606,772 | 563,742 | 43,030 |
| Net position, ending | <u>\$ 680,230</u> | <u>\$ 606,772</u> | <u>\$ 73,458</u> |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The Government's Future

Enrollment is expected to increase in the long term as there is an active residential development of 57 lots within the district. Short-term enrollment for FY23 is expected to increase due to the families returning to in-person instruction and the addition of new out-of-district families. The General Fund budget received a boost due to the additional students in FY21. Therefore, regular classroom teachers will be paid from the General Fund, but the additional FTE for the counselor and the new full-time Special Education teacher will still come from ESSER funding. The General Fund will also support increasing the base substitute pay to \$100/day with an extra \$1.25/hr added for those subbing in a certified position, coming from ESSER funding.

In order to maintain small classes, we will have two Kindergartens, two 1st, and two 2nd grade classes for FY23. With retirement and resignations, we will have only two regular paraprofessionals, one at 1.0 FTE and one at 0.8 FTE. Hiring a new full-time special education teacher will decrease aide support to the two full-time Special Needs students. The new Special Needs Kindergartner will attend only half-time at first and have his own Intervener, O&M specialist, and Teacher of the Deaf. Most funding for this will come from the permissive levy in Fund 113 after the required expenditures from the General Fund.

The District has coordinated with Manhattan Christian School to provide Title IA services at that location. An aide will perform the services that are provided with the District's proportionate share of funding. Title funding continues to decrease as the District is becoming more affluent overall. The District's Title IA positions as well as the Title IIA class-size reduction and professional development will be supported by REAP funds, and with Covid funding this year. The district received Title IV funding in FY22; all of those funds were rolled to Title IIA. For FY23, they will be rolled into Title IA.

The District's 7th and 8th grade students will continue to attend Manhattan Public School under a tuition/transportation/other costs contract.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF NET POSITION
JUNE 30, 2022

| | |
|---|-------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 294,630 |
| Receivables | |
| Taxes receivable | 5,357 |
| Due from other governments | 131,107 |
| Capital assets, nondepreciable | 213,763 |
| Capital assets, net of accumulated depreciation | <u>3,015,589</u> |
| Total assets | <u>3,660,446</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pension | <u>240,077</u> |
| LIABILITIES | |
| Accounts payable and accrued expenses | 14,746 |
| Noncurrent liabilities | |
| Due within one year | 41,220 |
| Due in more than one year | <u>2,882,908</u> |
| Total liabilities | <u>2,938,874</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pension | <u>281,419</u> |
| NET POSITION | |
| Net investment in capital assets | 1,204,252 |
| Restricted | |
| Building reserve | 105,788 |
| Debt service | 15,866 |
| Retirement | 25,833 |
| School food service | 3,674 |
| Technology | 4,849 |
| Transportation | 31,495 |
| Flexibility | 44,973 |
| Tuition | 7,984 |
| Miscellaneous programs | 53,224 |
| Extracurricular funds | 3,767 |
| Unrestricted | <u>(821,475)</u> |
| Total net position | <u>\$ 680,230</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--------------------|--------------|----------------------|---------------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| GENERAL | | | | |
| Instruction | \$ 1,099,090 | \$ 27,047 | \$ 230,025 | \$ (842,018) |
| Support services | 544,823 | 4,202 | - | (540,621) |
| Food services | 9,854 | 12,467 | - | 2,613 |
| Extracurricular | 22,110 | - | - | (22,110) |
| Interest | 70,712 | - | - | (70,712) |
| Total | \$ 1,746,589 | \$ 43,716 | \$ 230,025 | \$ (1,472,848) |

GENERAL REVENUES

| | |
|--------------------------|------------|
| Taxes | \$ 633,910 |
| Intergovernmental | |
| County | 119,910 |
| State aid | 448,027 |
| State other | 311,456 |
| Interest | 2,080 |
| Extracurricular receipts | 23,321 |
| Other | 7,602 |
| Total general revenues | 1,546,306 |
| Change in net position | 73,458 |
| Net position, beginning | 606,772 |
| Net position, ending | \$ 680,230 |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | General | Misc. Programs | Flexibility |
|--|------------|-------------------|-------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 109,108 | \$ (58,387) | \$ 44,946 |
| Receivables | 2,860 | 125,657 | 27 |
| Total assets | 111,968 | 67,270 | 44,973 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | - | 14,046 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred revenues | 2,486 | - | - |
| FUND BALANCES (DEFICITS) | | | |
| Restricted | | | |
| Building reserve | - | - | - |
| Debt service | - | - | - |
| Retirement | - | - | - |
| School food service | - | - | - |
| Technology | - | - | - |
| Transportation | - | - | - |
| Flexibility | - | - | 44,973 |
| Tuition | - | - | - |
| Miscellaneous programs | - | 53,224 | - |
| Extracurricular funds | - | - | - |
| Assigned | | | |
| Encumbrances | 15,748 | - | - |
| Unassigned | 93,734 | - | - |
| Total fund balances | 109,482 | 53,224 | 44,973 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 111,968 | \$ 67,270 | \$ 44,973 |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | Debt Service | Building Reserve | Total Nonmajor Funds | Total Governmental Funds |
|--|------------------|---------------------|----------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 14,474 | \$ 105,580 | \$ 78,909 | \$ 294,630 |
| Receivables | 2,092 | 209 | 5,620 | 136,465 |
| Total assets | <u>16,566</u> | <u>105,789</u> | <u>84,529</u> | <u>431,095</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | <u>700</u> | <u>-</u> | <u>-</u> | <u>14,746</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred revenues | <u>1,980</u> | <u>136</u> | <u>755</u> | <u>5,357</u> |
| FUND BALANCES (DEFICITS) | | | | |
| Restricted | | | | |
| Building reserve | - | 105,652 | - | 105,652 |
| Debt service | 13,886 | - | - | 13,886 |
| Retirement | - | - | 25,833 | 25,833 |
| School food service | - | - | 3,674 | 3,674 |
| Technology | - | - | 4,815 | 4,815 |
| Transportation | - | - | 31,297 | 31,297 |
| Flexibility | - | - | - | 44,973 |
| Tuition | - | - | 7,462 | 7,462 |
| Miscellaneous programs | - | - | - | 53,224 |
| Extracurricular funds | - | - | 3,767 | 3,767 |
| Assigned | | | | |
| Encumbrances | - | - | 6,926 | 22,674 |
| Unassigned | | | | |
| Total fund balances | <u>13,886</u> | <u>105,652</u> | <u>83,774</u> | <u>410,991</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 16,566</u> | <u>\$ 105,788</u> | <u>\$ 84,529</u> | <u>\$ 431,094</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of net position are different because of the following:

| | |
|---|-------------|
| Total fund balance, governmental funds | \$ 410,991 |
| Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds balance sheet. | 3,229,352 |
| Some liabilities, including compensated absences, are not due and payable in the current period and therefore, are not included in governmental funds. | (41,220) |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund. | |
| Deferred inflows | 240,077 |
| Deferred outflows | (281,419) |
| Net pension liability and related deferred inflows of resources for pension plans are reported in the statement of net position of the governmental activities but are not reported on the fund statements. | (857,809) |
| Long-term debt obligations are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the statement of net position. | (2,025,099) |
| Unavailable tax revenue is recorded in the funds, but is not recorded under the measurement focus used in the statement of net position. | 5,357 |
| Total net position of governmental activities | \$ 680,230 |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>General</u> | <u>Misc. Programs</u> | <u>Flexibility</u> |
|---------------------------------|-------------------|---------------------------|--------------------|
| REVENUES | | | |
| Taxes | | | |
| Taxes | \$ 305,481 | \$ - | \$ - |
| Intergovernmental | | | |
| County | - | - | - |
| State aid | 402,713 | 45,314 | - |
| State other | 231,788 | - | - |
| Federal | - | 230,025 | - |
| Charge for services | 27,047 | - | - |
| Interest | 629 | - | 186 |
| Extracurricular receipts | - | - | - |
| Other | 1,298 | 5,695 | 500 |
| Total revenue | <u>968,956</u> | <u>281,034</u> | <u>686</u> |
| EXPENDITURES | | | |
| Current | | | |
| General | 965,419 | 253,559 | - |
| Debt service | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Capital outlay | | | |
| Capital outlay | 4,537 | - | - |
| Total expenditures | <u>969,956</u> | <u>253,559</u> | <u>-</u> |
| Net changes in fund balance | (1,000) | 27,475 | 686 |
| Fund balance, beginning | <u>110,481</u> | <u>25,749</u> | <u>44,287</u> |
| Fund balances (deficit), ending | <u>\$ 109,481</u> | <u>\$ 53,224</u> | <u>\$ 44,973</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Debt Service</u> | <u>Building Reserve</u> | <u>Total Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------|---------------------|-------------------------|-----------------------------|---------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Taxes | \$ 241,763 | \$ 16,668 | \$ 91,401 | \$ 655,313 |
| Intergovernmental | | | | |
| County | - | - | 119,910 | 119,910 |
| State aid | - | - | - | 448,027 |
| State other | 2,151 | 14,048 | 13,329 | 261,316 |
| Federal | - | - | - | 230,025 |
| Charge for services | - | - | 16,669 | 43,716 |
| Interest | 367 | 428 | 469 | 2,079 |
| Extracurricular receipts | - | - | 23,321 | 23,321 |
| Other | - | - | 110 | 7,603 |
| Total revenue | <u>244,281</u> | <u>31,144</u> | <u>265,209</u> | <u>1,791,310</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General | - | 4,038 | 283,330 | 1,506,346 |
| Debt service | | | | |
| Principal | 150,000 | - | - | 150,000 |
| Interest | 79,950 | - | - | 79,950 |
| Capital outlay | | | | |
| Capital outlay | - | 15,712 | 17,257 | 37,506 |
| Total expenditures | <u>229,950</u> | <u>19,750</u> | <u>300,587</u> | <u>1,773,802</u> |
| Net changes in fund balance | 14,331 | 11,394 | (35,378) | 17,508 |
| Fund balance, beginning | <u>(445)</u> | <u>94,256</u> | <u>119,151</u> | <u>393,479</u> |
| Fund balances (deficit), ending | <u>\$ 13,886</u> | <u>\$ 105,650</u> | <u>\$ 83,773</u> | <u>\$ 410,987</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|--|----|---------------|
| Net change in fund balances - total governmental funds | \$ | 17,508 |
| 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. | | |
| Depreciation expense | | (83,734) |
| Capital outlay | | 37,506 |
| Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position. | | |
| | | 150,000 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. | | |
| Increase (decrease) in taxes receivable | | (21,401) |
| State pension aid (on-behalf payment) | | 50,139 |
| 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 the governmental funds: | | |
| (Increase) decrease in compensated absences | | (480) |
| Bond premium amortization | | 9,238 |
| Adjustment to actuarial pension expense | | (85,318) |
| Change in net position of governmental activities | \$ | <u>73,458</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

| | Trust Funds | | Custodial Funds | |
|---|----------------------------------|---------------------------------|--------------------------|-------------------------|
| | Private Purpose Trust Fund | Interlocal Agreement Fund | Payroll Clearing Fund | Claims Clearing Fund |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 54 | \$ 125,059 | \$ 29,330 | \$ 65,634 |
| Accounts receivable, net of allowances | - | 64 | - | - |
| Capital assets, net of accumulated depreciation | - | 4,500 | - | - |
| Total assets | <u>54</u> | <u>129,623</u> | <u>29,330</u> | <u>65,634</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | - | - | 29,330 | 65,634 |
| NET POSITION | | | | |
| Held in trust | <u>54</u> | <u>129,623</u> | <u>-</u> | <u>-</u> |
| Total net position | <u>\$ 54</u> | <u>\$ 129,623</u> | <u>\$ -</u> | <u>\$ -</u> |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

| | Trust Funds | |
|---|----------------------------------|---------------------------------|
| | Private Purpose Trust Fund | Interlocal Agreement Fund |
| ADDITIONS | | |
| Contributions | | |
| Contributions from Districts | \$ - | \$ 26,000 |
| Investment earnings | | |
| Gain (loss) on sale of assets | - | (3,998) |
| Interest | - | 451 |
| Total investment earnings | - | (3,547) |
| Net investment earnings | - | (3,547) |
| DEDUCTIONS | | |
| Program expenses | - | 8,292 |
| Net increase (decrease) in fiduciary net position | - | 14,161 |
| Net position, beginning | 53 | 115,462 |
| Net position, ending | \$ 53 | \$ 129,623 |

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

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared to conform with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was established under Montana law to provide educational services below the college and university level to residents of the district. The District consists of a kindergarten through sixth grade district which is managed by a central Board of Trustees, elected in a district-wide election and by a central administration appointed by and responsible to the Board.

The County provides substantial services to the District: tax billing, cash collections, debt payments and warrant redemption. The County also maintains the District's cash and invests available funds at the direction of the District. The County Commissioners have a legal obligation to set levy amounts and to approve the budget adopted by the District. However, despite the degree of services provided, the District does not qualify as a component unit of the County.

These financial statements present, as a single reporting entity, all activities of the primary government. A primary government is defined as having a separately elected governing body, being legally separate, and fiscally independent.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Fiduciary funds are excluded from the government-wide financial 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 identifiable activity. Program revenues include 1) charges for services which report fees and other charges provided by a given function or identifiable activity 2) operating grants and contributions and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major governmental funds:

The general fund is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The following special revenue funds are reported as major.

- Miscellaneous Programs Fund - Fund established for the purpose of accounting for local, state or federal grants and reimbursements. Donations that allow the expenditure of both principal and interest for the support of district programs are deposited in this fund.
- Flexibility Fund - The flexibility fund is for paying salaries, operating expenses, building expenses, and purchasing supplies and equipment. The fund is funded by state grants and voted levies.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the government reports the following fiduciary fund types:

- A private-purpose trust fund, which includes the interlocal agreement fund, accounts for revenues and expenditures related to the interlocal agreement between the District, Gallatin Gateway School District 35, Malmborg School District 47, and Cottonwood School District 22.
- Agency funds are custodial in nature and are used to account for assets that the District holds for others in an agency capacity.

d. Budgetary Comparisons

Under GASBS No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for the miscellaneous programs fund. Therefore, the budget comparison is not included in the District's financial statements.

e. Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded to reserve a portion of an applicable appropriation, is utilized for budgetary purposes. Encumbrances are not the equivalent of expenditures, and accordingly, amounts assigned for encumbrances at the governmental fund level indicate that portion of the fund balance segregated for expenditure upon vendor performance.

f. Cash and Cash Equivalents

Cash is held by the County Treasurer and pooled in the County external investment pool. The fair value of the position in the pool is the same as the value of the pool shares. The County Treasurer invests the pooled cash pursuant to state law (MCA 20-9-213[4]). Allowable investments include time and savings deposits with a bank, savings and loan association, or credit union in the state, obligations of the United States Government, securities issued by agencies of the United States, repurchased agreements, and the State Short-Term Investment Pool (STIP).

The audited financial statements of Gallatin County, which include information about the investment pool, are available at <https://lgs.mt.gov>.

g. Receivables

Most property taxes are levied in September of each fiscal year, based on assessments as of the prior January 1. Real property taxes are billed as of November 1 and are payable in two payments, November 30 and May 31. Unpaid taxes become delinquent on December 1 and June 1. Most personal property taxes are due and payable on January 1 and become delinquent February 1. Property taxes are maintained and collected by the County Treasurer. No allowance is made for uncollectible taxes as they are not considered significant.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Inventories and Prepaid Items

All inventories are recorded as expenses or expenditures when purchased. Inventories at year-end were immaterial and, therefore, not recorded. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. sidewalks and similar items), are reported in the government-wide financial statements. The District has elected not to report major infrastructure assets retroactively. 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 one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market 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 an asset's life are not capitalized.

Depreciation on capital assets is calculated on the straight-line method over the following estimated useful lives:

| <u>Asset Category</u> | <u>Est. Life</u> |
|----------------------------|------------------|
| Buildings and improvements | 20-50 years |
| Machinery and equipment | 5-20 years |
| Land improvements | 20 years |

j. Collections Not Capitalized

Certain collections of historic artifacts and works of art are not reported in the accompanying financial statements. These assets have not been capitalized because they meet all of the conditions that qualify them as collections that are not required to be capitalized. These conditions are the collections are held for public exhibition or education in the furtherance of public service, not held for financial gain; the collections are protected, kept unencumbered, cared for, and preserved; and any sale proceeds are expected to be used to acquire other items for the collections.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Compensated Absences

Liabilities associated with accumulated vacation and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Classified employees (non-teaching) earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Accumulated vacation is absorbed by the time off from work, or, with certain limitations, may be payable to the employee upon termination. Sick leave is accumulated for classified employees at the rate of 12 days per year. Certified employees start with 12 days of personal leave per year, prorated for part-time employees, and may accumulate up to a maximum of 30 days. Upon retirement or resignation, classified employees are eligible for sick leave compensation at one fourth of the accumulated amount and certified employees are eligible for sick leave at \$80 per day.

l. Long-term Obligations

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums/discounts and issuance costs are expensed.

m. Deferred Outflows and Inflows of Resources

The District recognized net pension liability for the pension plan in which it participates. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investment earnings are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense.

n. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets - consists of capital assets (net of accumulated depreciation), plus capital-related deferred outflows of resources, less capital-related borrowings and deferred inflows of resources.
- Restricted - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Net Position (Continued)

- Unrestricted - any portion of net position that does not meet the definition of "net investment in capital assets" or "restricted ."

It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

o. Fund Balance

In the fund statements, governmental fund equity is classified as fund balance. The fund financial statements include the following fund balances:

- Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed fund balance - amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority (i.e., governing body). The government establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the government considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing body has provided otherwise in its commitment or assignment actions.

p. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Short-term interfund loans are reported as “interfund receivables and payables”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

2. CASH AND CASH EQUIVALENTS

As discussed in Note 1, the government's cash and investments, including amounts in the extracurricular fund, are held by the County Treasurer.

The District participates in an investment pool managed by the Gallatin County Treasurer. The pool is not registered with the Securities and Exchange Commission as an investment company and is not subject to regulatory oversight. Investments of the pool consist primarily of repurchase agreements, the State of Montana’s Short-Term Investment Pool (STIP), U.S. Treasury Bills, and securities of the U.S. Government, its agencies, or government sponsored entities and are carried at quoted market prices. The fair value of investments is determined annually, and is based on quoted market prices.

The District’s balance in the investment pool is reported as cash in the accompanying financial statements, as the District has full access to these funds upon request. Interest earnings are allocated to the individual funds of the District based on the District’s month end balance in relation to the total pool investments.

Montana law allows the local governing body to require security for the portion of deposits not guaranteed or insured. Deposit insurance is administered by the FDIC. Since the District invests in pool managed by the County Treasurer, pledged securities for the various individual deposits and repurchase agreements are managed by the County Treasurer.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3. CAPITAL ASSETS

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

| | Balance | | | Balance |
|--------------------------------------|---------------------|--------------------|-------------|---------------------|
| | June 30, 2021 | Additions | Deletions | June 30, 2022 |
| Capital assets, nondepreciable | | | | |
| Land | \$ 100,607 | \$ - | \$ - | \$ 100,607 |
| Construction-in-progress | 109,591 | 3,565 | - | 113,156 |
| Total capital assets, nondepreciable | <u>210,198</u> | <u>3,565</u> | <u>-</u> | <u>213,763</u> |
| Capital assets, depreciable | | | | |
| Buildings and improvements | 3,953,910 | 26,955 | - | 3,980,865 |
| Machinery and equipment | 144,302 | 6,985 | - | 151,287 |
| Total capital assets, depreciable | <u>4,098,212</u> | <u>33,940</u> | <u>-</u> | <u>4,132,152</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (955,090) | (79,398) | - | (1,034,488) |
| Machinery and equipment | (77,738) | (4,336) | - | (82,074) |
| Total accumulated depreciation | <u>(1,032,828)</u> | <u>(83,734)</u> | <u>-</u> | <u>(1,116,562)</u> |
| Capital assets, net | <u>\$ 3,275,582</u> | <u>\$ (46,229)</u> | <u>\$ -</u> | <u>\$ 3,229,353</u> |

Depreciation expense was charged as follows:

| | <u>2022</u> |
|------------------------|------------------|
| Instruction | \$ 77,036 |
| Instructional Staff | 837 |
| General Administration | 2,512 |
| School Administration | 1,675 |
| Business Services | 1,674 |
| | <u>\$ 83,734</u> |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2022 was as follows:

| | Balance | | | Balance | | Due Within One Year |
|-----------------------|---------------------|---------------|---------------------|---------------------|-------------|------------------------|
| | June 30, 2021 | Additions | Retirements | June 30, 2022 | | |
| Bonds payable | \$ 2,055,000 | \$ - | \$ (150,000) | \$ 1,905,000 | \$ - | - |
| Premium | 129,338 | - | (9,238) | 120,100 | - | - |
| Net pension liability | 1,093,140 | - | (235,331) | 857,809 | - | - |
| Compensated absences | 40,740 | 480 | - | 41,220 | - | - |
| Totals | \$ 3,318,218 | \$ 480 | \$ (394,569) | \$ 2,924,129 | \$ - | - |

During 2008, the District issued general obligation bonds in the amount of \$1,181,000 to provide funds for the acquisition and construction of major capital facilities. The bonds carry interest rates of 3.4% to 4.25%, and mature in 2028. The outstanding balance as of June 30, 2022 was \$470,000.

During 2015, the District issued general obligation bonds in the amount of \$1,915,000 to provide funds for the construction of major capital facilities. The bonds carry interest rates of 3.5 to 4%, and mature in 2035. The outstanding balance as of June 30, 2022 was \$1,435,000.

| Fiscal year ending June 30, | Principal | Interest |
|-----------------------------|---------------------|-------------------|
| 2024 | \$ 160,000 | \$ 71,332 |
| 2025 | 165,000 | 65,697 |
| 2026 | 170,000 | 59,864 |
| 2027 | 175,000 | 53,342 |
| 2028-2032 | 720,000 | 181,794 |
| 2033-2034 | 515,000 | 42,500 |
| Total | \$ 1,905,000 | \$ 474,529 |

5. RISK MANAGEMENT

The District is exposed to various risks of loss, including damage to and loss of assets, employee torts, professional liability (i.e. errors and omissions), workers compensation (i.e. employee injuries), medical insurance costs, and environmental damage. A variety of methods is used to provide insurance for these risks. Commercial policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for theft, damage or destruction of assets, professional liabilities and employee medical costs.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. RISK MANAGEMENT (CONTINUED)

The District participates in a state-wide public risk pool, Montana Schools Group Workers' Compensation Risk Retention Program for workers compensation coverage. The District pays a quarterly premium for its employee injury insurance coverage.

The agreement for the formation of the pool provides that it will be self-sustaining through member premiums. There are no deductibles or maximum coverage limits in the plan. Given the lack of coverage available, the District has no coverage for potential losses from environmental damages. Coverage limits and deductibles on the commercial policies have remained relatively constant for the last several years. The District's risk management activities are recorded in the general fund.

6. INTERLOCAL COOPERATIVE

The District participates with other school districts located in Gallatin and Madison Counties in the Gallatin/Madison Educational Related Services Consortium. The Consortium provides special education services to its member schools.

7. COMMITMENTS AND CONTINGENCIES

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

At year-end, the District had commitments outstanding, in the form of purchase orders primarily for supplies. These encumbrances are recorded as follows:

| | Total Encumbrances |
|-----------------------|-----------------------|
| General fund | \$ 15,748 |
| Student activity fund | 6,926 |
| Total encumbrances | <u>\$ 22,674</u> |

8. RETIREMENT PLANS

a. Plan Descriptions

The Teacher's Retirement System (TRS) is a mandatory-participation multiple-employer cost sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana. The TRS Board is the governing body and the TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated (MCA), and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

a. Plan Descriptions (Continued)

The Public Employees Retirement System (PERS) Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 and 3, MCA. This plan provides benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the PERS web site at mpera.mt.gov.

b. Pension Benefits

i. Teachers' Retirement System (TRS)

TRS provides retirement, disability, and death benefits. Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows.

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One).
- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with creditable service in 25 years in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One).
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1 % supplemental employee contribution rate is also now currently in place for Tier One members).

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

b. Pension Benefits (Continued)

i. Teachers' Retirement System (TRS) (Continued)

- Tier Two provides for an enhanced benefit calculation - $1.85\% \times \text{AFC} \times \text{years of creditable service}$ - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$).

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

ii. Public Employees' Retirement System (PERS)

Plan members hired prior to July 1, 2011 are eligible to retire at age 60 with 5 years of membership service, age 65 regardless of years of membership service or any age with 30 years of membership service. Benefits are calculated as follows: 1) if less than 25 years of membership service, 1.785% of the member's highest average compensation (HAC) multiplied by years of service credit or 2) if 25 years of membership service or more, 2% of HAC multiplied by years of service credit.

Plan members hired on or after July 1, 2011 are eligible to retire at age 65 with 5 years of membership service or age 70 regardless of years of membership service. Benefits are calculated as follows: 1) if less than 10 years of membership service, 1.5% of the member's HAC multiplied by years of service credit, 2) if between 10 and 30 years of membership service, 1.785% of HAC multiplied by years of service credit, or 3) if 30 years of membership service or more, 2% of HAC multiplied by years of service credit.

Plan members hired prior to July 1, 2011 are eligible for early retirement at age 50 with 5 years of membership service or any age with 25 years of membership service. Plan members hired on or after July 1, 2011 are eligible for early retirement at age 55 with 5 years of membership service. Benefits are actuarially reduced.

For members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to 1). 3% for members hired prior to July 1, 2007, 2). 1.5% for members hired between July 1, 2007 and June 30, 2013 or, 3). Members hired on or after July 1, 2013: a). 1.5% for each year PERS is funded at or above 90%; b). 1.5% is reduced by .1 % for each 2% PERS is funded below 90%; and c). 0% whenever the amortization period for PERS is 40 years or more.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

c. Member and Employer Contributions

i. Teachers' Retirement System (TRS)

The System receives a portion of the total required statutory contributions directly from the State for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in TRS. The System receives 2.49% of reportable compensation from the State's general fund for School Districts and Other Employers. The System also receives 0.11% of reportable compensation from the State's general fund for all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

ii. Public Employees' Retirement System (PERS)

All members contribute 7.9% of their compensation. Interest is credited to member accounts at the rates determined by the Board. All member contributions will be decreased to 6.9% on January 1 following the actuary valuation results that project the amortization period to drop below 25 years. Member contributions are made through an "employer pick-up" arrangement that results in deferral of taxes on the contributions.

Employers contributed 8.1 % of each member's compensation. This was temporarily increased from 6.9% on July 1, 2013. Beginning July 1, 2014, employer contributions will increase an additional 0.1 % a year over 10 years, through 2024. The employer additional contributions terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates. The State's General Fund contributes an additional .37% of earned compensation. Effective July 1, 2013, contributions are also made to the system from the Coal Tax Fund. Beginning July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

d. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2022, the District recorded a liability of \$781,997 (TRS) and \$75,812 (PERS) for its proportionate share of the net pension liability.

TRS and PERS have a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS and PERS on behalf of the government. Due to the existence of this special funding situation, the government is required to report the portion of the State of Montana's proportionate share of the collective net pension liability.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

d. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The government's and State of Montana's proportionate share of the net pension liability are presented below:

| | Net Pension Liability as of June 30, 2022 | Net Pension Liability as of June 30, 2021 | % of Collective NPL as of June 30, 2022 | % of Collective NPL as of June 30, 2021 | Change in % of Collective NPL |
|---------------------------|---|---|---|---|----------------------------------|
| TRS | | | | | |
| Employer Share | \$ 781,997 | \$ 978,610 | \$ 0.0472 | \$ 0.0435 | \$ 0.0037 |
| State of Montana Share | 445,587 | 577,162 | 0.0269 | 0.0257 | 0.0012 |
| Total TRS | <u>1,227,584</u> | <u>1,555,772</u> | <u>0.0741</u> | <u>0.0692</u> | <u>0.0049</u> |
| PERS | | | | | |
| Employer Share | 75,812 | 114,530 | 0.0042 | 0.0043 | (0.0001) |
| State of Montana Share | 24,455 | 39,343 | 0.0013 | 0.0015 | (0.0002) |
| Total PERS | <u>\$ 100,267</u> | <u>\$ 153,873</u> | <u>\$ 0.0055</u> | <u>\$ 0.0058</u> | <u>\$ (0.0003)</u> |

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for TRS and June 30, 2020 for PERS. The government's proportion of the net pension liability was based on the government's contributions received by TRS and PERS during the measurement period July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all TRS and PERS participating employers. At June 30, 2022, the government's proportion was .0472 and .0042 percent for TRS and PERS, respectively.

For the year ended June 30, 2022, the government recognized \$104,212 (TRS) and \$5,144 (PERS) for its proportionate share of the pension expense. The government also recognized grant revenue of \$43,410 (TRS) and \$6,729 (PERS) for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the government. Total pension expense recognized was \$147,622 and \$11,873 for TRS and PERS, respectively.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

d. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

At June 30, 2022, the government reported its proportionate share of TRS and PERS deferred outflows and inflows of resources from the following sources:

| | TRS | | PERS | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual economic experience | \$ 12,282 | \$ - | \$ 809 | \$ 549 |
| Changes in actuarial assumptions | 89,043 | 402 | 11,229 | - |
| Differences between projected and actual investment earnings | - | 247,100 | - | 30,712 |
| Changes in the proportion and differences between actual and expected contributions | 52,868 | - | - | 2,656 |
| Employer contributions subsequent to measurement date | 66,703 | - | 7,144 | - |
| Total | <u>\$ 220,896</u> | <u>\$ 247,502</u> | <u>\$ 19,182</u> | <u>\$ 33,917</u> |

Amounts reported as deferred outflows of resources related to pensions resulting from the government's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

| Year ended June 30, | TRS | PERS |
|---------------------|-----------|------------|
| 2022 | \$ 14,685 | \$ (1,093) |
| 2023 | 6,408 | (3,563) |
| 2024 | (35,994) | (7,418) |
| 2025 | (78,411) | (9,804) |
| 2026 | - | - |
| Thereafter | \$ - | \$ - |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

e. Actuarial Assumptions

i. TRS

The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date of July 1, 2021. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the last actuarial experience study, dated May 3, 2018. Among those assumptions were the following:

- Total Wage Increases 3.25%-7.76% for non-University Members
- Investment Return 7.34%
- Price Inflation 2.40%
- Postretirement Benefit Increases:

Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.

Tier Two Members: the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.

- Mortality among contributing members, service retired members, and beneficiaries:

For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

- Mortality among disabled members:

For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.

For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

e. Actuarial Assumptions (Continued)

ii. Target Allocations

The most recent PERS analysis, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the TRS' and PERS' target asset allocation as of June 30, 2021, and are summarized in the following tables:

| Asset Class | TRS | | PERS | |
|------------------------------------|-------------------------|--|-------------------------|--|
| | Target Asset Allocation | Long-term Expected Real Rate of Return | Target Asset Allocation | Long-term Expected Real Rate of Return |
| Domestic equity | 30.00 % | 5.90 % | 30.00 % | 5.90 % |
| International equity | 17.00 | 7.14 | 17.00 | 7.14 |
| Private equity | 15.00 | 9.13 | 15.00 | 9.13 |
| Real assets | 5.00 | 4.03 | 5.00 | 4.03 |
| Real Estate | 9.00 | 5.41 | 9.00 | 5.41 |
| Core fixed income | 15.00 | 1.14 | 15.00 | 1.14 |
| Non-core fixed income | 6.00 | 3.02 | 6.00 | 3.02 |
| Cash | 3.00 | (0.33) | 3.00 | (0.33) |
| | 100.00 | 35.44 | 100.00 | 35.44 |
| Expected arithmetic nominal return | | 35.44 % | | 35.44 % |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

f. Discount Rate

i. Teachers' Retirement System (TRS)

The discount rate used to measure the total pension liability was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2124. 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. No municipal bond rate was incorporated in the discount rate.

ii. Public Employees' Retirement System (PERS)

The discount rate used to measure the total pension liability was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and nonemployer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.10% of salaries for local governments and 0.37% for school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

g. Sensitivity Analysis

The following presents the employer's proportionate share net pension liability calculated using the discount rate of 7.06%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.06%) or 1.00% higher (8.06%) than the current rate.

i. TRS

| | 1% Decrease (6.06%) | Current Discount (7.06%) | 1% Increase (8.06%) |
|----------------------------|---------------------------|--------------------------------|------------------------|
| Net pension liability, TRS | \$ 1,161,896 | \$ 781,997 | \$ 464,978 |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

8. RETIREMENT PLANS (CONTINUED)

g. Sensitivity Analysis (Continued)

ii. PERS

| | 1% Decrease (6.06%) | Current Discount (7.06%) | 1% Increase (8.06%) |
|-----------------------------|---------------------------|--------------------------------|------------------------|
| Net pension liability, PERS | \$ 120,340 | \$ 75,812 | \$ 38,464 |

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 08, 2023 the date on which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
 ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|--------------------------------|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Taxes | \$ 291,693 | \$ 291,693 | \$ 305,481 | \$ (13,788) |
| Intergovernmental | 634,502 | 634,502 | 634,502 | - |
| Charge for services | 28,510 | 28,510 | 27,046 | 1,464 |
| Interest | 967 | 967 | 629 | 338 |
| Other | - | - | 1,298 | (1,298) |
| Total revenues | <u>955,672</u> | <u>955,672</u> | <u>968,956</u> | <u>(13,284)</u> |
| EXPENDITURES | | | | |
| General | 955,672 | 955,672 | 965,419 | (9,747) |
| Capital outlay | - | - | 4,537 | (4,537) |
| Total expenditures | <u>955,672</u> | <u>955,672</u> | <u>969,956</u> | <u>(14,284)</u> |
| Net change in fund balance | | | (1,000) | |
| Fund balance, beginning | | | 110,481 | |
| Fund balance (deficit), ending | | | <u>\$ 109,481</u> | |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
 ACTUAL
 FLEXIBILITY FUND
 FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|--------------------------------|-------------------------|---------------|------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Interest | \$ 200 | \$ 190 | \$ 186 | \$ 4 |
| Other | - | - | 500 | (500) |
| Total revenues | <u>200</u> | <u>190</u> | <u>686</u> | <u>(496)</u> |
| EXPENDITURES | | | | |
| General | <u>44,487</u> | <u>44,487</u> | - | <u>44,487</u> |
| Total expenditures | <u>44,487</u> | <u>44,487</u> | - | <u>44,487</u> |
| Net change in fund balance | | | 686 | |
| Fund balance, beginning | | | <u>44,287</u> | |
| Fund balance (deficit), ending | | | <u>\$ 44,973</u> | |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

| As of the Measurement Date | Employer's Portion of NPL | Employer's Proportionate Share of NPL | State's Proportionate Share of NPL | Total | Employer's Covered Payroll | Employer's Proportionate Share of NPL as % of Covered Payroll | Plan Fiduciary Net Position as a % of TPL |
|----------------------------------|------------------------------|---|--|--------------|-------------------------------|---|---|
| TRS | | | | | | | |
| 2022 | \$ 0.0472 | \$ 781,997 | \$ 445,587 | \$ 1,227,584 | \$ 672,363 | 116.31 % | 75.54 % |
| 2021 | 0.0435 | 978,610 | 577,162 | 1,555,772 | 598,807 | 163.43 | 64.95 |
| 2020 | 0.0422 | 814,606 | 494,401 | 1,309,007 | 573,478 | 142.05 | 68.64 |
| 2019 | 0.0411 | 762,969 | 479,031 | 1,242,000 | 549,056 | 138.96 | 69.09 |
| 2018 | 0.0398 | 671,044 | 426,164 | 1,097,208 | 524,942 | 127.83 | 70.09 |
| 2017 | 0.0435 | 795,185 | 521,401 | 1,316,586 | 565,001 | 140.74 | 66.69 |
| 2016 | 0.0429 | 704,306 | 478,890 | 1,183,196 | 547,136 | 128.73 | 69.30 |
| 2015 | 0.0383 | 588,679 | 405,823 | 994,502 | 482,415 | 122.03 | 70.36 |
| PERS | | | | | | | |
| 2022 | 0.0042 | 75,812 | 24,455 | 100,267 | 76,200 | 99.49 | 79.91 |
| 2021 | 0.0043 | 114,530 | 39,343 | 153,873 | 75,179 | 152.34 | 68.90 |
| 2020 | 0.0044 | 91,518 | 32,451 | 123,969 | 74,590 | 122.69 | 73.85 |
| 2019 | 0.0036 | 74,199 | 27,211 | 101,410 | 60,391 | 122.87 | 73.47 |
| 2018 | 0.0049 | 94,701 | 4,420 | 99,121 | 62,457 | 151.63 | 73.75 |
| 2017 | 0.0047 | 79,710 | 3,725 | 83,435 | 57,945 | 137.56 | 74.71 |
| 2016 | 0.0038 | 52,534 | 2,469 | 55,003 | 45,346 | 115.85 | 78.40 |
| 2015 | \$ 0.0036 | \$ 44,642 | \$ 2,087 | \$ 46,729 | \$ 41,961 | 111.22 % | 79.87 % |

Schedule is intended to show the information for the last 10 years. Additional years will be displayed as they become available.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

| As of the Reporting Date | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as % of Covered Payroll |
|-----------------------------|---|--|-------------------------------------|-------------------------------|--|
| TRS | | | | | |
| 2022 | \$ 66,703 | \$ 66,703 | \$ - | \$ 713,975 | 9.34 % |
| 2021 | 62,845 | 62,845 | - | 672,363 | 9.35 |
| 2020 | 54,380 | 54,380 | - | 598,807 | 9.08 |
| 2019 | 51,440 | 51,440 | - | 573,478 | 8.97 |
| 2018 | 49,157 | 49,157 | - | 549,056 | 8.95 |
| 2017 | 46,470 | 46,470 | - | 524,942 | 8.85 |
| 2016 | 49,336 | 49,336 | - | 565,001 | 8.73 |
| 2015 | 47,225 | 47,225 | - | 547,136 | 8.63 |
| PERS | | | | | |
| 2022 | 7,144 | 7,144 | - | 83,126 | 8.59 |
| 2021 | 6,545 | 6,545 | - | 76,200 | 8.59 |
| 2020 | 6,382 | 6,382 | - | 75,179 | 8.49 |
| 2019 | 6,213 | 6,213 | - | 74,590 | 8.33 |
| 2018 | 4,952 | 4,952 | - | 60,391 | 8.20 |
| 2017 | 5,049 | 5,049 | - | 62,457 | 8.08 |
| 2016 | 4,685 | 4,685 | - | 57,945 | 8.13 |
| 2015 | \$ 3,614 | \$ 3,614 | \$ - | \$ 45,346 | 7.97 % |

Schedule is intended to show the information for the last 10 years. Additional years will be displayed as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

TEACHERS RETIREMENT SYSTEM (TRS)

Changes of Benefit Terms:

The following changes to the plan provisions were made as identified:

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two-tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The second-tier benefit structure for members hired on or after July 1, 2013 is summarized below.

1. Final Average Compensation: average of earned compensation paid in five consecutive years of full-time service that yields the highest average.
2. Service Retirement: Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
3. Early Retirement: Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
4. Professional Retirement Option: if the member has been credited with 30 or more years of service and has attained the age of 60 they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%
5. Annual Contribution: 8.15% of member's earned compensation
6. Supplemental Contribution Rate: On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5% if the following three conditions are met:
 1. The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
 2. The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
 3. A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.
7. Disability Retirement: A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

8. Guaranteed Annual Benefit Adjustment (GABA):

1. If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board

HB 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to \$25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:
 - School Districts contributions will increase from 7.47% to 8.47%
 - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
 - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned Compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

Changes in actuarial assumptions and other inputs:

The following changes to the actuarial assumptions were adopted in 2020:

- The discount rate was lowered from 7.5 % to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

The tables include margins for mortality improvement which is expected to occur in the future.

- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.
- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

The following changes to the actuarial assumptions were adopted in 2016:

- The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

The following changes to the actuarial assumptions were adopted in 2015:

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members “to account for larger than average annual compensation increases observed in the years immediately preceding retirement” is not applied to benefits expected to be paid to university members on account of death,

AMSTERDAM SCHOOL DISTRICT NUMBER 75
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

disability and termination (prior to retirement eligibility).

- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to “retain membership in the System” are covered by the \$500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

- Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2022

Method and assumptions used in calculations of actuarially determined contributions:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of pay, open |
| Remaining amortization period | 29 years |
| Asset valuation method | 4 year smoothed market |
| Inflation | 2.50 percent |
| Salary increase | 3.25 to 7.76 percent, including inflation for Non-University Members and 4.25% for University Members |
| Investment rate of return | 7.50 percent, net of pension plan investment expense, and including inflation |

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Changes of Benefit Terms

The following changes to the plan provisions were made as identified:

2017:

Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts – Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2022

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 2019 actuarial valuation::

| | |
|-------------------------------|--|
| General Wage Growth | 3.50% |
| Investment Rate of Return | 7.65% |
| *Includes inflation at | 2.75% |
| Merit salary increase | 0% to 8.47% |
| Asset valuation method | Four year smoothed market |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll |
| Remaining amortization period | 30 years |
| Mortality (Healthy Members) | For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year |
| Mortality (Disabled members) | For Males and Females: RP 2000 Combined Mortality Table, with no projections |
| Admin Expense as % of Payroll | 0.30% |

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

OTHER SUPPLEMENTARY INFORMATION

AMSTERDAM SCHOOL DISTRICT NUMBER 75
 SCHEDULE OF SCHOOL DISTRICT ENROLLMENT
 FOR THE YEAR ENDED JUNE 30, 2022

Students Grade K-8

Full-Time Students:

| Fall Enrollment | MAEFAIRS Reports | District Reports | Difference |
|------------------------|-------------------------|-------------------------|-------------------|
| Kindergarten Half Day | - | - | - |
| Kindergarten Full Day | 24 | 24 | - |
| Grades 1-6 | 132 | 132 | - |
| Grades 7-8 | - | - | - |

| Spring Enrollment | MAEFAIRS Reports | District Reports | Difference |
|--------------------------|-------------------------|-------------------------|-------------------|
| Kindergarten Half Day | - | - | - |
| Kindergarten Full Day | 26 | 26 | - |
| Grades 1-6 | 138 | 138 | - |
| Grades 7-8 | - | - | - |

Part-Time Students:

| Fall | Per MAEFAIRS Reports | | | | Per District Reports | | | | Diff. |
|-------------|-----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|--------------|
| | <180 hrs/yr | 180-359 hrs/yr | 360-539 hrs/yr | 540-719 hrs/yr | <180 hrs/yr | 180-359 hrs/yr | 360-539 hrs/yr | 540-719 hrs/yr | |
| K-Half | - | - | - | - | - | - | - | - | - |
| K-Full | - | - | - | - | - | - | - | - | - |
| 1-6 | - | - | - | - | - | - | - | - | - |
| 7-8 | - | - | - | - | - | - | - | - | - |

| Fall | Per MAEFAIRS Reports | | | | Per District Reports | | | | Diff. |
|-------------|-----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|--------------|
| | <180 hrs/yr | 180-359 hrs/yr | 360-539 hrs/yr | 540-719 hrs/yr | <180 hrs/yr | 180-359 hrs/yr | 360-539 hrs/yr | 540-719 hrs/yr | |
| K-Half | - | - | - | - | - | - | - | - | - |
| K-Full | - | - | - | - | - | - | - | - | - |
| 1-6 | - | - | - | - | - | - | - | - | - |
| 7-8 | - | - | - | - | - | - | - | - | - |

AMSTERDAM SCHOOL DISTRICT NUMBER 75
SCHEDULE OF ADDITIONS, DEDUCTIONS AND BALANCES
EXTRACURRICULAR FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

| Activity | Beginning Balance | Additions | Deductions | Transfers In (Out) | Ending Balance |
|------------------------|----------------------|------------------|--------------------|-----------------------|-------------------|
| PAC for PE | \$ (837) | \$ 10,161 | \$ (10,209) | \$ - | \$ (885) |
| Library | 302 | 3,590 | (3,469) | - | 423 |
| Original Art | 4,362 | 4,072 | (4,628) | - | 3,806 |
| Yearbook | 649 | 1,436 | (1,289) | - | 796 |
| School Athletics | 1,517 | 1,360 | (1,397) | - | 1,480 |
| Gym Funds | 9,427 | 2,430 | (11,747) | - | 110 |
| MBI Leadership Funds | 473 | 569 | - | - | 1,042 |
| Club Cougars | 2 | - | - | - | 2 |
| Miscellaneous | 3,824 | 382 | (300) | - | 3,906 |
| Scoreboard/Concessions | 6,013 | 1,439 | (7,452) | - | - |
| Total | <u>\$ 25,732</u> | <u>\$ 25,439</u> | <u>\$ (40,491)</u> | <u>\$ -</u> | <u>\$ 10,680</u> |

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

To the Board of Trustees
Amsterdam School District Number 75

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amsterdam School District Number 75 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 08, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Please see finding 22-1.

Compliance and Other Matters

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

The District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Holmes & Turner
Bozeman, Montana
March 08, 2023

AMSTERDAM SCHOOL DISTRICT NUMBER 75
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

22-1. Segregation of Duties (Repeat of Finding 21-1)

Criteria: Internal controls should be in place to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Condition: The District has one person who handles the majority of accounting functions and who has sole access to the accounting software.

Effect: Misstatements may not be detected and corrected in a timely manner.

Cause: Smaller entities often have fewer employees, which may limit the extent to which segregation of duties is practicable. It would be inefficient, considering the size of the District, for the District to hire additional personnel to achieve optimal internal controls.

Recommendation: We recommend that the Board continue to provide oversight of monthly accounting to mitigate the risk of misstatements.

Reponse: The District has numerous compensating controls in place to help prevent mistakes or fraud. The District could always do more to segregate duties, but this would require additional personnel. The District believes the costs of the additional personnel would outweigh the benefits to provide perfect segregation of duties. Many steps have been recommended in the past by auditors and all those steps have been taken to ensure improved segregation of duties with our current personnel.

AMSTERDAM SCHOOL DISTRICT NUMBER 75
SCHEDULE OF PRIOR YEAR FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

| <u>Finding No.</u> | <u>Description</u> | <u>Status</u> |
|--------------------|-----------------------|----------------|
| 21-1 | Segregation of Duties | Repeat finding |