

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14  
MAYVILLE, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## TABLE OF CONTENTS

	<b>Page</b>
<b>ROSTER OF SCHOOL OFFICIALS - UNAUDITED</b>	<b>1</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	12
Statement of Activities	13
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Notes to the Financial Statements	18
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule for the General Fund	37
Schedule of District's Contributions to the TFFR Pension Plan	38
Schedule of District's Proportionate Share of Net Pension Liability	38
Notes to the Required Supplementary Information	39
<b>INDEPENDENT AUDITOR'S 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</b>	<b>41</b>
Schedule of Findings and Responses	43

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
ROSTER OF SCHOOL OFFICIALS – UNAUDITED  
AS OF JUNE 30, 2025

James Aarsvold	President
Andy Neset	Vice President
Wendy Hanson	Board Member
Jeremy Kihne	Board Member
Tami Parker	Board Member
Lori Nelson	Board Member
Greg Mostad	Board Member
Kayla Elliott	Board Member
Deanna Kville	Business Manager
Michael Bradner	Superintendent

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
May-Port CG Public School District No. 14  
Mayville, North Dakota

### 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 May-Port CG Public School District No. 14 (the "District") as of and for the year ended June 30, 2025, 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 May-Port CG Public School District No. 14, as of June 30, 2025, 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

##### *Change in Accounting Principle*

As described in Note 12 to the financial statements, the District has adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***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, budgetary comparison information, schedule of District's contributions to TFFR pension plan, and schedule of District's proportionate share of net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the roster of school officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025 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.



**BRADY MARTZ**  
**GRAND FORKS, NORTH DAKOTA**

October 10, 2025

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

The discussion and analysis of May-Port CG Public School District's financial performance provides an overall review of the District's financial activities for the year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2025 are as follows:

- Net position of the District increased by \$173,095 as a result of the current year's operations.
- Governmental net position totaled \$576,379.
- Total revenues from all sources were \$8,055,032.
- Total expenses were \$7,881,937.
- The District's general fund had \$7,422,873 in total revenues, and \$7,305,179 in expenditures. Overall, the general fund balance increased by \$117,694 for the year ended June 30, 2025.

**Using this Annual Report**

This annual report consists of a series of financial statements and related footnotes. These statements are organized so the reader can understand May-Port CG Public School District No. 14 as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District do financially during the year ended June 30, 2025?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred inflows and outflows of resources, and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

These two statements report the District's net position and changes in its net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in North Dakota, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Capital Projects Fund and Food Service Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual 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. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Financial Analysis of the District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 30, 2025.

As indicated in the financial highlights, the District's net position increased by \$173,095. Long-term liabilities decreased by \$49,810 for the year ended June 30, 2025 due to changes in the net pension liability. Net position may serve over time as a useful indicator of the District's financial position.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

The District's net position of \$576,379 is segregated into three separate categories. Net position invested in Capital Assets (net of related debt) represents \$3,728,341 of the District's entire net position. It should be noted that these assets are not available for future spending. Restricted net position represents \$740,625 of the District's net position. Restricted net position represents resources that are subject to external restrictions on how they must be spent. The remaining unrestricted net position represents \$(3,892,587) of the District's net position. The unrestricted net position is available to meet the District's ongoing obligations.

Table 1

	2025	2024
<b>Assets</b>		
Current Assets	\$ 2,188,717	\$2,017,519
Capital Assets (Net of Depreciation and Amortization)	3,740,322	3,870,125
Total Assets	5,929,039	5,887,644
Deferred Outflows of Resources	881,768	916,446
<b>Liabilities</b>		
Current Liabilities	373,059	158,441
Long-Term Liabilities	5,303,372	5,558,280
Total Liabilities	5,676,431	5,716,721
Deferred Inflows of Resources	557,997	684,085
<b>Net Position</b>		
Net Investment in Capital Assets	3,728,341	3,841,281
Restricted for Capital Projects	529,488	485,094
Restricted for Student Activities	163,843	153,718
Restricted for Other	47,294	48,572
Unrestricted	(3,892,587)	(4,125,381)
Total Net Position	\$ 576,379	\$ 403,284

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Table 2 shows the changes in net position for the fiscal year ended June 30, 2025.

Table 2

	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 782,810	\$ 768,470
Operating Grants and Contributions	488,334	463,972
General Revenues		
Property Taxes	2,568,823	2,393,295
State Aid	4,131,582	3,860,525
Investment Earnings	50,497	29,048
Miscellaneous Revenue	32,986	32,404
Total Revenues	8,055,032	7,547,714
Expenses		
Business Support Services	360,425	360,703
Instructional Support Services	490,084	434,411
Administration	620,978	643,883
Operations and Maintenance	650,700	622,150
Transportation	347,530	331,425
Regular Instruction	3,700,341	4,091,176
Special Education	353,226	329,868
Vocational Education	350,511	366,350
Extra-Curricular Activities	530,756	545,906
Food Services	477,355	435,862
Interest on Long-Term Debt	31	98
Total Expenses	7,881,937	8,161,832
Change in Net Position	173,095	(614,118)
Net Position - Beginning	403,284	1,017,402
Net Position - Ending	\$ 576,379	\$ 403,284

Property taxes constituted 31.9%, state aid 51.3%, operating grants and contributions 6.1%, charges for services made up 9.7%, and interest income made up 1% of the total revenues of governmental activities of the District for fiscal year 2025.

Regular instruction comprised 46.9% of District expenses.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and other unrestricted revenues.

Table 3

	Total Cost for Year Ended 6/30/2025	Net Cost for Year Ended 6/30/2025	Total Cost for Year Ended 6/30/2024	Net Cost for Year Ended 6/30/2024
Business Support Services	\$ 360,425	\$ 360,425	\$ 360,703	\$ 360,703
Instructional Support Services	490,084	490,084	434,411	434,411
Administration	620,978	620,978	643,883	643,883
Operations and Maintenance	650,700	650,700	622,150	622,150
Transportation	347,530	222,712	331,425	242,280
Regular Instruction	3,700,341	3,342,958	4,091,176	3,739,499
Special Education	353,226	353,226	329,868	329,868
Vocational Education	350,511	310,064	366,350	327,459
Extra-Curricular Activities	530,756	125,990	545,906	149,832
Food Services	477,355	133,625	435,862	79,207
Interest on Long-Term Debt	31	31	98	98
	<u>\$ 7,881,937</u>	<u>\$ 6,610,793</u>	<u>\$ 8,161,832</u>	<u>\$ 6,929,390</u>

Business support services and administration include expenses associated with administrative and financial supervision of the District.

Instructional support services include the activities involved with assisting staff with the content and process of teaching to pupils.

Operations and maintenance of plant activities involve maintaining the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Special education includes costs that support the education of students with other needs.

Vocational education includes expenditures that support the teaching of vocational type instruction.

Extra-curricular activities include expenses related to student activities provided by the District, which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Food Services include expenses directly dealing with providing breakfast and lunch service to students and staff of the District.

Interest and fees on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

**Financial Analysis of the District's Governmental Funds**

The focus of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of available resources. Unassigned fund balance generally may be used as a measure of the District's net resources available for spending at the end of the fiscal year. These funds are accounted for by using the modified accrual basis of accounting. The District's governmental funds had total revenues of \$8,050,346 and expenditures of \$7,893,354 for the year ended June 30, 2025. As of June 30, 2025, the unassigned fund balance of the District's general fund was \$1,082,531.

**Budget Highlights**

During the course of the 2025 fiscal year, the District received \$588,746 more revenues and incurred \$485,030 more expenditures than budgeted. This is primarily the result of more other local revenues received during the year as well as more extracurricular expenditures incurred than anticipated due to student activity accounts not included within the budgeting process.

**Capital Assets**

As of June 30, 2025, the District had \$3,740,322 invested in capital assets, net of accumulated depreciation. Table 4 shows balances as of June 30, 2025 (see Note 4 for details).

Table 4  
Capital Assets (Net of Depreciation and Amortization) at June 30th

	2025	2024
Land	\$ 259,489	\$ 259,489
Construction in Progress	134,355	-
Land Improvements	178,341	195,546
Buildings	2,655,814	2,803,528
Technology	42,879	67,987
Vehicles	297,406	345,718
Equipment	172,038	181,089
Leased Equipment	-	16,768
Total	\$ 3,740,322	\$ 3,870,125

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2025

**Long-Term Liabilities**

As of June 30, 2025, the District had \$5,528,329 in outstanding long-term liabilities. The District reduced its long-term liabilities by \$49,810 (net of current) from June 30, 2024 (See Note 5).

**For the Future**

The District continues to be committed to class-size reduction, finding ways to support individualized student learning, and keeping the student-to-teacher ratio low (when possible). We have a commitment to the retention of teachers and staff. A request for increased mills will help fund the ongoing cost of salary and benefit increases, and student support. The District recognized the continued premium increases associated with the grandfathered health insurance plan provided to employees; in order to stabilize the increases, the District agreed to a set dollar amount that will be contributed to an employee's health insurance plan.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. You may request a copy of this report by contacting Deanna Kville, Business Manager, May-Port CG Public School District, 900 Main ST W, Mayville, ND 58257, or email at [Deanna.kville@may-portcg.com](mailto:Deanna.kville@may-portcg.com).

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 1,857,985
Property Taxes Receivable	160,876
Accounts Receivable	126,527
Prepaid Expense	<u>43,329</u>
Total Current Assets	<u>2,188,717</u>
Non-Current Assets:	
Capital Assets	
Land	259,489
Construction in Progress	134,355
Land Improvements	362,101
Buildings	7,285,640
Technology	293,908
Vehicles	1,156,837
Equipment	931,864
Less Accumulated Depreciation	<u>(6,683,872)</u>
Total Capital Assets, Net of Depreciation	<u>3,740,322</u>
<b>TOTAL ASSETS</b>	<u><b>5,929,039</b></u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost Sharing Defined Benefit Pension Plan - TFFR	<u>881,768</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>881,768</b></u>
LIABILITIES	
Accrued Salaries and Payroll Liabilities	148,102
Compensated Absences	221,961
Long-Term Liabilities Due Within One Year	<u>2,996</u>
Total Current Liabilities	<u>373,059</u>
Long-Term Liabilities	
Special Assessments Payable	8,985
Compensated Absences, Net of Current	278,250
Net Pension Liability	<u>5,016,137</u>
Total Non-Current Liabilities	<u>5,303,372</u>
<b>TOTAL LIABILITIES</b>	<u><b>5,676,431</b></u>
DEFERRED INFLOWS OF RESOURCES	
Cost Sharing Defined Benefit Pension Plan - TFFR	<u>557,997</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>557,997</b></u>
NET POSITION	
Net Investment in Capital Assets	3,728,341
Restricted for:	
Capital Projects	529,488
Student Activities	163,843
School Foundation	35,919
FBLA Scholarship	4,325
Jallo Scholarship	7,050
Unrestricted	<u>(3,892,587)</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 576,379</b></u>

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Business Support Services	\$ 360,425	\$ -	\$ -	\$ (360,425)
Instructional Support Services	490,084	-	-	(490,084)
Administration	620,978	-	-	(620,978)
Operations and Maintenance	650,700	-	-	(650,700)
Transportation	347,530	-	124,818	(222,712)
Regular Instruction	3,700,341	185,026	172,357	(3,342,958)
Special Education	353,226	-	-	(353,226)
Vocational Education	350,511	-	40,447	(310,064)
Extra-Curricular Activities	530,756	404,766	-	(125,990)
Food Services	477,355	193,018	150,712	(133,625)
Interest on Long-Term Debt	31	-	-	(31)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,881,937</b>	<b>\$ 782,810</b>	<b>\$ 488,334</b>	<b>(6,610,793)</b>
<b>GENERAL REVENUES</b>				
Property Taxes, Levied for General Purposes				2,291,681
Property Taxes, Levied for Capital Projects				277,142
Aids and Payments from the State				4,131,582
Miscellaneous Revenue				32,986
Unrestricted Investment Earnings				50,497
<b>TOTAL GENERAL REVENUES</b>				<b>6,783,888</b>
Change in Net Position				173,095
Net Position - Beginning, As Originally Reported				871,277
GASB 101 Adjustment - See Note 12				(467,993)
Net Position - Beginning, As Restated				403,284
Net Position - Ending				<b>\$ 576,379</b>

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Capital Projects	Food Service	Other Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 1,243,559	\$ 511,637	\$ 55,495	\$ 47,294	\$ 1,857,985
Property Taxes Receivable	143,025	17,851	-	-	160,876
Accounts Receivable	126,527	-	-	-	126,527
Prepaid Items	43,329	-	-	-	43,329
<b>TOTAL ASSETS</b>	<b>\$ 1,556,440</b>	<b>\$ 529,488</b>	<b>\$ 55,495</b>	<b>\$ 47,294</b>	<b>\$ 2,188,717</b>
<b>LIABILITIES</b>					
Accrued Salaries and Payroll Liabilities	\$ 148,102	-	-	-	\$ 148,102
<b>TOTAL LIABILITIES</b>	<b>148,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,102</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Delinquent Taxes	118,635	14,901	-	-	133,536
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>118,635</b>	<b>14,901</b>	<b>-</b>	<b>-</b>	<b>133,536</b>
<b>FUND BALANCES</b>					
Nonspendable	43,329	-	-	-	43,329
Restricted	163,843	514,587	-	47,294	725,724
Assigned	-	-	55,495	-	55,495
Unassigned	1,082,531	-	-	-	1,082,531
<b>TOTAL FUND BALANCES</b>	<b>1,289,703</b>	<b>514,587</b>	<b>55,495</b>	<b>47,294</b>	<b>1,907,079</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,556,440</b>	<b>\$ 529,488</b>	<b>\$ 55,495</b>	<b>\$ 47,294</b>	<b>\$ 2,188,717</b>

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

Total fund balances - governmental funds	\$ 1,907,079
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in government funds:	
Cost of capital assets	\$ 10,424,194
Less: Accumulated depreciation and amortization	<u>(6,683,872)</u>
Net	3,740,322
Net deferred outflows/(inflows) of resources relating to the cost sharing of defined benefit plans in the governmental activities are not financial resources and, therefore, are not reported as deferred outflows/(inflows) of resources in the governmental funds.	323,771
Property taxes receivable will be collected during the year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds.	133,536
Long-term liabilities, including special assessments, are not due and payable in the current period and therefore, are not recorded as liabilities in the governmental funds.	
Special Assessments Payable	(11,981)
Compensated Absences	(500,211)
Net Pension Liability	<u>(5,016,137)</u>
Net Position - Governmental Activities	<u>\$ 576,379</u>

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Capital Projects	Food Service	Other Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Property Tax Levies	\$ 2,286,945	\$ 277,192	\$ -	\$ -	\$ 2,564,137
Other Local & County Revenues	622,778	-	193,018	-	815,796
Revenue From State Sources	4,303,169	-	9,755	-	4,312,924
Revenue From Federal Sources	166,035	-	140,957	-	306,992
Interest	43,946	6,323	156	72	50,497
<b>TOTAL REVENUES</b>	<u>7,422,873</u>	<u>283,515</u>	<u>343,886</u>	<u>72</u>	<u>8,050,346</u>
<b>EXPENDITURES</b>					
Current:					
Business Support Services	360,425	-	-	-	360,425
Instructional Support Services	490,084	-	-	-	490,084
Administration	620,978	-	-	-	620,978
Operations and Maintenance	502,872	101,720	-	-	604,592
Transportation	296,540	-	-	-	296,540
Regular Instruction	3,628,223	-	-	1,350	3,629,573
Special Education	353,226	-	-	-	353,226
Vocational Education	350,511	-	-	-	350,511
Extra - Curricular Activities	530,756	-	-	-	530,756
Food Services	126,990	-	347,754	-	474,744
Capital Outlay:					
Capital Outlay	27,680	134,355	-	-	162,035
Debt Service:					
Principal Retirement	16,863	2,996	-	-	19,859
Interest and Other Fees	31	-	-	-	31
<b>TOTAL EXPENDITURES</b>	<u>7,305,179</u>	<u>239,071</u>	<u>347,754</u>	<u>1,350</u>	<u>7,893,354</u>
Net Change in Fund Balance	117,694	44,444	(3,868)	(1,278)	156,992
Fund Balance - Beginning of Year	<u>1,172,009</u>	<u>470,143</u>	<u>59,363</u>	<u>48,572</u>	<u>1,750,087</u>
Fund Balance - End of Year	<u>\$ 1,289,703</u>	<u>\$ 514,587</u>	<u>\$ 55,495</u>	<u>\$ 47,294</u>	<u>\$ 1,907,079</u>

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**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, 2025**

Total net changes in fund balances - Governmental Funds \$ 156,992

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the useful lives as depreciation expense.

Capital Outlays	\$ 162,035
Depreciation Expense	(275,070)
Amortization Expense - Leases	<u>(16,768)</u>

Excess of depreciation expense over capital outlay	(129,803)
--	-----------

Repayment of long-term debt is reported as an expenditure in the governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.	19,859
---	--------

Some revenues will not be collected for several months after the District's fiscal year end. These revenues are not considered "available" revenues in the governmental funds. These consist of:

Net change in unavailable property taxes	4,686
--	-------

Changes in deferred outflows and inflows of resources related to net pension liability	91,410
--	--------

Change in net pension liability	62,169
---------------------------------	--------

Change in compensated absences	<u>(32,218)</u>
--------------------------------	-----------------

Change in net position - Governmental Activities	<u>\$ 173,095</u>
--	-------------------

See Notes to the Financial Statements

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The May-Port CG Public School District operates the public school for the City of Mayville, North Dakota, along with the surrounding area.

Reporting Entity - Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of an organization's governing body and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources. Component units may also include organizations that are fiscally dependent on the District. Fiscal dependence can include the District's approval of the budget, issuance of debt, and/or levying of taxes for the organization.

Based on these criteria, there are no component units to be included within the District's reporting entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

The District's basic financial statements consist of government-wide statements and fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements display information about the District as a whole.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. The statement identifies the extent to which each governmental function is self-financing or drawing from the general revenues of the District. Direct expenses are expenses that are specifically associated with a service, program or department. The direct expenses are clearly identifiable to a particular function. Program revenues include charges to recipients for goods or services offered by the program, grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District.

As a general rule, the effect of interfund activity has been eliminated from the district-wide statements.

The government-wide financial statements do not include fiduciary funds or component units that are fiduciary in nature.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**Fund Financial Statements:**

In order to aid financial management and to demonstrate legal compliance, the District segregates transactions related to certain functions or activities in separate funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The focus of the governmental fund financial statements is on major funds. Each major fund is presented as a separate column in the fund financial statements. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

***Fund Accounting***

The District's funds consist of the following:

**Governmental Funds:**

Governmental funds are utilized to account for most of the District's governmental functions. The reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which the obligation will be paid. Fund balance represents the difference between the governmental fund assets, liabilities, and deferred inflows of resources. The District's major governmental funds are as follows:

General Fund

This fund is the general operating fund of the District. It accounts for all financial resources except those requiring to be accounted for in another fund.

Capital Projects

This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for acquiring school sites, constructing and equipping new school facilities and renovating existing facilities.

Food Service

This fund is used to account for the proceeds of specific revenue sources that are assigned to expenditures for providing breakfast and lunch service to students and staff of the District.

The District's non-major governmental funds are as follows:

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of certain specific revenue sources that are legally restricted to the expenditures for specified purposes. Included in this category are the transactions for the playground fund and scholarship funds.

***Measurement Focus and Basis of Accounting***

**Measurement Focus:**

*Government-wide Financial Statements:*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows and outflows of resources, and liabilities associated with the operation of the District are included in the statement of net position.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

*Fund Financial Statements:*

The governmental funds are accounted for using a flow of current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources.

The current financial resources measurement focus differs from the manner, which the governmental activities of the government-wide financial statements are prepared. Due to the difference, the District's financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds.

**Basis of Accounting:**

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-wide financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District's governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of its fiscal year. Expenditures are generally recorded as the related fund liability is incurred.

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

**Revenues-Exchange and Non-Exchange Transactions:**

Exchange transactions are transactions in which each party gives and receives essentially equal value. Under the accrual basis of accounting, revenue for exchange transactions is recorded when the exchange takes place. Under the modified accrual basis of accounting, revenue for exchange transactions is recorded when the resources are measurable and available.

Non-exchange transactions include transactions in which the District receives value without directly providing value in return. Non-exchange transactions include property taxes, grants, entitlements, and donations.

Under the accrual basis of accounting, property taxes are recorded as revenue in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recorded in the fiscal year in which all eligibility requirements have been satisfied. Under the modified accrual basis of accounting, revenue from non-exchange transactions must also be available before it is recorded in the financial records of the District.

Major revenue sources susceptible to accrual include: property taxes, intergovernmental revenues and investment income.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**Unearned/Unavailable Revenue:**

Unearned revenue arises when assets are recognized in the financial statements before the revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenues.

On the governmental fund financial statements, receivables that will also not be collected during the availability period have been reported as unavailable revenue.

**Expenses and Expenditures:**

Governmental funds accounting measurement focus is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recorded in the fiscal year in which the related fund liability is incurred. Under the accrual basis of accounting, expenses are recorded when incurred.

**Budgets and Budgetary Accounting:**

The District's board follows the procedures established by North Dakota law for budgetary process. The governing body of each School District, annually on or before the last day of July, must levy taxes. The governing body of the School District may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year. Taxes for School District purposes must be based upon an itemized budget statement which must show the complete expenditure by program of the District for the current fiscal year and the sources of the revenue from which it is to be financed. The School Board, in levying taxes, is limited by the amount necessary to be raised for the purpose of meeting the appropriations included in the school budget of the current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax sufficient in amount to pay the interest on the bonded debt of the District and to provide a sinking fund to pay and discharge the principal thereon at maturity.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The administration prepares the District's budget. The budget includes proposed expenditures and the means of financing them. The budget is prepared on the modified accrual basis of accounting.
2. The Board reviews the budget, may make revisions, and adopts the final budget on or before August 15 of each year. The budget is then filed with the county auditor by August 25 of each year.
3. The budget may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared, except no amendment changing the taxes levied can be made after October 10 of each year. The budget amounts shown in the financial statements are the final authorized amounts.
4. All appropriations lapse at the close of the District's fiscal year. The balance of the appropriation reverts back to each respective fund and is available for future appropriation.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**Fair Value Measurements:**

The District accounts for all assets and liabilities that are being measured and reported on a fair value basis in accordance with GAAP. GAAP defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

**Cash and Cash Equivalents:**

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Investments:**

Investments are recorded at market value and represent CD's at year end. North Dakota State statute authorizes school districts to invest their surplus funds in: a) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress, b) Securities sold under agreements to repurchase, written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c) Certificates of Deposit fully insured by the Federal Deposit Insurance Corporation of the state, d) Obligations of the state.

**Capital Assets:**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported as assets in the fund financial statements. All capital assets are recorded at cost (or estimated historical cost). The assets are updated for additions and retirements during the District's fiscal year. The District has established a capitalization threshold as follows:

Land and Land Improvements	\$10,000
Buildings	20,000
Technology	5,000
Vehicles	5,000
Equipment	5,000

Donated fixed assets are recorded at their acquisition values at the date received. The District does not have any infrastructure assets. Improvements that significantly extend the useful life of the asset are also capitalized.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

The District's land and construction in progress costs are capitalized but are not depreciated. All the remaining capital assets are depreciated over their estimated useful lives on a straight-line basis. The District has established the following useful lives:

Land	Perpetual
Land Improvements	20 years
Buildings	20-50 years
Technology	5 years
Buses & Vehicles	5-10 years
Equipment	7 years

**Leases:**

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury Tbill rate as of the lease commencement. The District accounts for lease agreements with lease and non-lease components together as a single lease component for all underlying classes of assets.

The District continues to record rent expense for short term leases on a straight-line basis over the lease term. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The District's lease agreements do not include any material residual value guarantees or restrictive covenants.

**Compensated Absences:**

The District's employees are allowed to carry forward days accrued for sick and personal leave. There are no payouts of sick or personal leave upon employment termination.

The District accounts for compensated absences using a days-used approach. This approach consists of gathering the historical usage of compensated absences used to determine the liability related to leave to be used as time off. Salary-related employer payments are included in the calculation of the compensated absence liability.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

**Pensions:**

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

**Fund Balance Classifications:**

In the fund financial statements, governmental funds report fund balance in the classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as inventory and prepaid items.

*Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions and administered by the North Dakota Department of Public Inspection.

*Committed* – consists of internally imposed constraints. These constraints are established by Resolution of the Board of Education.

*Assigned* – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the District's intended use. These constraints are established by the Board of Education and/or management.

*Unassigned* – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, the District's preference is to use resources in the following order: 1) committed, 2) assigned and 3) unassigned.

**Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resource (expense/expenditure) until then. The District has one item reported on the statement of net position as *cost sharing defined benefit pension plan*, which represents actuarial differences within the TFFR pension plan as well as contributions to the plan made after the measurement date.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – delinquent taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also has one item reported on the statement of net position *as cost sharing defined benefit pension plan*, which represents the actuarial differences within the TFFR pension plan.

**Net Position:**

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted Net Position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Inter-fund Activity:**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Inter-fund activities within the District's governmental activities and its business-type activities are eliminated in the statement of activities.

**Estimates:**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Revenue Recognition – Property Taxes:**

Taxes receivable consist of current and delinquent uncollected taxes at June 30, 2025.

Property taxes attach as an enforceable lien on property January 1. A five percent reduction is allowed if paid by February 15. Penalty and interest are added March 15 if the first half-of-the taxes have not been paid. Additional penalties are added October 15, if not paid. Taxes are collected by the county and usually remitted monthly to the School District.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

Property tax revenue in the governmental funds is recognized in compliance with National Council of Government Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes." This interpretation states that property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Property tax revenue is recorded as revenue in the year the tax is levied in the government-wide financial statements. Property taxes are limited by state laws. All School District tax levies are in compliance with state laws.

**Significant Group Concentrations of Credit Risk:**

As of June 30, 2025, the District's receivables consist of amounts due from other governmental units within the State of North Dakota.

**NOTE 3 CASH AND INVESTMENTS**

**Custodial Credit Risk - Deposits**

In accordance with North Dakota laws, the District maintains deposits at a depository authorized by the School Board. The depository is a member of the Federal Reserve System. North Dakota laws require that all public deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal at least 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral includes the legal investments described below, as well as certain first mortgage notes, and certain other state or local government obligations. North Dakota laws require that securities pledged as collateral be held in safekeeping by the District treasurer or in a financial institution other than that furnishing the collateral.

At June 30, 2025, the carrying amount of the District's deposits was \$1,857,985 and the bank balance was \$2,292,605. The bank balance was covered by Federal Depository Insurance and by collateral held by the District's agent in the District's name in amounts sufficient to meet North Dakota legal requirements.

**Interest Rate Risk**

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

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**Custodial Credit Risk - Investments**

At June 30, 2025, the District's investments consisted of CD's and are not subject to the credit risk classifications as noted in Paragraph 9 of GASB Statement 40.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**NOTE 4 CAPITAL ASSETS**

The following is a summary of changes in the general fixed asset account group during the year:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 259,489	\$ -	\$ -	\$ 259,489
Construction in Progress	-	134,355	-	134,355
Total Capital Assets Not Being Depreciated	<u>259,489</u>	<u>134,355</u>	<u>-</u>	<u>393,844</u>
Capital Assets Being Depreciated				
Land Improvements	362,101	-	-	362,101
Buildings	7,285,640	-	-	7,285,640
Technology	293,908	-	-	293,908
Vehicles	1,195,579	-	(38,742)	1,156,837
Equipment	904,184	27,680	-	931,864
Total Capital Assets Being Depreciated	<u>10,041,412</u>	<u>27,680</u>	<u>(38,742)</u>	<u>10,030,350</u>
Capital Assets Being Amortized				
Leased Equipment	67,071	-	(67,071)	-
Total Capital Assets Being Amortized	<u>67,071</u>	<u>-</u>	<u>(67,071)</u>	<u>-</u>
Less Accumulated Depreciation				
Land Improvements	(166,555)	(17,205)	-	(183,760)
Buildings	(4,482,112)	(147,714)	-	(4,629,826)
Technology	(225,921)	(25,108)	-	(251,029)
Vehicles	(849,861)	(48,312)	38,742	(859,431)
Equipment	(723,095)	(36,731)	-	(759,826)
Total Accumulated Depreciation	<u>(6,447,544)</u>	<u>(275,070)</u>	<u>38,742</u>	<u>(6,683,872)</u>
Less Accumulated Amortization				
Leased Equipment	(50,303)	(16,768)	67,071	-
Total Accumulated Amortization	<u>(50,303)</u>	<u>(16,768)</u>	<u>67,071</u>	<u>-</u>
Net Capital Assets Being Depreciated and Amortized				
Depreciated	3,593,868	(247,390)	-	3,346,478
Amortized	16,768	(16,768)	-	-
Net Capital Assets for Governmental Activities	<u>\$ 3,870,125</u>	<u>\$ (129,803)</u>	<u>\$ -</u>	<u>\$ 3,740,322</u>

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

In the governmental activities section of the statement of activities, depreciation and amortization expense was charged to the following governmental functions:

Regular Instruction	\$ 192,129
Operations and Maintenance	46,108
Food Service	2,611
Transportation	50,990
	<u>\$ 291,838</u>

The District leases copy machines at each of the District's locations. The terms of the lease is for a period of 60 months, commencing on July 1, 2020 and was terminated June 30, 2025, with a monthly payment of \$1,408.

Following is the total lease expense for the year ended June 30, 2025:

	<b>Year Ended 2025</b>
<b>Lease expense</b>	
Amortization expense by class of underlying asset	
Equipment	<u>\$ 16,768</u>
Total amortization expense	16,768
Interest on lease liabilities	<u>31</u>
<b>Total</b>	<u><u>\$ 16,799</u></u>

**NOTE 5 LONG-TERM LIABILITIES**

The long-term debt obligations outstanding at year-end and changes in long-term liabilities are summarized as follows:

Title	Interest Rate	Original Maturity	Original Issue Amount	Balance July 1, 2024 Restated	Additions	Reductions	Balance June 30, 2025	Due within One Year
City of Portland Special Assessments	0.00%	2/15/2029	\$ 44,933	\$ 14,977	\$ -	\$ 2,996	\$ 11,981	\$ 2,996
Net Pension Liability				5,078,306	1,647,217	1,709,386	5,016,137	
Lease Payable				16,863	-	16,863	-	
Compensated Absences*				467,993	32,218	-	500,211	221,961
Total				<u>\$ 5,578,139</u>	<u>\$ 1,679,435</u>	<u>\$ 1,729,245</u>	<u>\$ 5,528,329</u>	<u>\$ 224,957</u>

\*Change in compensated absences is shown as a net change.

Special assessments are generally liquidated by the capital projects fund.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

The following schedule shows the principal payments required on the above special assessments for the years ending June 30.

<b>Future Maturities</b>	
2026	\$ 2,996
2027	2,996
2028	2,996
2029	2,993
Total	<u>\$ 11,981</u>

**NOTE 6 FUND BALANCES**

**A. Classifications**

At June 30, 2025, a summary of the governmental fund balance classifications are as follows:

	General Fund	Capital Projects	Food Service	Non-Major Funds	Total
Restricted for:					
Capital Projects	\$ -	\$ 514,587	\$ -	\$ -	\$ 514,587
Student Activities	163,843				163,843
School Foundation	-	-	-	35,919	35,919
FBLA Scholarship				4,325	4,325
Jallo Scholarship				7,050	7,050
Nonspendable:					
Prepaid Expenses	43,329	-	-	-	43,329
Assigned to:					
Food Service	-	-	55,495	-	55,495
Unassigned:	1,082,531	-	-	-	1,082,531
Total	<u>\$ 1,289,703</u>	<u>\$ 514,587</u>	<u>\$ 55,495</u>	<u>\$ 47,294</u>	<u>\$ 1,907,079</u>

Restricted fund balances reflect resources restricted for statutorily defined purposes.

**B. Minimum Fund Balance Policy**

The Board of Education has a fund balance policy for the General Fund of holding a minimum fund balance of 20% of expenditures.

The General Fund balance for the year ended June 30, 2025, does not meet the minimum fund balance policy of 20% of expenditures.

**NOTE 7 DEFINED BENEFIT PENSION PLANS - STATEWIDE**

Substantially all certified employees of the District are required by state law to belong to pension plans administered by Teacher’s Fund for Retirement (TFFR) which is administered on a statewide basis.

Disclosures relating to these plans follow:

**North Dakota Teacher’s Fund for Retirement**

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

**Pension Benefits**

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

*Tier 1 Grandfathered*

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

*Tier 1 Non-grandfathered*

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

*Tier 2*

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

**Death and Disability Benefits**

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

**Member and Employer Contributions**

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

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

At June 30, 2025, the District reported a liability of \$5,016,137 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. At July 1, 2024, the Employer's proportion was 0.356409% which was a decrease of 0.000036 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Employer recognized pension expense of \$254,916. At June 30, 2025, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 114,000	\$ 200,244
Changes in actuarial assumptions	52,762	-
Difference between projected and actual investment earnings	204,847	-
Changes in proportion	101,585	357,753
Contributions paid to TFFR subsequent to the measurement date	408,574	-
Total	<u>\$ 881,768</u>	<u>\$ 557,997</u>

\$408,574 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2026	\$ (155,095)
2027	234,648
2028	(65,689)
2029	(65,231)
2030	(8,461)
Thereafter	(24,975)

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**Actuarial Assumptions**

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	Composed of 3.80% wage inflations, plus step rate promotional increases for members with less than 30 years of service
Investment rate of return	7.25%, net of investment expenses, including inflation
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the PubT-2010 Employee table, projected with generational improvement using Scale MP-2019. For healthy retirees, mortality rates were based on 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. For disability retirees, mortality rates were based on the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

The actuarial assumptions used were based on the results of an actuarial experience study dated March 19, 2020. They are the same as the assumptions used in the July 1, 2024, funding actuarial valuation for TFFR.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

The long-term expected rate of return on TFFR investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TFFR target asset allocation as of June 30, 2024, is summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equities	55.00%	5.80%
Global Fixed Income	26.00%	2.90%
Global Real Assets	18.00%	6.30%
Cash Equivalents	1.00%	1.60%

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2024, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2024. 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 as of June 30, 2024.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the TFFR employers calculated using the discount rate of 7.25 percent as of June 30, 2024, as well as what the Employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
School's proportionate share of the TFFR net pension liability:	\$ 7,065,192	\$ 5,016,137	\$ 3,306,650

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued TFFR financial report. TFFR's Annual Comprehensive Financial Report (ACFR) is located at <https://www.rio.nd.gov/sites/www/files/documents/PDFs/RIO/Reports/annualreport2024.pdf>

**NOTE 8 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The District pays an annual premium to NDRIF for its general liability, auto, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of two million dollars per occurrence.

The District participates in the North Dakota Fire and Tornado Fund and State Bonding Fund. The District pays an annual premium to the Fire and Tornado fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

The State Bonding Fund currently provides the District with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge a premium for this coverage.

The District carries commercial insurance for workers' compensation, employees' health, boiler and machinery, and accident insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**NOTE 9 CONTINGENT LIABILITIES AND COMMITMENTS**

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

The District has entered into contracts to replace the high school bleachers and gym flooring. As of June 30, 2025, the remaining portion on each of the contracts is \$125,747 and \$55,722 respectively.

**NOTE 10 NON-MONETARY TRANSACTIONS**

The District receives food commodities from the federal government to subsidize its hot lunch program. The market value of commodities received for the year ended June 30, 2025 was \$32,763.

**NOTE 11 NEW PRONOUNCEMENTS**

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note. These items include disclosing separately lease assets, intangible right-to-use assets, subscription assets and intangible assets. In addition, additional disclosures will be required for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Management has not yet determined what effect these statements will have on the District's financial statements.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2025**

**NOTE 12 CHANGE IN ACCOUNTING PRINCIPAL AND RESTATEMENT OF NET POSITION**

The District implemented GASB Statement No. 101, *Compensated Absences*. As a result, beginning net position has been restated to reflect the increase in the accrual for compensated absences as of July 1, 2024.

Net Position July 1, 2024 as previously reported	\$ 871,277
Restatement for compensated absences accounting:	<u>(467,993)</u>
Net Position July 1, 2024 as restated	<u>\$ 403,284</u>

**NOTE 13 CURRENT VULNERABILITY DUE TO CERTAIN CONDITIONS**

The District received 3.81% of its funding from federal sources for the year ended June 30, 2025. As of the date of these financial statements, there is uncertainty regarding the continued availability or adequacy of this funding in future periods.

The operations of the District are subject to the administrative directives, rules and regulations of federal regulatory agencies, including, but not limited to, the Department of Education and Department of Health and Human Services. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by ED and HHS. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The District received 32% of its funding from property taxes for the year ended June 30, 2025. North Dakota has implemented a limitation on property tax increases to 3%.

**NOTE 14 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through October 10, 2025, which is the date these financial statements were available to be issued.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		Over (Under) Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
<b>REVENUES</b>			
Local Property Tax Levies	\$ 2,352,564	\$ 2,286,945	\$ (65,619)
Other Local & County Revenues	174,250	622,778	448,528
Revenue from State Sources	4,134,913	4,303,169	168,256
Revenue from Federal Sources	149,900	166,035	16,135
Interest	22,500	43,946	21,446
	<u>6,834,127</u>	<u>7,422,873</u>	<u>588,746</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Current:			
Business Support Services	362,100	360,425	(1,675)
Instructional Support Services	482,851	490,084	7,233
Administration	631,108	620,978	(10,130)
Operations and Maintenance	529,825	502,872	(26,953)
Transportation	214,599	296,540	81,941
Regular Instruction	3,604,593	3,628,223	23,630
Special Education	350,000	353,226	3,226
Vocational Education	358,850	350,511	(8,339)
Extra - Curricular Activities	161,100	530,756	369,656
Food Services	61,222	126,990	65,768
Capital Outlay:			
Capital Outlay	63,901	27,680	(36,221)
Debt Service:			
Principal Retirement	-	16,863	16,863
Interest and Other Fees	-	31	31
	<u>6,820,149</u>	<u>7,305,179</u>	<u>485,030</u>
<b>TOTAL EXPENDITURES</b>			
Net Change in Fund Balance	13,978	117,694	103,716
Fund Balances - Beginning	<u>1,172,009</u>	<u>1,172,009</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,185,987</u>	<u>\$ 1,289,703</u>	<u>\$ 103,716</u>

See Notes to the Required Supplementary Information

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO THE TFFR PENSION PLAN &**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**PRESENTED LAST TEN YEARS**

**Teachers Fund for Retirement**

For the Fiscal Year Ended June 30	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2025	\$ 408,574	\$ 408,574	\$ -	\$ 3,204,505	12.75%
2024	385,314	385,314	-	3,022,073	12.75%
2023	366,009	366,009	-	2,870,659	12.75%
2022	366,725	366,725	-	2,876,271	12.75%
2021	347,447	347,447	-	2,725,072	12.75%
2020	352,534	352,534	-	2,764,970	12.75%
2019	350,640	350,640	-	2,750,121	12.75%
2018	351,818	351,818	-	2,759,358	12.75%
2017	358,083	358,083	-	2,808,491	12.75%
2016	350,336	350,336	-	2,747,734	12.75%

For the Fiscal Year Ended June 30*	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset) (a)	District's Covered- Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.35641%	\$ 5,016,137	\$ 3,022,074	165.98%	70.42%
2024	0.36188%	5,078,306	2,903,770	174.89%	69.34%
2023	0.36551%	5,322,070	2,876,271	185.03%	67.50%
2022	0.35358%	3,725,559	2,725,072	136.71%	75.70%
2021	0.37894%	5,799,676	2,764,970	209.76%	63.40%
2020	0.39202%	5,399,085	2,750,121	196.32%	65.50%
2019	0.40590%	5,410,094	2,759,358	196.06%	65.50%
2018	0.41609%	5,715,109	2,808,491	203.49%	63.20%
2017	0.42291%	6,195,840	2,747,734	225.49%	59.20%
2016	0.42528%	5,562,033	2,615,913	212.62%	62.10%

\*The amounts presented were determined as of the measurement date of the collective net pension liability which is June 30 of the previous fiscal year.

See Notes to the Required Supplementary Information

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The District's Board follows the procedures established by North Dakota law for the budgetary process. The governing body of each School District, annually on or before the last day of July must levy taxes. The governing body of the School District may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year. Taxes for School District purposes must be based upon an itemized budget statement which must show the complete expenditure by program of the District for the current fiscal year and the sources of the revenue from which it is to be financed. The School Board, in levying taxes, is limited by the amount necessary to be raised for the purpose of meeting the appropriations included in the school budget of the current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax sufficient in amount to pay the interest on the bonded debt of the District and to provide a sinking fund to pay and discharge the principal thereon at maturity.

The District's expenditures exceeded the budget by \$485,030, which were covered by greater than anticipated revenues and carryover balances.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The administration prepares the District's budget. The budget includes proposed expenditures and the means of financing them. The budget is prepared on the modified accrual basis of accounting.
2. The Board reviews the budget, may make revisions, and adopts the final budget on or before August 15<sup>th</sup> of each year. The budget is then filed with the county auditor by August 25<sup>th</sup> of each year.
3. The budget may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared, except no amendment changing the taxes levied can be made after October 10<sup>th</sup> of each year. The budget amounts shown in the financial statements are the final authorized amounts.
4. All appropriations lapse at the close of the District's fiscal year. The balance of the appropriation reverts back to each respective fund and is available for future appropriation.

A budget was not adopted for the food service fund.

**NOTE 2 CHANGES OF ASSUMPTIONS**

**TFFR**

Amounts reported in 2021 and later reflect the following actuarial assumption changes based on the results of an actuarial experience study dated March 19, 2020.

- Investment return assumption lowered from 7.75% to 7.25%;
- Inflation assumption lowered from 2.75% to 2.30%;

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED  
JUNE 30, 2025

- Individual salary increases were lowered;
- Rates of turnover, retirement and disability were changed to better reflect anticipated future experience;
- The post-retirement healthy mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019;
- The disabled mortality was updated to the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019; and
- The pre-retirement mortality table was updated to the PubT-2010 Employee table projected with generational improvement using Scale MP-2019.

Amounts reported in 2016-2020 reflect the following actuarial assumption changes based on the results of an actuarial experience study dated April 30, 2015.

- Investment return assumption lowered from 8% to 7.75%.
- Inflation assumption lowered from 3% to 2.75%.
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

**INDEPENDENT AUDITOR'S 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 Education  
May-Port CG Public School District No. 14  
Mayville, North Dakota

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 May-Port CG Public School District No. 14 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 10, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered May-Port CG Public School District No. 14'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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-002 to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether May-Port CG Public School District No. 14'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*.

## **May-Port CG Public School District No. 14's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the May-Port CG Public School District No. 14's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. May-Port CG Public School District No. 14's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **Purpose of This Report**

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



**BRADY MARTZ**  
**GRAND FORKS, NORTH DAKOTA**

October 10, 2025

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**SECTION I – FINANCIAL STATEMENT FINDINGS**

**2025-001 Finding**

**Criteria**

An appropriate system of internal control requires the District to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

**Condition**

The District's personnel prepare periodic financial information for internal use that meets the needs of management and the board. However, the District currently does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

**Cause**

The District elected to not allocate resources for the preparation of the financial statements.

**Effect**

There is an increased risk of material misstatement to the District's financial statements.

**Repeat Finding**

This is a repeat finding.

**Recommendation**

We recommend the District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future.

**Management's Response**

The District will continue to have the auditor prepare the financial statements; however, the District has established an internal control policy to document the annual review of the financial statements.

**MAY-PORT CG PUBLIC SCHOOL DISTRICT NO. 14**  
**SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2025-002 Finding**

**Criteria**

A proper system of internal control has the proper segregation of duties between authorization, custody, record keeping and reconciliation.

**Condition**

There is not a system in place for accounting duties to be properly segregated between authorization, custody, record keepings and reconciliation.

**Cause**

The District is subject to size and budget constraints limiting the number of personnel within the accounting department.

**Effect**

The design of internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

**Repeat Finding**

This is a repeat finding.

**Recommendation**

We recommend the District review their internal controls over the accounting functions to determine if additional procedures can be implemented that are cost effective. The board should constantly be aware of this condition. Compensating controls that mitigate the related risks could be (or are) provided through appropriate oversight of the performance of these functions and review of the financial reports by individuals with knowledge of current operations and accounting principles.

**Management's Response**

The District added a part-time business office assistant to help segregate the accounting duties.