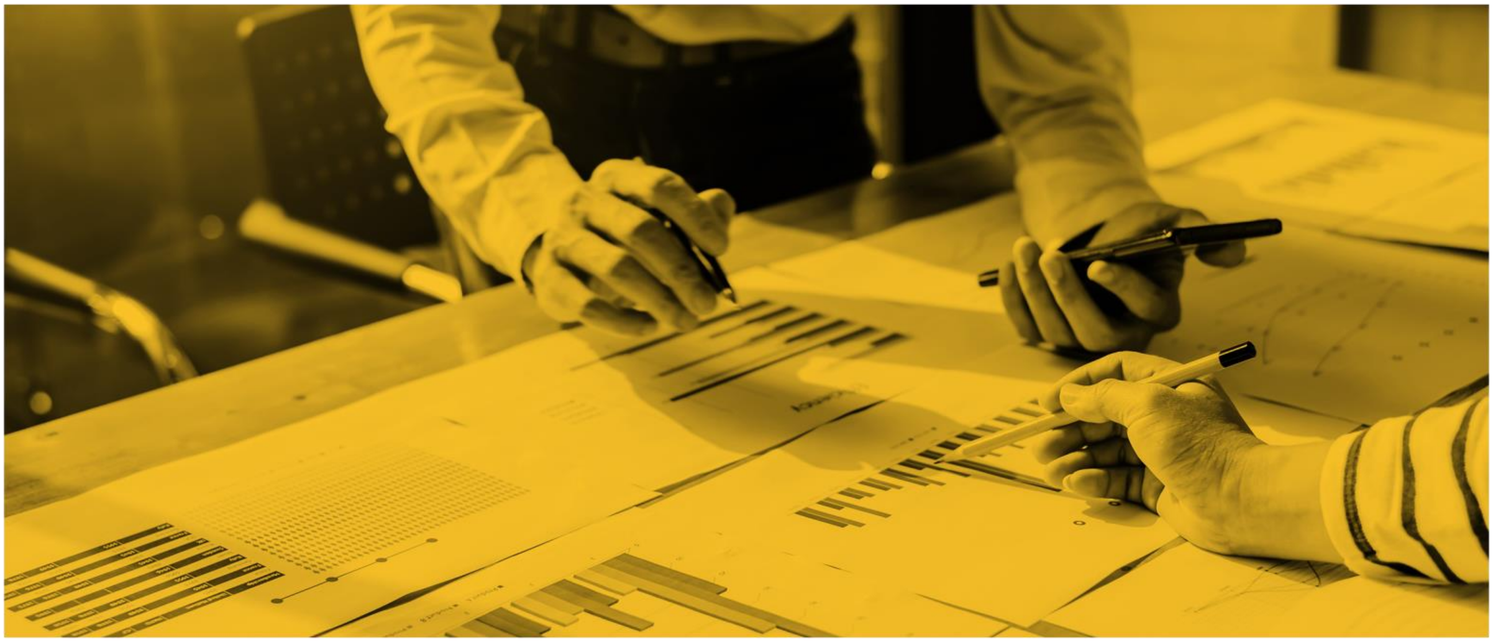

Annual Financial Report

STRIDE Academy, Charter School No. 4142

St. Cloud, Minnesota

For the year ended June 30, 2021

Abdo
Lighting the path forward

Edina Office
5201 Eden Avenue, Ste 250
Edina, MN 55436
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F 952.835.3261

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100 Warren Street, Ste 600
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STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Annual Financial Report
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For the Year Ended June 30, 2021

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INTRODUCTORY SECTION

STRIDE ACADEMY CHARTER SCHOOL NO. 4142
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

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STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Board of Directors and Administration
For the Year Ended June 30, 2021

BOARD OF DIRECTORS

Name	Position
Sara Fromm	President
Andy Lyman	Member
Suzy McIntyre	Member
Aaron Lundblad	Member
Hassan Yussuf	Member

ADMINISTRATION

Name	Position
Eric Williams	Executive Director
Gwen Anderson	Principal
Kelly Rimpila - BerganKDV	Business Manager

STRIDE Academy Building Company
Board of Directors

Name	Position
Monica Schraut	President
Neil Theisen	Secretary/Treasurer
Dan Henry	Member

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FINANCIAL SECTION

STRIDE ACADEMY CHARTER SCHOOL NO. 4142
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of STRIDE Academy (the Academy), St. Cloud, Minnesota, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the General fund and Food Service special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15, the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedure to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The introductory section and individual fund financial schedules and table are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The individual fund financial statements and table and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated NEED DATE, on our consideration of the Academy'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 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 Academy's internal control over financial reporting and compliance.

Abdo
Minneapolis, Minnesota
NEED DATE

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Management's Discussion and Analysis

As management of the STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota, we offer readers of the Academy's financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2021.

Financial Highlights

- The liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources of the Academy at the close of the most recent fiscal year by $5,528,981 (*net position*).

- The Academy's total net position increased by $260,641. This mainly due to the increase in operating grants and contributions during the fiscal year.

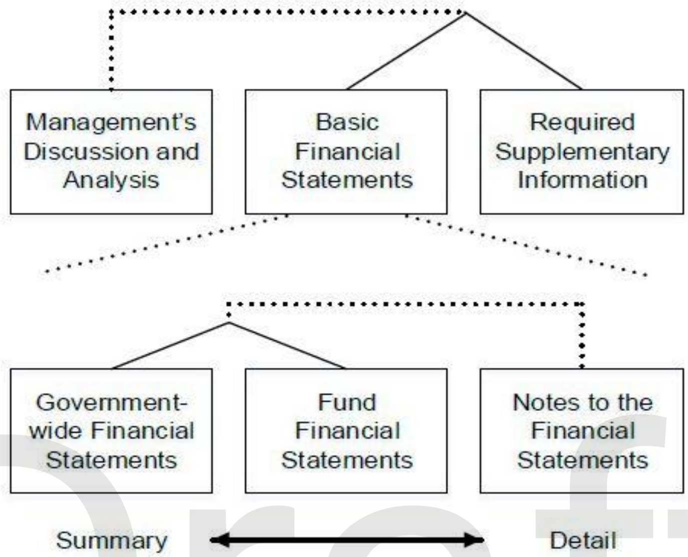
- As of the close of the current fiscal year, the Academy's governmental funds reported combined ending fund balances of $2,926,445, an increase of $287,302 in comparison with the prior year. Of this total amount, $1,130,583 is unassigned and available for spending at the Academy's discretion, $1,759,642 is restricted for debt service, safe schools and paycheck protection program, and $36,220 is nonspendable for prepaid items.

- At the end of the current fiscal year, unassigned fund balance for the General fund was $1,130,583 or 16.6 percent of total General fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

Organization of STRIDE Academy Charter School No. 4142's Annual Financial Report



The following chart summarizes the major features of the Academy's financial statements, including the portion of the Academy's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements:

Major Features of the Government-wide and Fund Financial Statements

		Fund Financial Statements
	Government-wide Statements	**Governmental Funds**
Scope	Entire Academy (except fiduciary funds)	The activities of the Academy that are not fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements display functions of the Academy that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of the Academy include administration, district support services, elementary and secondary regular instruction, special education instruction, instructional support services, pupil support services, sites and buildings, fiscal and other fixed cost programs, food service, community service, building organization and interest and fiscal charges on long term debt.

The government-wide financial statements start on page 24 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Academy, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the Academy's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Academy maintains three individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, STRIDE Academy Building Company special revenue fund, and the Food Service special revenue fund, all of which are considered to be major funds.

The Academy adopts an annual appropriated budget for its General fund and Food Service special revenue fund. Budgetary comparison statements and schedules have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 28 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 35 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Academy's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 62 of this report.

Other Information. The individual fund financial schedule and table start on page 71 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Academy, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $5,528,981 at the close of the most recent fiscal year.

A portion of the Academy's net position, ($2,597,824), reflects its net deficit in investment in capital assets (e.g., land, building, building improvements, leasehold improvements and equipment). The Academy uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

STRIDE Academy Charter School No. 4142's Net Position

	Governmental Activities		
	2021	2020	Increase (Decrease)
Assets			
Current and other assets	$ 3,330,726	$ 2,921,346	$ 409,380
Capital assets	12,912,700	13,332,979	(420,279)
Total Assets	16,243,426	16,254,325	(10,899)
Deferred Outflows of Resources			
Deferred pension resources	2,451,759	3,668,974	(1,217,215)
Liabilities			
Current and other liabilities	591,156	472,697	118,459
Noncurrent liabilities	19,273,903	18,649,593	624,310
Total Liabilities	19,865,059	19,122,290	742,769
Deferred Inflows of Resources			
Deferred pension resources	4,359,107	6,590,631	(2,231,524)
Net Position			
Net investment in capital assets	(2,597,824)	(3,146,613)	548,789
Restricted	1,415,769	1,785,004	(369,235)
Unrestricted	(4,346,926)	(4,428,013)	81,087
Total Net Position	$ (5,528,981)	$ (5,789,622)	$ 260,641

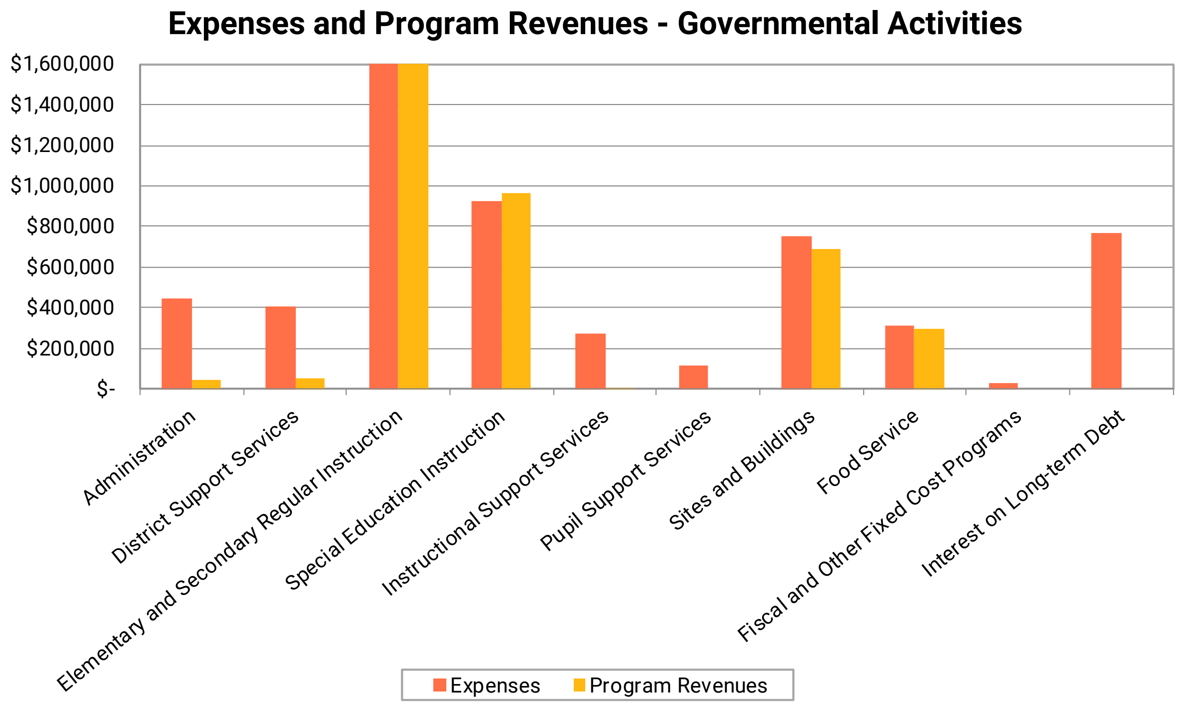
At the end of the current fiscal year, the Academy reported deficit balances in the net investment in capital assets and unrestricted net position. The deficit can mainly be attributed to the net pension liability for the Academy's PERA and TRA pension plans.

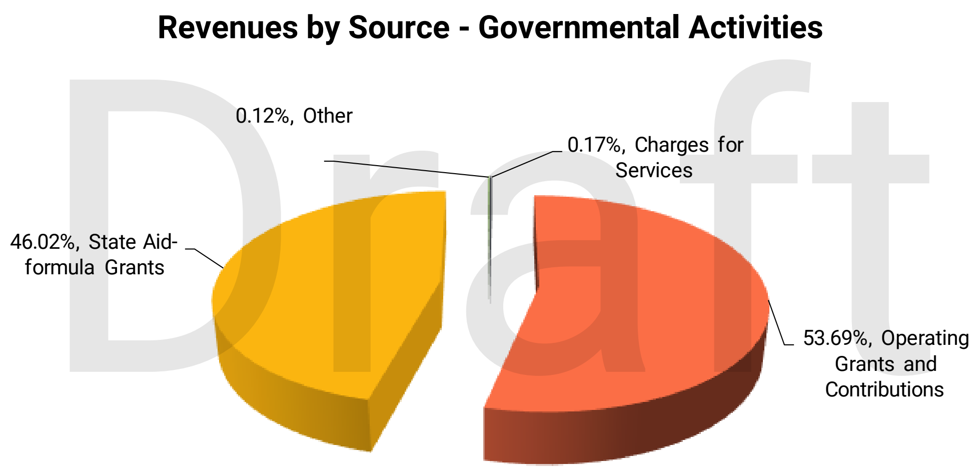
Governmental Activities. Governmental activities increased the Academy's net position by $260,641. Key elements of this increase are shown in the table below.

STRIDE Academy Charter School No. 4142's Changes in Net Position

	Governmental Activities		
	2021	2020	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	$ 11,707	$ 24,855	$ (13,148)
Operating grants and contributions	3,811,773	1,887,201	1,924,572
General revenues			
State aid-formula grants	3,267,187	3,710,002	(442,815)
Other general revenues	7,758	4,122	3,636
Unrestricted investment earnings	557	18,807	(18,250)
Total Revenues	7,098,982	5,644,987	1,453,995
Expenses			
Administration	443,954	380,124	63,830
District support services	409,259	361,697	47,562
Elementary and secondary regular instruction	2,802,169	2,330,422	471,747
Special education instruction	927,108	715,995	211,113
Instructional support services	272,465	194,481	77,984
Pupil support services	117,874	149,206	(31,332)
Sites and buildings	752,834	753,943	(1,109)
Fiscal and other fixed cost programs	30,732	31,347	(615)
Food service	312,298	275,799	36,499
Interest on long-term debt	769,648	771,126	(1,478)
Total Expenses	6,838,341	5,964,140	874,201
Change in Net Position	260,641	(319,153)	579,794
Net Position, July 1	(5,789,622)	(5,470,469)	(319,153)
Net Position, June 30	$ (5,528,981)	$ (5,789,622)	$ 260,641

The primary reason for the increase was due to an increase in operating grants and contributions of $1,924,572.


Expenses and Program Revenues - Governmental Activities
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
Administration
District Support Services
Elementary and Secondary Regular Instruction
Special Education Instruction
Instructional Support Services
Pupil Support Services
Sites and Buildings
Food Service
Fiscal and Other Fixed Cost Programs
Interest on Long-term Debt
Expenses
Program Revenues


Revenues by Source - Governmental Activities
0.12%, Other
0.17%, Charges for Services
46.02%, State Aid-formula Grants
53.69%, Operating Grants and Contributions
Draft

Financial Analysis of the Government's Funds

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Academy's governmental funds reported combined ending fund balances of $2,926,445, an increase of $287,302 in comparison with the prior year. Approximately 38.6 percent ($1,130,583) constitutes unassigned fund balance that is available for spending at the Academy's discretion. The remainder of fund balance ($1,795,862) is not available for new spending because it is either 1) nonspendable ($36,220) or 2) restricted ($1,602,644).

The General fund is the chief operating fund of the Academy. At the end of the current year, unassigned fund balance of the General fund was $1,130,583, while total fund balance was $1,327,771. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.6 percent of total General fund expenditures, while total fund balance represents approximately 19.5 percent of that same amount.

The fund balance of the Academy's General fund increased $660,156 during the current fiscal year. This was mainly due to the loans issued of $693,752.

The Building Company Special Revenue fund has a total fund balance of $1,598,499. The decrease in fund balance during the current year was $372,854, and was mainly the result of revenues from local sources exceeding debt service and other expenditures.

The Food Service Special Revenue fund had a total fund balance of $175. The fund balance was unchanged from the prior year and a transfer of $16,921 was initiated to eliminate the current year deficiency of expenditures over revenues.

General Fund Budgetary Highlights

During the fiscal year the Academy revised the budget; increasing revenues by $74,225 and increasing expenditures by $483,739.

Total revenue was $116,170 over budget with the largest revenue variance from federal revenue sources, which were $75,365 more than anticipated. This variance can be attributed mainly increased grants from anticipation.

Total expenditures were $9,345 under budget with the largest variance in sites and buildings expenditures, which were $30,417 less than anticipated. This variance can be attributed to a variance in building lease expenses.

Capital Assets and Debt Administration

Capital Assets. The Academy's investment in capital assets for its governmental activities as of June 30, 2021, amounts to $12,912,700 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, leasehold improvements and equipment. The total depreciation expense for the year was $475,051. The following is a schedule of capital assets as of June 30, 2021.

STRIDE Academy Charter School No. 4142's Capital Assets
(Net of Depreciation)

	Governmental Activities		
	2021	2020	Increase (Decrease)
Land	$ 1,650,000	$ 1,650,000	$ -
Equipment	122,090	137,305	(15,215)
Buildings and Improvements	10,855,011	11,271,973	(416,962)
Leasehold Improvements	285,599	273,701	11,898
Total	$ 12,912,700	$ 13,332,979	$ (420,279)

Significant capital asset activity during the current year includes installing a shed and replacing sidewalks, sealcoating, and new coolers for the kitchen. Additional information on the Academy's capital assets can be found in Note 3B on page 44 of this report.

Noncurrent Liabilities. At the end of the current fiscal year, the Academy had the following noncurrent liabilities outstanding.

STRIDE Academy Charter School No. 4142's Outstanding Debt

	Governmental Activities		
	2021	2020	Increase (Decrease)
Bonds Payable	$ 15,410,000	$ 16,375,000	$ (965,000)
Bond Premium	100,524	104,592	(4,068)
Loan Payable	693,752	-	693,752
Total	$ 16,204,276	$ 16,479,592	$ (275,316)

The Academy's total noncurrent liabilities decreased $275,316. The primary reason for the decrease was the regularly scheduled principal payments offset with the issuance of loans payable.

Additional information on the Academy's long-term debt can be found in Note 3D starting on page 45 of this report.

Factors Bearing on the Academy's Future

The Academy will strive to meet its commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

The Academy continues to work on increasing its enrollment each year.

The Academy continues to be dependent on the State of Minnesota for its revenue entitlements.

Requests for Information

These financial statements are designed to provide our citizens, authorizer, customers, and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information, contact STRIDE Academy Charter School No. 4142, 3241 Oakham Lane, St. Cloud, Minnesota 56303.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and temporary investments	$ 637,766
Cash with fiscal agent	1,650,660
Accounts receivable	23,366
Due from the Department of Education	982,714
Prepaid items	36,220
Capital assets	
Nondepreciable assets	1,650,000
Depreciable assets, net of accumulated depreciation	11,262,700
Total Assets	16,243,426
Deferred Outflows of Resources	
Deferred pension resources	2,451,759
Liabilities	
Accounts and other payables	161,377
Accrued salaries payable	235,659
Accrued interest payable	186,875
Due to other governments	45
Unearned revenue	7,200
Noncurrent liabilities	
Due within one year	
Long-term liabilities	361,805
Due in more than one year	
Long-term liabilities	15,902,085
Net pension liability	3,010,013
Total Liabilities	19,865,059
Deferred Inflows of Resources	
Deferred pension resources	4,359,107
Net Position	
Net investment in capital assets	(2,597,824)
Restricted for	
Debt service	1,411,624
Safe schools	4,145
Unrestricted	(4,346,926)
Total Net Position	$ (5,528,981)

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
Governmental Activities					
Administration	$ 443,954	$ -	$ 44,706	$ -	$ (399,248)
District support services	409,259	-	50,010	-	(359,249)
Elementary and secondary regular instruction	2,802,169	2,521	1,772,669	-	(1,026,979)
Special education instruction	927,108	-	967,401	-	40,293
Instructional support services	272,465	219	-	-	(272,246)
Pupil support services	117,874	-	-	-	(117,874)
Sites and buildings	752,834	8,400	682,734	-	(61,700)
Food service	312,298	567	294,253	-	(17,478)
Fiscal and other fixed cost programs	30,732	-	-	-	(30,732)
Interest on long-term debt	769,648	-	-	-	(769,648)
Total Governmental Activities	$ 6,838,341	$ 11,707	$ 3,811,773	$ -	(3,014,861)
General Revenues					
State aid-formula grants					3,267,187
Other general revenues					7,758
Unrestricted investment earnings					557
Total General Revenues					3,275,502
Change in Net Position					260,641
Net Position, July 1					(5,789,622)
Net Position, June 30					$ (5,528,981)

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Balance Sheet
Governmental Funds
June 30, 2021

	General	Building Company	Food Service	Total Governmental Funds
Assets				
Cash and temporary investments	$ 614,744	$ 23,022	$ -	$ 637,766
Cash with fiscal agent	-	1,650,660	-	1,650,660
Accounts receivable	1,205	9,917	12,244	23,366
Due from the Minnesota Department of Education	977,746	-	4,968	982,714
Due from other funds	91,581	-	-	91,581
Prepaid items	36,045	-	175	36,220
Total Assets	$ 1,721,321	$ 1,683,599	$ 17,387	$ 3,422,307
Liabilities				
Accounts and other payables	$ 150,646	$ 10,251	$ 480	$ 161,377
Accrued salaries payable	235,659	-	-	235,659
Due to other governments	45	-	-	45
Due to other funds	-	74,849	16,732	91,581
Unearned revenue	7,200	-	-	7,200
Total Liabilities	393,550	85,100	17,212	495,862
Fund Balances				
Nonspendable prepaid items	36,045	-	175	36,220
Restricted for				
Debt service	-	1,598,499	-	1,598,499
Safe schools	4,145	-	-	4,145
Paycheck Protection Program	156,998	-	-	156,998
Unassigned	1,130,583	-	-	1,130,583
Total Fund Balances	1,327,771	1,598,499	175	2,926,445
Total Liabilities and Fund Balances	$ 1,721,321	$ 1,683,599	$ 17,387	$ 3,422,307

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
June 30, 2021

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

Total Fund Balances - Governmental Funds	$ 2,926,445
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	15,498,296
Less: accumulated depreciation	(2,585,596)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Compensated absences payable	(59,614)
Bond principal payable	(15,410,000)
Premium on bonds payable	(100,524)
Loans payable	(693,752)
Net pension liability	(3,010,013)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflow of pension resources	2,451,759
Deferred inflow of pension resources	(4,359,107)
Governmental funds do not report a liability for accrued interest on bonds until due and payable.	(186,875)
Total Net Position - Governmental Activities	$ (5,528,981)

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Building Company	Food Service	Total Governmental Funds
Revenues				
Revenue from federal sources	$ 754,085	$ -	$ 285,420	$ 1,039,505
Revenue from state sources	5,981,969	-	8,833	5,990,802
Revenue from local sources	47,656	1,437,111	-	1,484,767
Interest earned on investments	350	207	-	557
Sales and other conversion of assets	(574)	-	567	(7)
Total Revenues	6,783,486	1,437,318	294,820	8,515,624
Expenditures				
Current				
Administration	455,237	-	-	455,237
District support services	380,656	42,543	-	423,199
Elementary and secondary regular instruction	2,824,182	-	-	2,824,182
Special education instruction	964,349	-	-	964,349
Instructional support services	267,626	-	-	267,626
Pupil support services	121,383	-	-	121,383
Sites and buildings	1,719,876	-	-	1,719,876
Food service	-	-	311,741	311,741
Fiscal and other fixed cost programs	29,213	1,519	-	30,732
Capital outlay				
Elementary and secondary regular instruction	6,642	-	-	6,642
Sites and buildings	30,997	23,775	-	54,772
Debt service				
Principal	-	965,000	-	965,000
Interest and other charges	-	777,335	-	777,335
Total Expenditures	6,800,161	1,810,172	311,741	8,922,074
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,675)	(372,854)	(16,921)	(406,450)
Other Financing Sources (Uses)				
Transfers in	-	-	16,921	16,921
Transfers out	(16,921)	-	-	(16,921)
Loan issued	693,752	-	-	693,752
Total Other Financing Sources (Uses)	676,831	-	16,921	693,752
Net Change in Fund Balances	660,156	(372,854)	-	287,302
Fund Balances, July 1	667,615	1,971,353	175	2,639,143
Fund Balances, June 30	$ 1,327,771	$ 1,598,499	$ 175	$ 2,926,445

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because		
Net Change in Fund Balances - Total Governmental Funds	$	287,302
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Depreciation expense		(475,051)
Capital outlays		54,772
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.		
Principal repayments		965,000
Bonds issued		(693,752)
Amortization of bond premium		4,068
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		3,619
Long-term pension activity is not reported in governmental funds.		
Pension expense		104,188
Pension revenue		20,469
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(9,974)
Change in Net Position of Governmental Activities	$	260,641

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Revenue from federal sources	$ 272,170	$ 678,720	$ 754,085	$ 75,365
Revenue from state sources	6,274,321	5,933,596	5,981,969	48,373
Revenue from local sources	44,200	53,500	47,656	(5,844)
Interest earned on investments	2,400	1,500	350	(1,150)
Sales and other conversion of assets	-	-	(574)	(574)
Total Revenues	6,593,091	6,667,316	6,783,486	116,170
Expenditures				
Current				
Administration	474,710	450,759	455,237	(4,478)
District support services	425,240	379,476	380,656	(1,180)
Elementary and secondary regular instruction	2,518,190	2,813,918	2,824,182	(10,264)
Special education instruction	885,637	971,722	964,349	7,373
Instructional support services	208,203	253,774	267,626	(13,852)
Pupil support services	161,632	113,258	121,383	(8,125)
Sites and buildings	1,589,111	1,750,293	1,719,876	30,417
Fiscal and other fixed cost programs	36,855	30,000	29,213	787
Capital outlay				
Elementary and secondary regular instruction	8,391	11,624	6,642	4,982
Instructional support services	5,298	3,685	-	3,685
Sites and buildings	12,500	30,997	30,997	-
Total Expenditures	6,325,767	6,809,506	6,800,161	9,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	267,324	(142,190)	(16,675)	125,515
Other Financing Sources (Uses)				
Transfers out	(38,078)	(28,200)	(16,921)	11,279
Loan issued	-	693,753	693,752	(1)
Total Other Financing Sources (Uses)	(38,078)	665,553	676,831	11,278
Net Change in Fund Balances	229,246	523,363	660,156	136,793
Fund Balances, July 1	667,615	667,615	667,615	-
Fund Balances, June 30	$ 896,861	$ 1,190,978	$ 1,327,771	$ 136,793

The notes to the financial statements are an integral part of this statement.

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Food Service Special Revenue Funds
For the Year Ended June 30, 2021

	Food Service			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Revenue from federal sources	$ 306,650	$ 243,301	$ 285,420	$ 42,119
Revenue from state sources	9,000	7,825	8,833	1,008
Sales and other conversion of assets	768	687	567	(120)
Total Revenues	316,418	251,813	294,820	43,007
Expenditures				
Current				
Food service	354,496	280,013	311,741	(31,728)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,078)	(28,200)	(16,921)	11,279
Other Financing Sources (Uses)				
Transfers in	38,078	28,200	16,921	(11,279)
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1	175	175	175	-
Fund Balances, June 30	$ 175	$ 175	$ 175	$ -

The notes to the financial statements are an integral part of this statement.

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Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota is a charter school established April 8, 2004 in accordance with Minnesota statutes. The Academy's financial statements include all funds, departments, agencies, boards, commissions, component units, and other organizations for which the Academy is considered to be financially accountable.

Component units are legally separate entities for which the Academy (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there is one organization considered to be a component unit of the Academy. STRIDE Academy Building Company (the Building Company) is a Minnesota nonprofit organization classified by the Internal Revenue Service (IRS) as a 501(c)(3) tax-exempt organization which owns the real estate and building that is leased by the Academy for its operations. The Building Company is governed by a separate five-member board, including two ex-officio. Although it is legally separate from the Academy, the Building Company is reported as if it were part of the Academy (as a blended component unit) because (1) its sole purpose is to acquire, renovate and own an educational site which is leased to the Academy and (2) the expectation for the debt obligations of the Building Company to be repaid with the Academy's resources under the lease agreement. The building is leased to the Academy under the terms of a long-term agreement. All long-term debt related to the purchase of the building and property and all capital assets related to the school site is the responsibility of and will be under the ownership of the Building Company. The Building Company does not issue separate financial statements.

The Academy is required to operate under a charter agreement with an entity that has been approved by the Minnesota Department of Education (MDE) to be a charter school "authorizer." The authorizer monitors and evaluates the Academy's performance, and periodically determines whether to renew the Academy's charter. The Academy is authorized by the Pillsbury United Communities. Aside from its responsibilities as authorizer, Pillsbury United Communities has no authority or control over the Academy, and it not financially accountable for it. Therefore, the Academy is not considered a component unit of Friends of Education.

Extracurricular student activities, if any, are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. The Academy has no student activity accounts.

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Academy.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally dedicated resources are reported as general revenues rather than as program revenues. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported in separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota statutes and accounting principles generally accepted in the United States of America. Minnesota statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure was made. Other revenue is considered available if collected within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlement and donations. On a modified accrual basis, revenue from non-exchange transaction must also be available before it can be recognized.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Description of Funds

The various Academy funds have been established by the State of Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

The *General fund* is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

The *Building Company special revenue fund* accounts for all activities of the STRIDE Academy Building Company. This includes accounting for the proceeds and uses of resources borrowed to finance the purchase and renovation of the school building, the receipt of lease payments from the Academy, as well as debt service payments required under the terms of the related long-term bonds and loans.

The *Food Service special revenue fund* is used to account for food service revenues and expenditures. The Food Service fund receives revenue from State and Federal sources as well as the receipts from the Academy's nutrition program.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of cash balance participation by each fund.

Cash with fiscal agent represents dollars held by others on behalf of the building company. Interest earnings are restricted to the funds that generate them.

The Academy may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

Note 1: Summary of Significant Accounting Policies (Continued)

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Academy's recurring fair value measurements are valued using quoted market prices (Level 1 inputs).

Due from the Department of Education and Federal Government

Due from the Department of Education and Federal Government include amounts billed for services provided before year end as well as amounts for expenditures that have been incurred before year end that will be reimbursed with state and federal funding. No substantial losses are anticipated from present receivable balances, therefore no allowance for uncollectible has been recorded.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed. The Academy defines capital assets as those with an initial, individual cost of more than $1,000 (amount not rounded). Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Equipment	5 - 20
Buildings and Improvements	10 - 30
Leasehold Improvements	20 - 25

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows 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 resources (expense/expenditure) until then. The government has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions

Teachers Retirement Association (TRA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. The General fund is typically used to liquidate the governmental net pension liability. Additional information can be found in Note 4.

Public Employees Retirement Association (PERA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP) and TRA is as follows:

	GERP	TRA	Total Pension Expense
Total Pension Expense	$ (37,882)	$ 173,221	$ 135,339

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements 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 Academy has one type of item, which arises only under a full accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position of the government-wide statements and results from actuarial calculations.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

Certain Academy employees earn paid time off (PTO) based upon the employee's status (exempt, nonexempt, and full-time versus school year). The Academy compensates employees for unused vacation upon termination of employment. PTO is recorded as an expenditure when it is used. The General fund is typically used to liquidate governmental compensated absences.

Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Academy is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as inventory.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of Board of Directors, which is the Academy's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board of Directors modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board of Directors itself or by an official to which the Board of Directors delegates the authority. The Board of Directors has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Executive Director or accountant.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The Academy considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Academy would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Academy has formally adopted a fund balance policy. The Academy's policy is to maintain a minimum general fund unrestricted fund balance of 20 percent of the annual General fund expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets”.

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the financial statements. Prior to July 1, the Board of Directors adopts an annual budget for the following fiscal year for the General fund and the Food Service special revenue fund. There has not been a budget adopted for the Building Company special revenue fund as it is not legally required. The General fund budget was amended during the current fiscal year. The revenues budget increased by $74,225, primarily related to revenues from state sources. Budgeted expenditures increased by $483,739 with the largest increase in elementary and secondary regular instruction, which increased by $295,728. The Food Service fund budget was amended during the current fiscal year. The revenues budget decreased by $64,605 while budgeted expenditures decreased by $74,483 during the year.

Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

B. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2021 expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Food Service	$ 280,013	$ 311,741	$ 31,728

The excess of expenditures were funded with revenues in excess of budget.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Academy’s deposits and investments may not be returned or the Academy will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board of Directors, the Academy maintains deposits at depository banks that are members of the Federal Reserve System.

Minnesota statutes require that all Academy deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s Investors Service, Inc., or Standard & Poor’s Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the Academy.

At year end, the Academy’s carrying amount of deposits was $637,766 and the bank balance was $640,391. The bank balance was fully covered by federal depository insurance corporation.

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of June 30, 2021, the Academy had the following investments that are insured or registered, or securities held by the Academy's agent in the Academy's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Non-pooled Investments			
Brokered Money Market Accounts	NA	less than one year	$ 1,650,660

(1) Ratings are provided by various credit rating agencies where applicable to indicate association credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

The investments of the Academy are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the Academy's investments to the list on page 37 of the notes.

- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Academy does not have policies in place to address the above risks.

The Academy has the following recurring fair value measurement as of June 30, 2021: Brokered money markets of are valued using quoted market prices (Level 1 inputs).

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	$ 1,650,000	$ -	$ -	$ 1,650,000
Capital Assets Being Depreciated				
Equipment	317,523	-	-	317,523
Buildings and improvements	13,130,927	23,775	-	13,154,702
Leasehold improvements	345,074	30,997	-	376,071
Total Capital Assets Being Depreciated	13,793,524	54,772	-	13,848,296
Less Accumulated Depreciation for				
Equipment	(180,218)	(15,215)	-	(195,433)
Buildings and improvements	(1,858,954)	(440,737)	-	(2,299,691)
Leasehold improvements	(71,373)	(19,099)	-	(90,472)
Total Accumulated Depreciation	(2,110,545)	(475,051)	-	(2,585,596)
Total Capital Assets Being Depreciated, Net	11,682,979	(420,279)	-	11,262,700
Governmental Activities Capital Assets, Net	$ 13,332,979	$ (420,279)	$ -	$ 12,912,700

Depreciation expense was charged to functions of the Academy as follows:

Governmental Activities	
Administration	$ 65
Elementary and secondary regular instruction	924
Special education instruction	528
Instructional support services	2,554
Pupil support services	127
Food service	518
Sites and buildings	470,335
Total Depreciation Expense - Governmental Activities	$ 475,051

Note 3: Detailed Notes on All Funds (Continued)

C. Interfund, Receivables, Payables and Transfers

Interfund Balances

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short-term loans expected to be repaid within one year. The amount owing between funds represents reclassification of temporary cash deficits and short-term loans. At year end, the balances were as follows:

Receivable Fund	Payable Fund	Amount
Primary Government		
General	Building Company	$ 74,849
General	Food Service	16,732
Total		$ 91,581

Interfund Transfers

The General fund transferred $16,921 to the Food Service fund. This transfer was to eliminate deficit fund balance at year end.

D. Long-term Liabilities

Lease Revenue Bonds

The following bonds were issued to finance the acquisition of the STRIDE Academy Building Company (Building Company) education facility, leased by the Academy. They will be repaid from future revenues received by the Academy from the State of Minnesota with respect to General Education Funding, Lease Aid, or any other funding sources, net of specified operating costs. The total pledged revenue reported by the Academy for the year ended June 30, 2021 amounted to $4,016,460, of which $1,437,111 or 35.78 percent was remitted during the current year as lease payments to the Building Company, or was due to the Building Company at the end of the current year and reported as due to other funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Charter School Lease Revenue, Series 2016A	$ 16,690,000	3.0 - 5.0 %	04/15/16	04/01/46	$ 15,410,000

Note 3: Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for the lease revenue bonds are as follows:

Year Ending June 30,	Lease Revenue Bonds Principal	Interest	Total
2022	$ 340,000	$ 747,500	$ 1,087,500
2023	355,000	734,750	1,089,750
2024	370,000	721,438	1,091,438
2025	380,000	707,563	1,087,563
2026	395,000	693,313	1,088,313
2027 - 2031	2,265,000	3,177,250	5,442,250
2032 - 2036	2,895,000	2,550,500	5,445,500
2037 - 2041	3,695,000	1,751,250	5,446,250
2042 - 2046	4,715,000	730,000	5,445,000
Total	$ 15,410,000	$ 11,813,564	$ 27,223,564

<u>Loans Payable</u>

To preserve financial flexibility, the Charter School entered into a promissory note agreement with the Choice Financial Group in the amount of $693,752 pursuant to the Paycheck Protection Program (PPP) loan created by the Coronavirus AID, Relief and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The Charter School used all of the PPP proceeds towards qualifying expenses and pursued forgiveness of the loan amount during the fiscal year. The SBA approved 100% forgiveness in September of 2021.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
PPP Loan	$ 693,752	1.0 %	04/01/21	04/01/26	$ 693,752

Annual debt service requirements to maturity for the PPP Loan are as follows:

Year Ending June 30,	Loans Payable Principal	Interest	Total
2022	$ -	$ 6,938	$ 6,938
2023	-	6,938	6,938
2024	-	6,938	6,938
2025	-	6,938	6,938
2026	693,752	5,227	698,979
Total	$ 693,752	$ 32,979	$ 726,731

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable	$ 16,375,000	$ -	$ (965,000)	$ 15,410,000	$ 340,000
Bond Premium	104,592	-	(4,068)	100,524	-
Loans Payable	-	693,752	-	693,752	-
Compensated Absences	49,640	162,968	(152,994)	59,614	21,805
Governmental Activities Long-term Liabilities	$ 16,529,232	$ 856,720	$ (1,122,062)	$ 16,263,890	$ 361,805

E. Lease Commitments

On April 1, 2016 the Academy entered into an operating lease with the STRIDE Academy Building Company. Under the terms of the lease agreement, the lease term ends thirty years later or June 30, 2046. The net annual base rent for the term of the lease agreement is directly tied to the debt service requirements of the STRIDE Academy Building Company. In addition, the Academy is responsible for all operating costs including maintenance and utility costs. For the year ended June 30, 2021, the Academy paid $1,437,111 in rent under the terms of the previous and existing lease.

The following is a summary of future minimum lease payments:

Year Ending June 30,	Amount
2022	$ 1,193,563
2023	1,195,672
2024	1,195,969
2025	1,193,250
2026	1,181,359
2027 - 2031	5,720,188
2032 - 2036	5,723,064
2037 - 2041	5,723,814
2042 - 2046	3,433,626
Total Minimum Lease Payments	$ 26,560,505

Note 4: Defined Benefit Pension Plans - Statewide

A. Teacher Retirement Association (TRA)

1. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota statutes, chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

Educators employed in Minnesota's public elementary and secondary school, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members. State university, community college, and technical college educators first employed by (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by the State of Minnesota.

2. Benefits Provided

TRA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before **July 1, 1989** receive the greater of the Tier I or Tier II as described:

Tier I:	Step Rate Formula	Percentage
Basic	1st ten years of service	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	1st ten years if service years are prior to July 1, 2006	1.2 percent per year
	1st ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are prior to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

With these provisions:

1. Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

2. Three percent per year early retirement reduction factors for all years under normal retirement age.

3. Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II: For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for coordinated members and 2.7 percent per year for basic members. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated members and 2.7 percent per year for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after **June 30, 1989** receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death or the retiree - no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans, that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is also eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

3. Contribution Rate

Per Minnesota statutes, chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year were:

	Ending June 30, 2019		Ending June 30, 2020		Ending June 30, 2021	
Plan	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	11.71%	11.00%	11.71%	11.00%	12.13%
Coordinated	7.50%	7.71%	7.50%	7.92%	7.50%	8.13%

The Academy's contributions to TRA for the years ending June 30, 2021, 2020 and 2019 were $187,788, $147,484 and $110,835, respectively. The Academy's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following is a reconciliation of employer contributions in TRA's Comprehensive Annual Financial Report "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer Contributions Reported in TRA's Comprehensive Annual Financial Report	
Statement of Changes in Fiduciary Net Position	$ 425,223,000
Add employer contributions not related to future contribution efforts	(56,000)
Deduct TRA's Contributions not Included in Allocation	(508,000)
Total Employer Contributions	424,659,000
Total Non-employer Contributions	35,587,000
Total Contributions Reported in Schedule of Employer and Non-employer Pension Allocations	$ 460,246,000

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

4. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation date	July 1, 2020
Experience study	June 10, 2015
Actuarial cost method	November 6, 2017 (economic assumptions)
Actuarial assumptions	Entry Age Normal
Investment rate of return	
Price inflation	7.50%
Wage growth rate	2.50%
Projected salary increase	2.85% before July 1, 2028 and 3.25% thereafter
Cost of living adjustment	2.85% to 8.85% before July 1, 2028 and 3.5% to 9.25% thereafter
	1% for January 2020 through January 2023 then increasing by 0.1% each year up to 1.5% annually
Mortality Assumption	
Pre-retirement	
	RP - 2014 white collar employee table, male rates set back six years and female rates set back seven years. Generational projection uses the MP - 2015 scale.
Post-retirement	RP - 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP - 2015 scale.
Post-disability	RP - 2014 disabled retiree mortality table, without adjustments.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	35.50 %	5.10 %
International Equity	17.50	5.30
Private Markets	25.00	5.90
Fixed Income	20.00	0.75
Unallocated Cash	2.00	-
Total	100.00 %	

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2020 is 6.00 years. The “Difference Between Expected and Actual Experience”, “Changes of Assumptions” and “Changes in Proportion” use the amortization period of 6.00 years in the schedule presented. The amortization period for “Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments” is 5.00 years as required by GASB 68.

Changes in actuarial assumptions since the 2019 valuation:

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

5. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2020 contribution rate, contributions will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

6. Net Pension Liability

At June 30, 2021, the Academy reported a liability of $2,482,413 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the Academy's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The Academy's proportionate share was 0.0336 which was an increase of 0.0265 percent from its proportion measured as of June 30,2020.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the Academy as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the Academy were as follows:

Academy's Proportionate Share of Net Pension Liability	$ 2,482,413
State's Proportionate Share of Net Pension Liability Associated with the Academy	207,943
Total	$ 2,690,356

For the year ended June 30, 2021, the Academy recognized pension expense of $154,172. It also recognized $19,049 as an increase to pension expense for the support provided by direct aid.

On June 30, 2021, the Academy had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 65,173	$ 57,129
Changes in Actuarial Assumptions	1,611,954	3,015,816
Net Difference Between Projected and Actual Earnings on Plan Investments	8,080	-
Changes in Proportion	475,261	1,167,908
Contributions to TRA Subsequent to the Measurement Date	187,788	-
Total	$ 2,348,256	$ 4,240,853

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Deferred outflows of resources totaling $187,788 related to pensions resulting from the Academy's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

2022	$ (256,573)
2023	(1,605,498)
2024	(375,858)
2025	147,205
2026	10,339

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate.

1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
$ 3,800,548	$ 2,482,413	$ 1,396,336

The Academy's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis and Minneapolis School District.

8. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling (651) 296-2409 or (800) 657-3669.

B. Public Employees Retirement Association (PERA)

1. Plan Description

The Academy participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the Academy are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

2. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

3. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the Academy was required to contribute 7.50 percent for Coordinated Plan members. The Academy's contributions to the General Employees Fund for the years ended June 30, 2021, 2020 and 2019 were $51,739, $47,203 and $41,255, respectively. The Academy's contributions were equal to the contractually required contributions for each year as set by state statute.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

4. Pension Costs

<u>General Employee Fund Pension Costs</u>

At June 30, 2021, the Academy reported a liability of $527,600 for its proportionate share of the General Employee Fund's net pension liability. The Academy's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Academy totaled $16,321. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportionate share of the net pension liability was based on the Academy's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The Academy's proportion was 0.0088 percent which was an increase of 0.0010 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the Academy recognized negative pension expense of ($39,302) for its proportionate share of General Employees Plan's pension expense. In addition, the Academy recognized an additional $1,420 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At June 30, 2021, the Academy reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 4,276	$ 1,995
Changes in Actuarial Assumptions	-	18,697
Net Difference Between Projected and Actual Earnings on Plan Investments	960	-
Changes in Proportion	46,528	97,562
Contributions to PERA Subsequent to the Measurement Date	51,739	-
Total	$ 103,503	$ 118,254

The $51,739 reported as deferred outflows of resources related to pensions resulting from the Academy's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ (110,784)
2023	6,095
2024	25,452
2025	12,747

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

5. Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the General Employees Plan.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employee Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	35.50 %	5.10 %
Alternative Assets (Private Markets)	25.00	5.90
Bonds (Fixed Income)	20.00	0.75
International Stocks	17.50	5.30
Cash	2.00	-
Total	100.00 %	

6. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

7. Pension Liability Sensitivity

The following presents the Academy's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
$ 845,560	$ 527,600	$ 265,309

8. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 5: Other Information

A. Risk Management

The Academy 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 for which the Academy carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in fiscal year 2021.

B. Contingencies

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

C. Economic Dependency

The Academy has a significant amount of revenue (70.4 percent) coming from the State of Minnesota.

D. Income Taxes

The Academy is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Academy also qualifies as a tax-exempt organization under applicable statutes of the State of Minnesota.

Management believes that it is not reasonably possible for any tax position benefits to increase or decrease significantly over the next 12 months. As of June 30, 2021, there were no income tax related accrued interest or penalties recognized in either the statement of financial position or the statement of activities.

The Academy files informational returns in the U.S. federal jurisdiction, and in the Minnesota state jurisdiction. U.S. federal returns and Minnesota returns for the prior three fiscal years are closed. No returns are currently under examination in any tax jurisdiction.

Note 6: Subsequent Event

To preserve financial flexibility, the Charter School entered into a promissory note with Choice Financial Group in the amount of $693,752 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus AID, Relief and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The Charter School used all the PPP proceeds towards qualifying expenses and pursued forgiveness of the loan amount during the current fiscal year. As an event subsequent to the reporting date, the SBA approved 100% loan forgiveness in September 2021. The liability will be reported as of June 30, 2021.

Note 7: COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the Academy cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the Academy’s financial condition, liquidity, and future results of its revenue collections is uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of Employer's Share of Teachers Retirement Association Net Pension Liability

Year	Academy's Proportion of the Net Pension Liability	Academy's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Academy (b)	Total (a+b)	Academy's Covered Payroll (c)	Academy's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2020	0.0336 %	$ 2,482,413	$ 207,943	$ 2,690,356	$ 1,862,178	133.3 %	75.5 %
6/30/2019	0.0265	1,689,116	207,943	1,897,059	1,437,549	117.5	78.2
6/30/2018	0.0291	1,826,132	171,539	1,997,671	1,671,653	109.2	78.1
6/30/2017	0.0513	10,240,411	990,629	11,231,040	2,728,205	375.4	51.6
6/30/2016	0.0450	10,733,574	1,077,005	11,810,579	2,366,747	453.5	44.9
6/30/2015	0.0421	2,604,301	319,686	2,923,987	2,137,520	121.8	76.8
6/30/2014	0.0394	1,815,524	127,805	1,943,329	1,799,712	100.9	81.1

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's Teachers Retirement Association Contributions

Year	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Academy's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
6/30/2021	$ 187,788	$ 187,788	$ -	$ 2,309,819	8.13 %
6/30/2020	147,484	147,484	-	1,862,178	7.92
6/30/2019	110,835	110,835	-	1,437,549	7.71
6/30/2018	125,374	125,374	-	1,671,653	7.50
6/30/2017	204,615	204,615	-	2,728,205	7.50
6/30/2016	177,506	177,506	-	2,366,747	7.50
6/30/2015	160,314	160,314	-	2,137,520	7.50
6/30/2014	125,980	125,980	-	1,799,712	7.00

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - TRA

<u>Changes in Actuarial Assumptions</u>

2020 - Assumed termination rates were changed to more closely reflect actual experience. The pre-retirement mortality assumption was changed to RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019 - No changes noted.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The cost of living adjustment was not assumed to increase to 2.5 percent but remain at 2.0 percent for all future years. The investment return assumption was changed from 8.25 percent to 8.00 percent.

2014 - The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2034.

Notes to the Required Supplementary Information - TRA (Continued)

Changes in Plan Provisions

2020 - No changes noted.

2019 - No changes noted.

2018 - The 2018 Omnibus Pension Bill contained a number of changes:

- The COLA was reduced from 2.0 percent each January 1 to 1.0 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1 percent each year until reaching the ultimate rate of 1.5 percent in January 1, 2028.

- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.

- The COLA trigger provision, which would have increased the COLA to 2.5 percent if the funded ratio was at least 90 percent for two consecutive years, was eliminated.

- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.

- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0 percent to 3.0 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5 percent to 7.5 percent, effective July 1, 2018.

- The employer contribution rate is increased each July 1 over the next 6 years (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 - No changes noted.

2016 - No changes noted.

2015 - On June 30, 2015, the Duluth Teachers Retirement Fund Association was merged into TRA. This also resulted in a state-provided contribution stream of $14.377 million until the plan becomes fully funded.

2014 - The increase in the post-retirement benefit adjustment (COLA) will be made once the plan is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability

Year	Academy's Proportion of the Net Pension Liability	Academy's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Academy (b)	Total (a+b)	Academy's Covered Payroll (c)	Academy's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2020	0.0088 %	$ 527,600	$ 16,321	$ 543,921	$ 629,369	83.8 %	79.0 %
6/30/2019	0.0078	431,245	13,333	444,578	550,067	78.4	80.2
6/30/2018	0.0084	465,998	15,329	481,327	540,573	86.2	79.5
6/30/2017	0.0133	849,063	10,676	859,739	856,754	99.1	75.9
6/30/2016	0.0117	949,982	12,352	962,334	791,493	120.0	68.9
6/30/2015	0.0090	466,427	-	466,427	520,547	89.6	78.2
6/30/2014	0.0093	436,867	-	436,867	485,669	90.0	78.7

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's Public Employees Retirement Association Contributions

Year	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Academy's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
6/30/2021	$ 51,739	$ 51,739	$ -	$ 689,858	7.50 %
6/30/2020	47,203	47,203	-	629,369	7.50
6/30/2019	41,255	41,255	-	550,067	7.50
6/30/2018	40,543	40,543	-	540,573	7.50
6/30/2017	64,257	64,257	-	856,754	7.50
6/30/2016	59,362	59,362	-	791,493	7.50
6/30/2015	39,041	39,041	-	520,547	7.50
6/30/2014	35,211	35,211	-	485,669	7.25

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - PERA

Changes in Actuarial Assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Notes to the Required Supplementary Information - PERA (Continued)

Changes in Plan Provisions

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The state's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 - No changes noted.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised.

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INDIVIDUAL FUND SCHEDULE AND TABLE

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

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STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Continued on the Following Pages)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Revenue from federal sources	$ 272,170	$ 678,720	$ 754,085	$ 75,365	$ 242,916
Revenue from state sources, net	6,274,321	5,933,596	5,981,969	48,373	5,065,394
Other local and county revenue	44,200	53,500	47,656	(5,844)	42,663
Interest earned on investments	2,400	1,500	350	(1,150)	1,562
Sales and other conversion of assets	-	-	(574)	(574)	(1,528)
Total Revenues	6,593,091	6,667,316	6,783,486	116,170	5,351,007
Expenditures					
Current					
Administration					
Salaries	350,005	343,025	343,050	(25)	291,760
Fringe benefits	78,000	67,122	70,653	(3,531)	39,407
Purchased services	4,926	2,200	2,312	(112)	6,376
Supplies and materials	3,108	3,031	3,526	(495)	6,157
Other	38,671	35,381	35,696	(315)	34,220
Total administration	474,710	450,759	455,237	(4,478)	377,920
District support services					
Salaries	139,000	118,049	118,496	(447)	93,204
Fringe benefits	77,500	61,826	67,353	(5,527)	46,811
Purchased services	180,510	167,866	162,305	5,561	143,750
Supplies and materials	28,230	31,735	32,502	(767)	24,930
Total district support services	425,240	379,476	380,656	(1,180)	308,695
Elementary and secondary regular instruction					
Salaries	1,954,331	2,080,870	2,073,799	7,071	1,800,242
Fringe benefits	442,276	471,514	474,793	(3,279)	400,486
Purchased services	40,885	44,706	29,448	15,258	12,410
Supplies and materials	80,298	214,378	245,602	(31,224)	128,051
Other	400	2,450	540	1,910	3,339
Total elementary and secondary regular instruction	2,518,190	2,813,918	2,824,182	(10,264)	2,344,528
Special education instruction					
Salaries	594,634	669,659	661,699	7,960	507,738
Fringe benefits	140,180	157,072	140,394	16,678	111,944
Purchased services	147,123	137,370	155,579	(18,209)	95,141
Supplies and materials	3,700	7,621	6,677	944	8,581
Total special education instruction	885,637	971,722	964,349	7,373	723,404

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Instructional support services					
Salaries	$ 108,500	$ 79,924	$ 79,924	$ -	$ 114,085
Fringe benefits	29,680	23,279	24,503	(1,224)	26,568
Purchased services	29,977	30,713	29,103	1,610	16,743
Supplies and materials	40,046	119,858	134,096	(14,238)	34,059
Other	-	-	-	-	450
Total instructional support services	208,203	253,774	267,626	(13,852)	191,905
Pupil support services					
Salaries	46,379	50,489	58,483	(7,994)	44,518
Fringe benefits	9,110	11,076	12,739	(1,663)	10,587
Purchased services	104,913	50,339	48,430	1,909	93,971
Supplies and materials	1,230	1,354	1,731	(377)	1,041
Total pupil support services	161,632	113,258	121,383	(8,125)	150,117
Sites and buildings					
Salaries	1,000	642	642	-	39,395
Fringe benefits	1,275	1,066	1,122	(56)	9,105
Purchased services	1,574,926	1,727,333	1,697,713	29,620	1,402,051
Supplies and materials	11,910	21,252	20,399	853	18,059
Total sites and buildings	1,589,111	1,750,293	1,719,876	30,417	1,468,610
Fiscal and other fixed cost programs					
Purchased services	36,855	30,000	29,213	787	29,827
Total current	6,299,578	6,763,200	6,762,522	678	5,595,006
Capital outlay					
Administration	-	-	-	-	190
Elementary and secondary regular instruction	8,391	11,624	6,642	4,982	3,000
Instructional support services	5,298	3,685	-	3,685	3,586
Sites and buildings	12,500	30,997	30,997	-	6,270
Total capital outlay	26,189	46,306	37,639	8,667	13,046
Total Expenditures	6,325,767	6,809,506	6,800,161	9,345	5,608,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	267,324	(142,190)	(16,675)	125,515	(257,045)

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Other Financing Sources (Uses)					
Transfers out	$ (38,078)	$ (28,200)	$ (16,921)	$ 11,279	$ (14,026)
Loan issued	-	693,753	693,752	(1)	-
Total Other Financing Sources (Uses)	(38,078)	665,553	676,831	11,278	(14,026)
Net Change in Fund Balances	229,246	523,363	660,156	136,793	(271,071)
Fund Balances, July 1	667,615	667,615	667,615	-	938,686
Fund Balances, June 30	$ 896,861	$ 1,190,978	$ 1,327,771	$ 136,793	$ 667,615

Fiscal Compliance Report - 6/30/2021
District: STRIDE ACADEMY (4142-7)

01 GENERAL FUND

	Audit	UFARS	Audit - UFARS
Total Revenue	$6,783,486	$6,783,471	$15
Total Expenditures	$6,800,161	$6,800,146	$15
Non Spendable:			
4.60 Non Spendable Fund Balance	$36,045	$36,045	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.03 Staff Development	$0	$0	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.13 Project Funded by COP	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.24 Operating Capital	$0	$0	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe School Crime - Crime Levy	$4,145	$4,145	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	$0	$0	$0
4.72 Medical Assistance	$0	$0	$0
4.73 PPP Loan	$156,998	$156,998	$0
4.74 EIDL Loan	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$0	$0	$0
Unassigned:			
4.22 Unassigned Fund Balance	$1,130,583	$1,130,584	($1)

02 FOOD SERVICES

	Audit	UFARS	Audit - UFARS
Total Revenue	$294,820	$294,821	($1)
Total Expenditures	$311,741	$311,742	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$175	$175	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust			

06 BUILDING CONSTRUCTION

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Project Funded by COP	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

07 DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

08 TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

18 CUSTODIAL

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0

20 INTERNAL SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

25 OPEB REVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures			

	$0	$0	$0
4.74 EIDL Loan	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$0	$0	$0
4.32 E.C.F.E	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$0	$0	$0
4.47 Adult Basic Education	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.73 PPP Loan	$0	$0	$0
4.74 EIDL Loan	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

47 OPEB DEBT SERVICE

Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

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OTHER REQUIRED REPORTS

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Members of the Board of Directors
STRIDE Academy
STRIDE ACADEMY CHARTER SCHOOL Charter School No. 4142
St. Cloud, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities and each major fund of STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated NEED DATE.

In connection with our audit, nothing came to our attention that caused us to believe that the Academy failed to comply with the provisions of the uniform financial accounting and reporting standards, and charter schools sections of the *Minnesota Legal Compliance Audit Guide for Charter Schools*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Academy's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo
Minneapolis, Minnesota
NEED DATE

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*

Members of the Board of Directors
STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota

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 and each major fund of STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated NEED DATE.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing auditing 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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 matter that is required to be reported under *Government Auditing Standards*.

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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo
Minneapolis, Minnesota
NEED DATE

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FEDERAL AWARD PROGRAMS

STRIDE ACADEMY CHARTER SCHOOL
ST. CLOUD, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE*

Members of the School Board
STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the compliance of STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2021 . The Academy's major programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Academy's compliance.

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021

Report on Internal Control Over Compliance

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Abdo
Minneapolis, Minnesota
NEED DATE

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Administering Department	Grant Name	Federal Domestic Assistance Number	Federal Program Clusters	Federal Expenditures
U.S. Department of Education				
MN Department of Education	Title I Grants to Local Educational Agencies	84.010		$ 147,828
MN Department of Education	Rural Education	84.358		30,000
MN Department of Education	English Language Acquisition State Grants	84.365		2,433
MN Department of Education	Student Support and Academic Enrichment Program	84.424		12,580
MN Department of Education	Supporting Effective Instruction State Grants	84.367		1,695
MN Department of Education	Governor's Emergency Education Relief (GEER) Fund	84.425C	40,227	
MN Department of Education	Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act	84.425D	210,649	
	Total COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act			250,876
MN Department of Education	Special Education (IDEA, Part B)	84.027	89,862	
MN Department of Education	Special Education Preschool Grants	84.173	862	
	Total Special Education (IDEA) Cluster			90,724
Total U.S. Department of Education				536,136
U.S. Department of Agriculture				
MN Department of Education	Supplemental Nutrition Assistance Program	10.551	1,144	
	Total Supplemental Nutrition Assistnace Program Cluster			1,144
MN Department of Education	Commodity Supplemental Food Program		19,679	
	Total Food Distribution Cluster			19,679
MN Department of Education	School Breakfast Program	10.553	88,463	
MN Department of Education	National School Lunch Program	10.555	177,278	
	Total Child Nutrition Cluster			265,741
Total U.S. Department of Agriculture				286,564
U.S Department of Treasury				
MN Department of Education	COVID-19 - Coronavirus Relief Fund - Direct	21.019	142,511	
Stearns County	COVID-19 - Coronavirus Relief Fund - Sterns County	21.019	48,866	
MN Department of Education	COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	26,957	
Total U.S. Department of Treasury				218,334
Total				$ 1,041,034

STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of STRIDE Academy Charter School No. 4142 (the Academy), St. Cloud, Minnesota . The Academy's reporting entity is defined in Note 1A to the Academy's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). All federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the schedule.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-Through Entity Identifying Numbers

Pass-through entity identifying numbers, if any, are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended June 30, 2021, the Academy did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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STRIDE Academy
Charter School No. 4142
St. Cloud, Minnesota
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of Uniform Guidance?	No

Identification of Major Programs/Projects	**CFDA No.**
Department of Treasury - Coronavirus Relief Fund	
Coronavirus Relief Funds	21.019
Department of Education - Coronavirus Aid, Relief, and Economic Security Act	
Coronavirus Relief Funds - Education Stabilization Fund	
Governor's Emergency Education Relief (GEER) Fund	84.425C
Education Stabilization Fund	84.425D

Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

There were no findings related to the audit of the financial statements reported in the 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* .

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with Uniform Guidance.